

## Branding Through Corporate Social Responsibility – A Study



### Management

KEYWORDS : Corporate Social Responsibility, Branding, Consumers, Business Operations.

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### ABSTRACT

*Many firms involve in socially accountable deeds as a portion of their normal business operations. Corporate Social Responsibility is the tolerating promise by company to behave ethically and give to the commercial development. Corporate Social Responsibility is a charitable providing; strategic philanthropy area involvement or cause-connected marketing and creates a landing locale in the minds of target consumers. The aim of the research is to study the relationship between Corporate Social Responsibility and Branding. The alignment of brand and Corporate Social Responsibility strategies inclines to be extra tough for firms to grasp. It not merely caters to the brand equity awareness among customers but additionally leads a affirmative brand picture in the minds of possible consumers. A rising bulk of globe confidential firms embraces Corporate Social Responsibility not merely because it is the right thing to do and it strengthens their brands and involve in socially accountable deeds as a portion of their normal business operations.*

### INTRODUCTION OF THE STUDY

In recent years, with industrial development and social progress CSR have been consenting good attention among the public. CSR strategy purposes as a built-in, self manipulating mechanism whereby company monitors and ensures its alert compliance alongside the spirit of the law, ethical standards and international norms. The goal of CSR is to embrace responsibility for the company's action and enthuse a positive impact through its activities on the environment, consumers, employees, communities, stakeholders. There are two reasons why CSR is getting more attention: firstly, enterprises are getting to understand that CSR is a key to business success and secondly non-profit organizations need support, and this inspires enterprises to participate.

Most enterprises believe that carrying out CSR can make themselves recognizable to the public because undertaking social responsibilities allows a company to build good images and a good reputation. Therefore, a firm grasping out its strategy of social responsibility can enhance its good image and create a competitive edge. A company can also use its distinctive brand images to promote its competitiveness; that is, endowing unique characteristics and images to its brand image and passing its message to consumers, so that their different feeling concerning the brand are affirmatively affected. Though CSR is a key agent in the raise of brand images. Present study focus on brand positioning through Corporate Social Responsibility with reference to Carborundum Universal Limited, Kochi. Carborundum Universal Limited is a part of Murugappa Group. The firm pioneered the produce of coated Abrasives and Bonded Abrasives in India in supplement to the produce of Super Refractories, Electro Minerals, Industrial Ceramics and Ceramic Fibres.

### RELEVANCE OF THE STUDY

The concept of Corporate Social Responsibility is not brand new, however it has evolved considerably in the last few decades since the phrase CSR was coined in 1953. Corporate Social Responsibility Voluntary Guidelines 2009 was released by the Ministry of Corporate Affairs in December 2009. There are some Principles and core elements prevailing in the National Voluntary Guidelines. They are :- (i) Business should conduct and govern themselves with ethics, Transparency and Accountability. (ii) Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle. (iii) Business should promote the wellbeing of all employees. (iv) Businesses should respect and promote human rights (v) Business should respect, protect, and make efforts to restore environment.

After the existence of National Voluntary guidelines, Ministry of corporate Affairs has recently notified Section 135 and Schedule VII of the companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules 2014 which has come into effect from 1 April 2014. Every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their business it is also vital to build trustworthy and sustainable relationships with the community at large. Implementation of a CSR policy may generate a trusting relationship that leads stakeholders to become committed to the organization through actions such as customer loyalty etc.

### REVIEW OF LITERATURE

Porter and Kramer (2002, p.3), —When corporations support the right causes in the right ways..they set in motion a virtuous cycle. But the question is, does this virtuous cycle simply support a company's bottom line or are there further marketing benefits? Supporting the right causes through corporate social responsibility (CSR) may have benefits to a brand and this chapter discusses both CSR and brand.

CSR has received increasing attention, in business settings and the media (De Los Salmones et al., 2005; Pivato et al., 2008). However, Sen and Bhattacharya (2001) concluded the effects of CSR on consumer behaviour and brand attitudes have been limited. Although research does suggest consumers are affected in a positive way by CSR (Ellen et al., 2006; Creyer & Ross, 1997). Delgado-Ballester and Munuera-Aleman (2004) also suggest there has been limited analysis of brand trust in terms of consumers. Further research on the impact of CSR and brand trust specifically is required. CSR could have direct impact on brand trust, appealing to the emotive side of consumers by making the brand or company appear caring and reliable, but there needs to be more supporting evidence.

The concept of CSR originated in 1953 after the publication of Bowen's book Social "Responsibilities of Businessmen" (Valor, 2005). According to Kotler and Lee (2005), it is a difficult concept to pin down as it overlaps with other such concepts as sustainable business, corporate citizenship and business ethics (Moon, 2002). According to Mohr, Webb and Harris (2001), CSR is a

company's effort and responsibility to reduce or avoid harmful effects and to maximize its long run positive and useful impact on society. In spirit CSR speaks of organization's reaction to social plans.

Brand image is an important concept in consumer behavior studies since the early 1950s (Li, Wang & Cai, 2011). Levy (1959) proposed the concept of brand image and suggested that merchandises have societal and emotional characteristics and consumers develop emotional connections with the brands. Brand image is the most vital part of brand equity as brand image comprises of all links in the mind of consumers interconnected to that brand. So if anything which has an influence on a business from consumer's point of view is brand image. The brand image of a popular brand is a valuable business asset as consumers identify products and services more easily through the respective brands. These perceptions which are grounded on connections between characteristics and the brand name are normally stated as the brands image (Keller, 1993). So, brand image is basically a perception of a brand held in the memory of a customer and it reveals a customer's general impression

Nowadays a brand is not considered just as logo but it is more likely taken as a carefully scored experience which is supported by huge marketing budgets, action and cultured mindset. A positive brand image can be taken as a capability of a firm to hold its market position (Wu, 2011). A positive brand image helps to increase numerous outcomes such as customer's contentment, service superiority, loyalty and repurchasing intention (Lai, Griffin & Babin, 2009). Therefore, much of the marketing struggle is focused on building up perceptions about the brand in the memory of a consumer.

#### OBJECTIVES OF THE STUDY

Corporate Social Responsibility initiatives on branding with reference to CUMI.

#### METHODOLOGY OF THE STUDY

The paper work is based on the primary and secondary information collected from the vivid resources concerning to the Corporate Social Responsibility and Branding. Primary data is attained through the discussion with the Senior HR Manager of CUMI. Secondary information is collected from the journals, magazines, company website etc.

#### FINDINGS OF THE STUDY

Carborundum Universal Limited is a part of Murugappa Group. At CUMI, people have always been core strength. The company has always subscribed to the philosophy that great organizations are people driven. Based on the findings from the research carried out in the community, they have identified some major areas like solid waste management, child development, education support, health support, CUMI's skill development centre.

**Solid Waste Management Program:** - CUMI has decided to give 80% subsidy to the public in buying a domestic bio - gas plants and vermin pots and also a committee has been constituted for effectively monitoring the implementation and evaluation of the project.

**Child Education Sponsorship:** - This program aimed at supporting 50 children in their education by providing financial support for a period of eight continuous years. The objective of the program are to facilitate learning for all, to ensure that constitutional requirements are met, take care of the youngest segment to positively impact of the culture, empower families, addressing a social issue of drop out due to financial non- viabilities. This program has been commenced on June 4, 2011 and issued learning materials to fifty deserving children.

**Key Children Program:** - This project aimed at addressing the after- school hours of children whose parents are employed which is time where if intervene effectively can utilize for their development. Also as per many studies that is the time that children are more susceptible to abuse. This program will create a change in the scenario by bringing in development programs during that time slot in turn eliminate the chance of abuse. It help the youth in the community so as to engage in the segment to a great extend and this exercise will provide them with an opportunity to create a meaning in the social course.

**Community Health Support Program:** - Two sides of Edapally plants are thickly populated area mostly the working class. Neglected area noted in the survey was old age people, children and women. To support them a dispensary with free medicine is facilitated which functions 6 days in a week. CUMI is providing the service of doctor and supporting medical staff for 4 days and doctors from Cochin Cooperative Medical College extend their service on two days. All the out patients are supported with Generic medicines free of cost.

**Community Out Reach Program:** -

- Drinking water for children at schools
- Noon meals program for students at school
- Cultural development program for local community
- Environmental awareness program
- CUMI's light at your house - program of energy conservation
- Health awareness camp
- Pampa cleaning project.

#### Stakeholder Engagement: -

The organization has given a significant thrust on stakeholder involvement to better understand its impacts, to help articulate its CSR values, mission, strategy, commitments and implementation to facilitate an emotional approval process, to participate in measurement and reporting, to resolve issues, and to proactively improve relationships. The exercise was started with a stakeholder mapping in order to comprehensively cover all the stakeholders in the process of fulfilling social responsibility. The objective of the stakeholder involvement and engagement program was to -

- Create awareness on CSR
- Capacity building
- Weigh interests of stakeholders
- Improve relationships
- Lay foundation for a long term development
- Support the communication strategy
- Impart the value system to internal stakeholders
- Implement and evaluate the program

The organization has built a strong measurement system, which includes tracking and reporting results, creating both transparency and accountability, thus providing a strong incentive for all stakeholders to perform up to CSR expectations. Also tracked how individuals and the organization perform against CSR goals as well as the impact that organization has on key stakeholders. The committee had made this possible through its interim reports, beneficiary feedbacks and implementation reviews and also multi criterion analysis were made to quantify the results of the program. CUMI undertakes monthly evaluation considering child sponsorship program. There will be parents encounter once in a month. Under Environment sustainable projects, month of June is celebrated as Environment month. Kitchen garden promotion seizes locale across this month. They have led a plan shouted 'Planet Earth' at Aluva from 2014 onwards. It generally deals alongside recycling of waste papers and it is an ongoing process.

**Impacts: -**

- Elimination issue of solid waste
- Reduce fuel fills
- Spread of kitchen gardens
- Improved community relationships
- Engaged youths
- Financially independent youth
- Business continuity

**CONCLUSION**

The sustainable business growth is associated with care for the community and markets the corporations operate in. The companies are involving of CSR in business practices and customers today almost expect companies to be socially responsible. The present social marketing concept of companies is constantly evolving and has given rise to a new concept- Corporate Social Responsibility. Many of the leading companies across the world had realized the importance of promoting their brands. CUMI has already undertaken CSR activities like Child Education sponsorship, Key Children Program, Community health support program which help them to establish their brand name among the society.

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