

# HOW DO ORGANIZATION USE CSR TO REINFORCE BRAND EQUITY (TATA GROUP)

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## ABSTRACT

Tata Group reinforces brand equity through CSR by prioritizing sustainability and community welfare in its initiatives. Collaborations with stakeholders drive diverse projects, such as the Adult Literacy Program, enhancing brand reputation as socially responsible. Transparent communication and alignment with values ensure resonance with audiences, exemplified by initiatives like Tata Capital's 'Dhan Gyan' program, contributing to sustained growth.

## 1. INTRODUCTION

Corporate social responsibility (CSR) is crucial for companies to acknowledge and take responsibility for their impact on society and the environment. Engaging in CSR initiatives enhances brand equity by fostering positive perceptions, trust among consumers, and employee dedication.

Successful CSR campaigns, like those of Tata Group, prioritize sustainability and community welfare. Selecting an appropriate CSR strategy involves aligning values with initiatives and effectively communicating them. In the hospitality industry, CSR is essential for sustainable growth, with stakeholder engagement, environmental sustainability, and ethical practices being critical components for success. Brands like Taj and Starbucks exemplify the integration of CSR into their operations, setting benchmarks for ethical conduct and sustainability.

## 2. LITERATURE REVIEW

The concept of corporate social responsibility (CSR) has a rich and diverse history, with each sector offering its own interpretation. Initially emerging in the 1950s as a way for companies to assess the impacts of their actions on various stakeholders, society, and the environment, CSR has since evolved into a crucial aspect of business leadership. Defined by four key pillars - economic, legal, ethical, and philanthropic responsibilities - CSR initiatives encompass activities such as cause-related marketing and corporate philanthropy. Challenges to the traditional profit-driven approach have led to a stakeholder perspective, emphasizing the ethical implications of business decisions. Research indicates that communicating CSR efforts can lead to positive outcomes for businesses, with benefits derived from both engaged and strategic CSR activities. By engaging in CSR, companies not only fulfill their duties as responsible corporate citizens but also differentiate themselves in the market by creating unique value propositions. In the realm of brand management, aspects such as brand equity, brand awareness, brand loyalty, and brand image influence consumer perceptions and preferences.

Brand equity, cultivated through a brand's tangible and intangible attributes, fosters loyalty and enhances the overall value proposition. Brand awareness, involving recognition and recall, contributes to the establishment of strong brand associations in the minds of consumers. Trust in a brand, gauged by repeat purchases and brand loyalty, is a critical component of consumer-brand relationships.

The integration of CSR into brand strategy serves to enhance brand resonance and consumer loyalty by appealing to socially conscious consumers. This alignment between business performance and social responsibility not only benefits stakeholders but also contributes to the long-term sustainability and growth of the organization. By aligning their CSR initiatives with their brand identity, companies can effectively communicate their commitment to social responsibility and strengthen their brand positioning in the market. well.

## 3. OBJECTIVES

### 1. Enhancing Brand Reputation:

- Tata Group aims to bolster its brand image by engaging in socially responsible activities. By investing in CSR initiatives such as education, healthcare, and environmental sustainability, Tata demonstrates its commitment to societal well-being, thus enhancing its reputation.

### 2. Building Trust and Credibility:

- Through CSR, Tata Group seeks to build trust and credibility among its stakeholders, including customers, employees, investors, and communities. By actively addressing social and environmental issues, Tata demonstrates its dedication to ethical business practices and community welfare.

### 3. Stakeholder Engagement:

- Tata uses CSR initiatives as a means to engage with its stakeholders. By involving employees in volunteering programs, collaborating with communities on development projects, and seeking feedback from stakeholders, Tata fosters stronger relationships and a sense of shared purpose.

### 4. Long-term Sustainability:

- Tata Group's CSR objectives include contributing to the long-term sustainability of the communities in which it operates. By investing in projects related to education, healthcare, and skill development, Tata aims to empower individuals and communities to thrive economically and socially.

### Legislative framework

#### Applicability of CSR As Per Companies Act, 2013.

The Companies Act, 2013 requires all registered companies with a net worth of Rs 500 crore or more or a turnover of Rs 1,000 crore or more or those earning a profit of Rs. 5 crore or more to comply with CSR provisions. If the company has been established within a period of less than two years, all eligible companies shall spend at least 2 % of their net income calculated as an average of the previous three years' earnings or for the year immediately preceding it. As of January 2023, a total of 24.02 million companies were registered, of which only 15.17 million companies were active (www.mca.gov.in, Monthly Information Bulletin, January 2023).

In 2021-22, a total of 25,932 companies registered with MCA were CSR-eligible companies. According to the Indian companies' annual reports, for the period from 2021 to 22 they spent 24,865 billion Indian rupees on CSR. According to Ministry sources, CSR spending for the period from 2014-15 to 2022 was total of 1,25,955 billion Indian rupees.

A total of 18,623 companies have spent Rs 25,933 as their CSR funds on 42,440 projects in 14 sectors during fiscal year (FY) 2022, according to the Finance Minister's information in Parliament (Economic Times, 16 Aug 2023).

#### Which activities should be considered CSR.

##### Eligible Activities

Companies and implementing agencies that meet the requirements for CSR funding may allocate their contributions to the primary activities mentioned in Schedule VII to Part 135 of the Companies Act 2013, subject to revision by 2023:

- Ending poverty, advancing health care, advancing education (special education included), promoting gender equality, and promoting environmental sustainability.
- Preservation of the nation's cultural legacy, support for military veterans and widows of combat, and development of rural sports, particularly Olympic and Paralympic sports,
- Support for slum and rural development programs, public funding for research and development projects, contributions to academic and research institutions, including ministries, and the Prime Minister's National Relief Fund.
- Starting in July 2022, expenses related to the 'Har Dhar Tiranga' campaign, which includes the creation of national flags, are also eligible for CSR expenditures as part of the promotion of education via culture (as per July 2022 amendment).

##### Ineligible activities

According to Schedule VII of the Act, CSR expenditures cannot be used for purposes other than those listed in the Act. Businesses are not permitted to utilize the CSR fund to pay employees' political party contributions or to support their international endeavors. The company's amended guidelines, which were made effective in January 2022, forbid CSR expenditures for regular business operations, product or service promotion in the marketplace, corpus fund contributions, or any other statutory duties under existing Indian laws.

##### Methodology

The research design adopted is primarily explanatory, focusing on ascertaining the cause and effect relationships effectively. The primary objective of this study is to address the questions of 'how' and 'why'. Moreover, the research framework is meticulously organized.

Exploratory research, on the other hand, delves into the analysis and elucidation of the relationship patterns between different variables. The main purpose of this study is to evaluate the Corporate Social Responsibility (CSR) endeavors of Indian-based multinational corporations amid the ongoing Covid-19 pandemic as a strategic tool for enhancing brand reputation. Notably, an elaborate and descriptive questionnaire is employed to understand public perceptions and align with current trends.

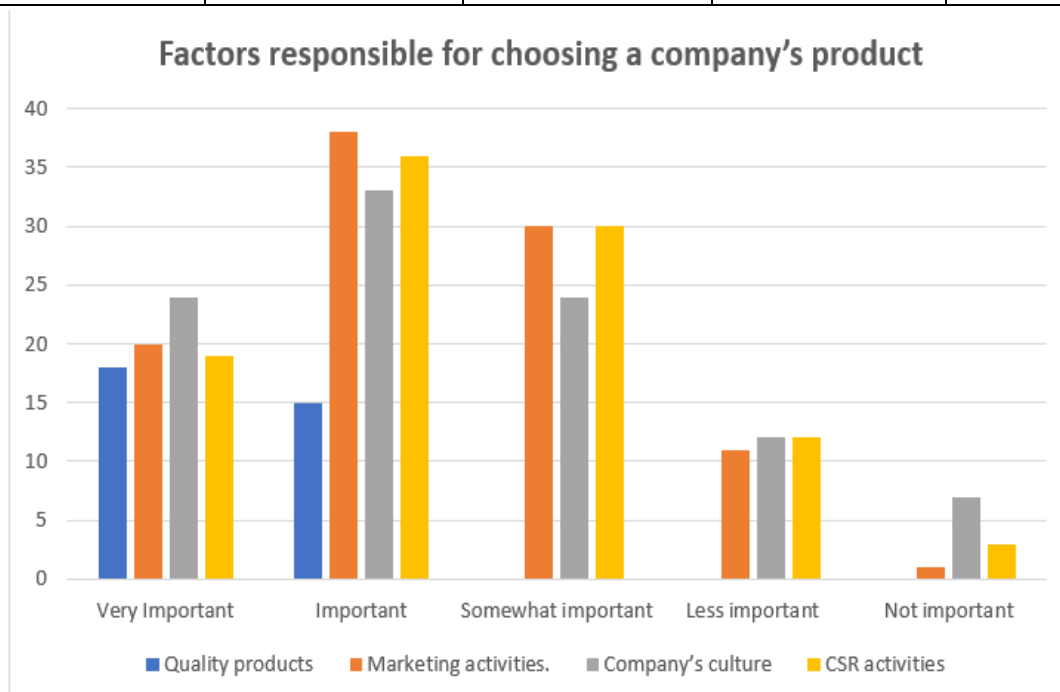
#### 4. DATA COLLECTION

##### Analysis through Graphical Representations.

The necessary data was gathered using questionnaires as part of the research methodology. These questionnaires helped in establishing specific connections Corporate Social Responsibility (CSR) and development of a brand.

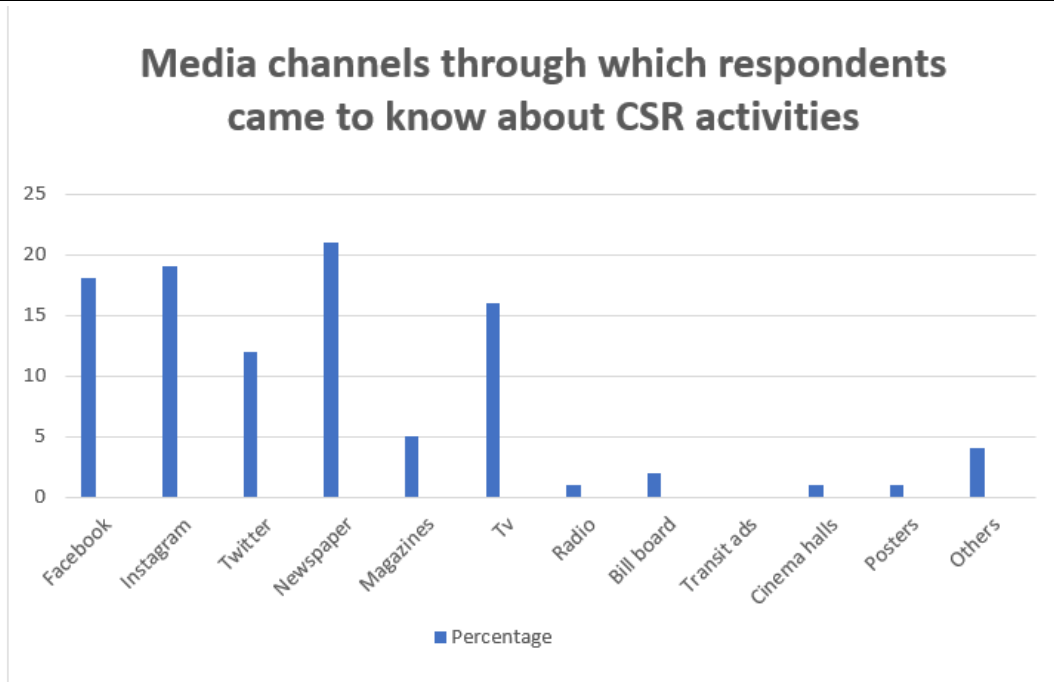
##### a. Factors responsible for choosing a company's product.

	Quality products	Marketing activities.	Company's culture	CSR activities
Very Important	18	20	24	19
Important	15	38	33	36
Somewhat important	0	30	24	30
Less important	0	11	12	12
Not important	0	1	7	3



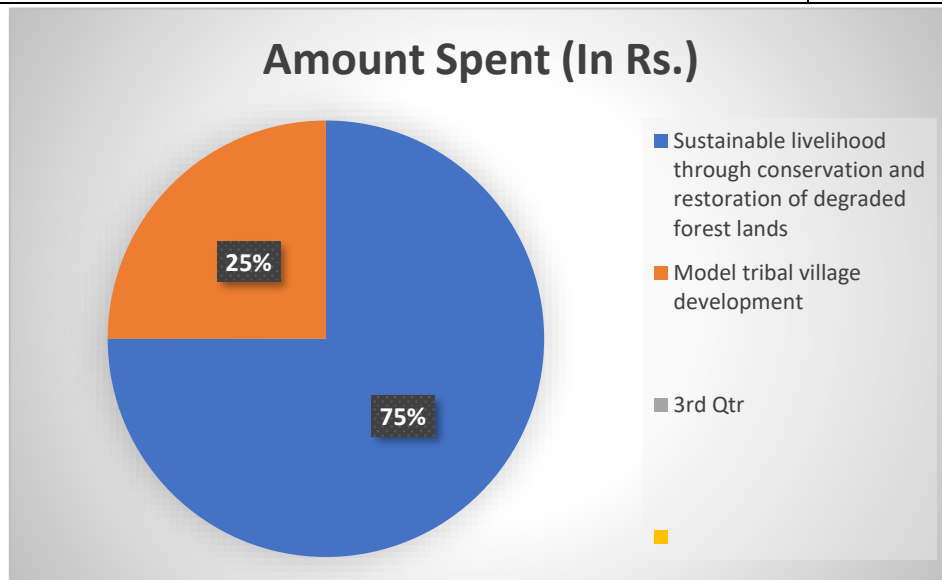
##### b. Media channels through which respondents came to know about CSR activities

Media channels	Percentage
Facebook	18
Instagram	19
Twitter	12
Newspaper	21
Magazines	5
Tv	16
Radio	1
Bill board	2
Transit ads	0
Cinema halls	1
Posters	1
Others	4



**c. Tata Industries Amount Spent towards CSR in the Financial Year 2022-23**

Activity	Amount Spent (In Rs.)
Sustainable livelihood through conservation and restoration of degraded forest lands	15,00,000
Model tribal village development	5,00,000



**5. FINDINGS**

The synthesis of literature on Corporate Social Responsibility (CSR) and brand equity underscores a strong connection between the two concepts. Research demonstrates that companies engaging in CSR activities tend to experience enhanced brand equity due to factors such as perceived social responsibility, ethical conduct, and trustworthiness. Consumers increasingly favor brands that demonstrate commitment to social and environmental issues, leading to heightened brand loyalty, positive brand associations, and increased market share. Beyond enhancing reputation and building trust with customers, CSR initiatives also benefit brand equity by attracting and retaining employees who share the company's values. Moreover, CSR acts as a key differentiator in a competitive market, allowing companies to stand out by demonstrating their dedication to societal well-being. The case study of Tata Group serves as a prime example of how integrating CSR into business practices can reinforce brand equity and foster sustainable growth over the long term.

## 6. RECCOMANDATION

Encouraging companies to diversify their Corporate Social Responsibility (CSR) spending is crucial for ensuring broader impact and transparency. This can be achieved by allocating more funds to community development agencies, NGOs, and grassroots organizations. Implementing measures to enhance transparency and accountability in CSR spending is equally important, including rigorous monitoring and evaluation mechanisms and involving external stakeholders in decision-making processes. Capacity building through training programs for CSR personnel in project management, monitoring, and evaluation will ensure effective implementation of initiatives aligned with the company's goals. Promoting collaboration between companies, government agencies, NGOs, and other stakeholders can leverage collective expertise and resources for innovative and sustainable CSR solutions. Increasing public awareness about the importance of CSR and its role in building brand equity encourages consumers to support socially responsible brands. Moreover, advocating for policy reforms that incentivize CSR investment and align business practices with sustainable development goals creates an enabling environment for CSR to thrive and contribute to societal well-being.

## 7. CONCLUSION

In contemporary business, Corporate Social Responsibility (CSR) transcends mere philanthropy, emerging as a cornerstone of sustainable growth and brand equity enhancement. This comprehensive study delves into the intricate relationship between CSR activities and brand building, with a focus on the exemplary case of Tata Group. Initially, the study outlines CSR as the ethical imperative for corporations to address societal and environmental concerns stemming from their operations. It meticulously explores the benefits of CSR for brand equity, demonstrating how such activities can bolster reputation, foster customer loyalty, and engage employees. Real-world examples highlight the tangible impact of CSR initiatives on brand differentiation and market positioning. Tata Group emerges as a paradigmatic case study, epitomizing the symbiotic relationship between CSR and brand equity. Through initiatives spanning education, healthcare, rural development, and environmental conservation, Tata Group has not only transformed lives but also forged a resilient brand characterized by trust, integrity, and social responsibility. The research methodology blends primary and secondary data collection tools to understand the intricate dynamics between CSR activities and brand building, validating CSR as a potent strategy for brand enhancement through empirical analysis. In conclusion, the study emphasizes the pivotal role of CSR in shaping sustainable growth, urging companies to embrace CSR as a strategic imperative for long-term value creation. The case of Tata Group exemplifies how a steadfast commitment to CSR can fortify brand equity and catalyze positive societal change, serving as a guiding light for inclusive growth, environmental stewardship, and enduring brand resonance in the modern business landscape.

## 8. REFERENCE

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