

# The Role of CSR in Brand Equity during COVID -19 Pandemic

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## ABSTRACT

The world faced a global pandemic due to a virus named as COVID-19 in December, 2020. This pandemic affected all the economic sectors of the globe including economical sector, primary sector or secondary sector. The complete globe was struggling for their life as there was absence of proper equipments and medicines. At that time everyone was trying to help each other and the corporate sector too was a part of this. They were contributing to the society by using corporate social responsibility (CSR). This helped them in creating a positive brand image leading to the increase in the brand equity. After analysing this trend, the corporate managers started using CSR as a strategically tool for the betterment of their organization. This paper aims to analyse the role of CSR in creating brand equity during that pandemic situation. For this, the explanatory method of research has been used and it shows that the organizations that were using the CSR as an opportunity strategically were able to create a better brand equity as compared to the other ones.

## I. INTRODUCTION

The global pandemic COVID-19 caused paralysis to the world and as a result all the businesses activities stopped at once. The infectious disease induced by Coronavirus that outbreak has disturbed the world economy. This cost all the countries to face the unconscious ill-equipped and leaving them witness the worst affect in all the economic sectors such as sports aviation education and agriculture. The Centre for this pandemic was Wuhan city China. On 31 December, 2019, first time the virus named as serious respiratory syndrome was reported during the traditional Chinese Spring Festival by China Central province of Hube. On 11 March 2020, world health organisation proclaimed this Covid 19 epidemic being a global pandemic.

In a very short period of time this minor outbreak of Covid 19 turned into global pandemic

causing world health organisation to announce public health emergency and life affecting social economic crisis. This virus has altered the ways of attitude, functions of the corporate sector and the design, distribution and quality of goods/ service. All the countries underdeveloped, developing or developed were kneeling in this pandemic duration. The individuals private organisations as well as government was unable to reduce the impact of COVID-19 in any sector of economy. It is true that in a situation where the globe was facing a pandemic, it was everyone's including organisations' responsibility to help the government in facing the struggles and minimising the intense affects of this virus. Many organisations took different initiatives to face the challenge of this pandemic for example ICSR initiative taken by organisations in Nigeria was Nigeria private sector collusion against COVID-19 (CACOVID) to help the nation in facing this health crisis.

These efforts initiated by organisations help with the globe in facing these health crises as well as these organisations its self in enhancing their brand equity. Managers used it as an opportunity using strategic brand management by putting marketing programs in facilitating brand equity and try to make most of their value. In the way of facing the consequential effects of this pandemic most organisations started in engaging corporate philanthropic activities using the CSR efforts in increasing their brand equity.

The term brand equity is the added value to a product by its brand name (Farquhar, 1989). At first, products were nearly similar and so their advertisements. Due to short term promotions, the profitability of the brands were decreasing (Aaker, 1991; Cobb- Walgren et al., 1995). This made the retailers and manufacturers to find ways for increasing loyalty and brand equity towards the branch. Since the last decade, focus of corporate mergers has shifted towards intangible assets of brands or brand equity from the concept of

monitory gain by economies of scale (Cobb-Walgren et al., 1995).

The Four components of brand equity are brand awareness, brand association, perceived quality, brand loyalty (Aaker (1991) and Keller (1993).

## II. RESEARCH METHODOLOGY

This paper aims to find the relationship between the corporate social responsibility as a strategical tool and its effect on the brand equity of the organization. Explanatory method has been used to explain this relationship. The existing research studies from various publishing houses has been critically analysed for this purpose. This helped in understanding the different perspectives related to the role of CSR on any brand during pandemic of COVID-19.

**2.1 Brand awareness-** It is the presence of any brand in consumers mind. Aaker explained that there are many levels of brand awareness that can be ranged in between near recognition to dominance of any brand and said that a consumer will recall any brand only if it is involved in their life. According to Rossiter and Percy (1987), the ability of consumers to recognise or identifying the brand is called brand awareness while Keller said that brand awareness has two components brand recognition as well as brand recall. He further Explained that brand recall means the ability of consumers' to retrieve the brand from memory. He said that "brand recognition maybe more important to the extent that product decisions are made in the store". Brand Association related to the no less a customer is having in his mind regarding the brand, it could be positive or negative (Emami et al., 2012).

**2.2 Brand associations-** according to Taylor 1993 brand associations means to contain "the meaning of the brand for consumers". Any brand can get Association using variety of sources but organisational associations and brand personality are the most important types of brand association that can influence their brand equity (Aaker, 1991). Brand personality means the various features or traits date can we assumed from perception of consumers regarding the brand (Aaker, 1991; Keller, 1993). After 1991 explained that there is a level of strength with the brand called as brand association and this brand association will be stronger based on exposures communication or experiences a person oblique customer will have with the brand. He also said that it gives the consumers a reason to buy the brand and if there

will be positive attitudes or feelings among consumers towards the brand, the brand association will increase.

**2.3 Perceived quality-** it is the subjective evaluation of the product done by the consumers and not the actual quantity of the product (Zeithaml, 1988). Perceived quality also add value to the consumers by giving them a reason to buy from that brand and by providing differentiation from the competitive brands.

**2.4 Brand loyalty -** it is defined as "the attachment that a consumer has to a brand" (Aaker, 1991). According to Oliver, 1997, brand loyalty is "a deeply held commitment to re-buy or repatronise a preferred product or service consistently in the future, despite situationally influences and marketing offers having potential to cause switching behaviour. Rossiter and Percy (1987) said that brand loyalty is a favourable attitude towards a brand that leads to repeat purchase of the same brand. Brand loyalty can be defined as "the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice" (Too and Donthu, 2001). The more is the brand loyalty of a consumer, more are the chances that he perceive only that brand being superior in quality or vice versa. The dimension of brand equity given by Aaker is brand assets and it is not directly connected to the consumers, that's why it is not included in the research.

**2.5 Corporate Social Responsibility-** It has mainly three terms. The meaning of 'corporate' means the large spectrum of businesses, 'social' refers to the community we interact and the meaning of 'responsibility' is the intrinsic relationship of these both sides (Sekariapuram, 2016).

CSR basically means the ethical behaviour of businesses playing helpful role social and economic development increasing the standard of employees and their families by contributing in the society like building a hospital, school or something that can help a local community and these operations are done by the company (Saeednia, H. R. & Sohani, Z., (2013). CSR gives a lot of opportunities for having competitive advantages to the companies by performing better towards the society and grabbing greater share of market it and it will very helpful for both the company and the society (Tuominen, P. 1990). For this present study there are four dimensions taken in corporate social responsibility these are responsibility towards COVID-19, towards environment, toward customers and toward

local community (Abdul wahab Saleh (Aaker, 1991) (keller, 2003)Alwahaashi& Ahmed Medjedel, 2022).

### 2.6 Conceptual framework-

The conceptual framework is based on brand signalling theory from information economic's end associative network memory model from cognitive psychology. Associative network memory helps in explaining the relationship between brand equity and Indo Sir credibility. The brand signalling theory helps in knowing the mediating role played by brand credibility in the relationships

### 2.7 The associative network memory model-

Human memory can be explained as "a network consisting of various nodes connected by associative links" (Till and Shimp, 1998). Every node has a potential source of activation for the other associated nodes. When one first node activates the other associated nodes and then these nodes will activate the further associated nodes (Collins and Loftus, 1975). In marketing this model is used to explain the memory structure (Till and Nowak, 2000). The celebrity represents an individual node and when these individual nodes are associated with other side that is the brand then whenever the first node will come in consumers mind then he will automatically connect to the brand endorsed by him (Till, 1998).

### 2.8 Brand signalling theory-

Brand signalling literature is the base for the concept of brand credibility. According to this theory that is based on information economics, brand as a signal can be used by the firms for transferring information in a market space that can be featured by imperfect and a symmetric information (Erdem and Swati, 2004; Erdem et al., 2002). Clarity and credibility can be considered the content of a brand signal. Clarity means "the lack of ambiguity of the brand signal content" (Erdem and Swati, 1998) while credibility means the effectiveness of information by which it is transferred through brand signal and how trustworthy that information can be considered (Tirol, 1988).

## III. CONCLUSION

The result of literature shows that corporate philanthropy, economic and legal responsibilities are having a significant relationship with customers brand equity. It shows that the predictors of brand equity or corporate philanthropy, economic and legal responsibilities. The results indicate that with the help of corporate

social responsibility the companies can create a positive brand equity leading the increase in the purchase intention in consumers mind helping the companies to gain monetary value. It will also help the society to overcome the affect of Covid 19. The most important area to work on by corporate social responsibility is it in the health sector. Before Covid 19 the brand equity was totally based on the promotions done by the brand ambassadors and the association of these brand ambassadors were helping the brand to create the brand equity but after COVID-19 people has understand the value of society in their life they understood that if people around them are safe and happy then it will help them to in leaving the positive and healthy life. The corporate sector has also understand that it is their responsibility too for contributing in the well-being of the society and when all the stake holders of their organisations will be healthy and mindful then only the society will be able to work properly, as a result corporate sector will be able to earn the monetary profit. The work has done by the corporate as CSR during Covid have helped them in creating a very positive brand equity and leading them in performing better. Thus we can say that CSR can itself work as a promotional tool in creating brand equity if it is used strategically.

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