Chapter 7
An Empirical Study Examining the Relationship Between Brand Equity and Corporate Social Responsibility

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ABSTRACT

Contemporary business practices, particularly in brand equity and CSR, provide a foundation to empirically study these variables together, making this research unique. Corporate strategy increasingly depends on CSR initiatives, which influence consumer loyalty, brand strength, and public perception. This research compares short-term and long-term CSR programs using a mixed-methods approach, combining

qualitative insights from industry executive interviews with quantitative consumer survey analysis. Findings reveal a positive correlation between CSR engagement and brand equity, indicating that firms with effective CSR policies enjoy higher stock performance, consumer confidence, and brand loyalty. These findings underscore the importance of integrating CSR into core business strategies, which can protect, build, and sustain brand value and competitive advantage in the long run. This study enriches literature by providing empirical evidence on how CSR affects brand equity and offers valuable advice for policymakers and managers to enhance their companies through CSR.

INTRODUCTION

Background and Significance of CSR and Brand Equity

Corporate Social Responsibility (CSR) has evolved into a critical operational framework through which companies demonstrate their commitment to sustainability and ethical business practices, especially in today's highly competitive, socially conscious landscape. In an era where social media amplifies corporate behavior, balancing the triple bottom line—people, profit, and planet—has become a cornerstone of CSR. This includes initiatives in environmental sustainability, community engagement, ethical employment practices, and philanthropy (Aguinis & Glavas, 2019). CSR is increasingly integrated into corporate strategies as stakeholders, driven by rising societal awareness and social concerns, demand greater accountability from businesses.

The relationship between CSR and brand equity has gained prominence in recent years due to a growing consumer preference for companies that operate with social and ethical responsibility. As defined by Keller (2013), brand equity refers to the value consumers associate with a product or company's name, shaped by their knowledge and perceptions. This equity is a key driver of consumer behavior, influencing attitudes and purchase decisions. Strong brand equity fosters customer loyalty, enhances perceived quality, and bolsters market recognition, all of which can translate into higher price premiums and increased sales.

Recent research (Agrawal et al., 2020) highlights several dimensions of the connection between CSR and brand equity. Companies perceived as socially responsible are more likely to build consumer trust and long-term loyalty (He & Li, 2020). Effective communication of CSR initiatives helps organizations stand out in competitive markets, enhancing their brand value. Furthermore, CSR efforts can act as a protective buffer during times of crisis, mitigating the impact of negative publicity (Kim et al., 2020).

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