

Corporate Social Responsibility and Its Influence on Brand Equity in the Indian Pharmaceutical Sector

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Abstract

In the modern world, society expects that socially responsible corporations will provide more benefits. On a worldwide scale, corporate social responsibility is having a strong impact on it. Numerous industries have realised the advantages and benefits of executing corporate social responsibility strategies for both business and society. According to studies conducted in developed economies, corporate social responsibility (CSR) affects a brand's performance. However, there are few studies of this sort available in developing economies such as India. Therefore, this study explores the connection between corporate social responsibility and brand equity (BE). Several studies have been conducted in this field, but the results are contradictory. As a result, previous studies failed to consider mediating factors and/or confounding factors, which can alter the direction of a relationship. Therefore, this study considered brand awareness, association, and loyalty to the brand, as well as perceived quality as potential mediators. Based on the results of a structural equation modelling (SEM) approach, we conclude that different CSR activities enhance the value of firm brands. However, not all activities contribute significantly to brand value. CSR activities relating to product based are key brand drivers that impact brand value whereas activities associated with the consumer have no significant impact on brand value. The results of Corporate-governance-based, environmental based and overall CSR contribute significantly to the creation of overall brand equity of firm.

Keywords: *Brand equity, corporate social responsibility, Brand association, Brand loyalty, Perceived quality, Brand awareness, India.*

1. Introduction

Across the world, corporations are adjusting to their new role, which is to address the requirements of today's generation without jeopardising the needs of tomorrow. Businesses are slowly but steadily accenting responsibility with regard to the social and environmental