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The relationship between corporate social responsibility and brand awareness

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Abstract

The study aimed to investigate how corporate social responsibility (CSR) affects brand awareness. A quantitative approach was applied to analyze the data in this study. The researchers used the random sampling method to obtain data from the participants so that their study would be representative of the concerned population. The researchers collected data from 268 shops in Sana'a governorate. The results of this study revealed that there is a positive relationship between corporate social responsibility and brand awareness.

Keywords: Corporate social responsibility; Brand awareness; Yemen

1. Introduction

The practise of corporate social responsibility accounting (CSRA) is increasingly being embraced in developed economies. The concept of Corporate Social Responsibility (CSRA) often instills a sense of unease among firms due to the possibility of unethical behaviour within their supply networks, as well as the numerous challenges associated with their extensive global reach. Multinational corporations face significant pressure to safeguard their brands, even if it entails assuming responsibility for the actions of their suppliers, owing to the potential consequences of irresponsible conduct. Pressure groups are seeking to capitalise on the current circumstances by leveraging the strain being placed on businesses (Adian, et al., 2020). Moreover, there has been an increasing level of interest among both businesses and academics in the topic of corporate responsibility as a whole, and more specifically, in the area of sustainable supply chain management, over the past decade.

Brand awareness, a component of brand knowledge, refers to consumers' capacity to identify and remember a brand in various circumstances, aided by the brand's imprint in their memory (Keller, 1993). Brand awareness refers to a consumer's capacity to identify and remember the primary brand that is associated with a particular product category, and to establish a connection between that brand and the product category (Yoo and Donthu, 2001). According to Önen (2018), the occurrence of brand awareness in the mind of a consumer is attributed to the act of comparing a specific brand with its competitors. Brand awareness plays a significant role in influencing brand loyalty (Bernarto et al., 2020) and brand love (Önen, 2018) from the perspective of consumers. Furthermore, it is crucial to acknowledge that brand awareness plays a significant role as a precursor, exerting an indirect influence on brand loyalty by means of the mediating mechanism of brand love (Aydın, 2017).

Corporate Social Responsibility (CSR) has emerged as a pivotal aspect of modern business practices, influencing not only a company's relationship with its stakeholders but also its brand awareness. This study delves into the profound impact of CSR initiatives on brand awareness, highlighting how businesses' ethical and social commitments resonate with consumers and contribute to their perception of a brand. Drawing upon a range of scholarly sources, this paper explores the multifaceted connection between CSR and brand awareness, shedding light on the mechanisms through which socially responsible actions translate into enhanced brand recognition and loyalty.

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2. Literature Review

2.1. Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) was initially introduced by Bowen (1953) in his study, wherein he posited that it is the foremost duty of business practitioners to ensure that their actions and behaviours align with the desired objectives and values of society. From a managerial standpoint, CSR can be conceptually understood as a management ideology that guides an organisation towards achieving a harmonious equilibrium between economic prosperity, social well-being, and environmental sustainability. According to Dahlsrud (2008), there exists a multitude of definitions for CSR in the literature, with approximately 37 distinct definitions that have been examined from various viewpoints. As exemplified by Friedman (2007), corporations bear the principal obligation to society in terms of profit maximisation and adherence to legal and regulatory frameworks. Conversely, Davis (1973) posited that CSR necessitates a broader consideration of matters beyond mere "economic and technical requirements" and legal obligations. Furthermore, it should be noted that the European Commission has underscored the concept of CSR as being comprised of voluntary endeavours undertaken by companies, which are not mandated by regulations, with the aim of enhancing the environment and society (European Commission, 2011). In summary, there exist two distinct frameworks concerning social/environmental practices, each characterized by contrasting interpretations. One framework pertains to a cluster of companies that prioritize the fulfilment of shareholders' economic interests, aiming to optimize financial performance indicators. On the contrary, the alternative group places emphasis on stakeholder concerns, thereby striving to achieve a harmonious equilibrium between economic, social, and environmental advantages with the aim of fostering sustainability (Al-Hakimi et al., 2022; Al-Swidi et al., 2023). The aforementioned perspective finds validation in stakeholder theory, initially proposed by Freeman (1984). According to the stakeholder theory's logic, organizations should act in ways that satisfy their primary stakeholders (Al-Swidi et al., 2022). In alignment with the research context and research purpose of this study, the definitions provided by Davis (1973) and the European Commission (2011) offer the most suitable framework for comprehensively grasping the manner in which corporate social responsibility (CSR) facilitates the promotion of sustainability.

2.2. Brand awareness

The primary emphasis of consumer behaviour research since the early 1950s has been on the notion of brand awareness (Faeq et al., 2020). (Sadq et al. 2021) were the first researchers to introduce the concept of brand awareness. Furthermore, the speaker asserted that commodities possess social and emotional dimensions, and that consumers establish emotional connections with brands. Brand awareness is widely regarded as a crucial element of brand equity, as it encompasses the various associations formed in the minds of consumers in relation to a particular brand. According to Anwar and Louis (2017), brand awareness is a significant factor that influences a company from a consumer standpoint. According to (Faeq et al. 2021), consumers possess the ability to promptly discern items and services by means of their associated brands. Therefore, the awareness of popular brands among consumers is a highly advantageous asset for businesses. The perspectives that are based on the associations between characteristics and the brand name are commonly known as the brand image (Anwar and Ghafoor, 2017). Brand awareness refers to the extent to which a customer retains information about a brand and reflects their overall perception of the brand (Fulaq, 2022). In contemporary times, the concept of a brand has evolved beyond being merely symbolised by a logo. Rather, it is increasingly perceived as a meticulously assessed encounter that is reinforced by substantial financial resources allocated to marketing endeavours, extensive engagement, and a shared cultural perspective (Sadq et al., 2020). The determination of a company's market sustainability can be deduced by assessing its level of brand awareness, as suggested by Anwar (2017). The promotion of positive brand awareness has been found to have a positive impact on various outcomes, such as customer satisfaction, service quality, customer loyalty, and the intention to engage in repeat purchases (Faik et al., 2021). Consequently, a significant portion of marketing endeavours is directed towards augmenting the consumer's cognitive perception of the brand. Consequently, corporate social responsibility (CSR) possesses the capacity to play a crucial role in fostering favourable brand recognition and cultivating positive consumer attitudes (Anwar & Climis, 2017). Consequently, they represent a significant source of competitive advantage. According to Gangi et al. (2018), the company's transparency in its internal and external communications and practises contributes to the enhancement of brand awareness through corporate social responsibility (CSR) activities. This, in turn, leads to positive feedback and long-term benefits for the brand. Based on previous studies, the hypotheses for this study will be as follows:

- **H1:** Environment-CSR has a significant and positive influence on brand awareness.
- **H1:** Community-CSR has a significant and positive influence on brand awareness.

3. Methodology

The data in this study was analysed using a quantitative approach. The objective of this study is to provide insight into the correlation between corporate social responsibility and brand awareness. The study assessed brand awareness through an examination of three key dimensions: the natural environment, the local community, and the workplace. These dimensions are integral components of corporate social responsibility. The researchers employed a random sampling methodology in order to acquire data from the participants, thereby ensuring the representativeness of their study with respect to the entire population of interest. The data was collected by the researchers from a diverse array of retail establishments located in the capital city of Sana'a. Out of the total of 350 surveys distributed in Sana'a City, only 250 were returned with all the necessary fields completed. The objective of the survey was to gather empirical data regarding the impact of various corporate social responsibility (CSR) strategies on consumers' ability to remember specific brands. The initial segment of the survey inquired about fundamental demographic inquiries, including the participant's gender and age. The dependent variable in this study was brand awareness, while the independent factors explored in the second half of the survey pertained to the environment and society. In order to ascertain the relationship between each independent variable and brand awareness, a set of specific inquiries was devised. The survey consisted of a comprehensive set of 22 questions, encompassing 3 demographic inquiries, 5 environmental inquiries, 5 societal inquiries, and 9 brand awareness inquiries. The present study aimed to examine the correlation between various forms of corporate social responsibility (CSR) brand awareness, with a specific focus on evaluating brand awareness within retail establishments located in Sana'a. Participants were instructed to utilise a five-point Likert scale in order to indicate the extent to which they agreed or disagreed with each statement. On the Likert scale, a rating of 1 indicates strong disagreement, while a rating of 5 indicates strong agreement.

3.1. Data Analysis and Results

The provided text offers a succinct summary of the results obtained from a research project aimed at determining the relationship between corporate social responsibility (CSR) and brand awareness. The descriptive statistics and Cronbach's alpha coefficient are presented in Table 1. The Environment category obtained the highest mean score of 3.87, indicating a high level of agreement among respondents. Conversely, the lowest mean score of 3.76 was observed in the Community category, suggesting a moderate level of agreement. The researchers employed Cronbach Alpha as a means of evaluating the instrument's reliability within the sample population of the study. The measurement of brand awareness yielded a Cronbach's alpha coefficient of 0.915. The discriminant validity of the environment was found to be the highest, with a community value of 0.883. Furthermore, the Environment exhibited alpha coefficients of 0.879 for the community, indicating satisfactory levels of reliability.

Table 1 Means, standard deviation and Cronbach's alpha

No	Variables	Mean	Standard. Deviation	Alpha
1	Environment-CSR	3.87	0.68	0.879
2	Community-CSR	3.76	0.73	0.883
3	Brand awareness	3.86	0.68	0.915

***Pearson Correlation between variables

Table 2 Pearson Correlation between Variables (N=350)

Variables	Environment-CSR	Community-CSR	Brand awareness
Environment-CSR	-		
Community-CSR	0.768**	-	
Brand awareness	0.812**	0.925**	-

* ($\alpha < 0.01$)

Table 2 displays the Pearson correlation coefficients among the variables. The findings demonstrate a statistically significant and positive correlation between the environment and brand awareness, with a significance level of 0.05. The Pearson correlation coefficient for the observed relationship is 0.812, indicating a statistically significant association at a p-value of 0.000. A statistically significant positive correlation was found between Community and

Brand awareness (BA) at a significance level of 0.05. This was supported by a Pearson Correlation coefficient of 0.925 ($p < 0.001$).

The findings of a statistical analysis investigating the correlation between Corporate Social Responsibility (CSR) and (BA) are displayed in Table 3. The analysis demonstrates a statistically significant relationship, with a significance level of $\alpha \leq 0.05$. Among the variables under consideration, variable E exhibits the most pronounced level of effectiveness, as evidenced by a "t" value of 38.412 and a statistically significant p-value of 0.000. The correlation coefficient (R) for this particular relationship is 0.824, indicating a strong positive correlation. Additionally, the coefficient of determination (R²) is 0.678, suggesting that approximately 67.8% of the variability in the dependent variable can be explained by the independent variable. Likewise, a substantial association is observed in the case of variable C, as indicated by a t-value of 45.025 and a p-value of 0.000. The correlation coefficient (R) between variables C is determined to be 0.926, indicating a strong positive linear relationship. Additionally, the coefficient of determination (R²) is calculated to be 0.857, suggesting that approximately 85.7% of the variability in variable C can be explained by the linear relationship with the other variable.

Table 3 Result of the (Regressions) analysis to the relationship between corporate social responsibility and Brand awareness

Independent Variables	β	R	R ²	"t" value	Sig
Environment-CSR	0.851	0.824	0.678	38.412	.000
Community-CSR	0.872	0.928	0.859	45.025	.000

4. Conclusion

The objective of the study was to examine the impact of corporate social responsibility (CSR) initiatives on various dimensions of brand awareness, encompassing perceived quality, brand awareness, brand image, and brand loyalty. Furthermore, the study examined the significance of brand size, market segment, and identity in establishing connections between corporate social responsibility (CSR) and brand awareness within organizational activities. The findings of the analysis suggest that corporate social responsibility (CSR) initiatives have a positive impact on the level of brand awareness. Furthermore, the expansion of brand awareness in a specific aspect is contingent upon the extent to which a company actively participates in a specific type of corporate social responsibility (CSR), taking into account the company's magnitude, market segment, and brand identity.

While CSR initiatives can have a positive impact on brand awareness, it is important to realize that there are limitations to the extent of their impact. Some of these restrictions include:

Reaching a niche audience: CSR initiatives often target specific social or environmental issues. While this can resonate deeply with a particular segment of the population, it may not have widespread appeal. This can limit audience reach and affect brand awareness.

Saturation and competition: As more companies adopt CSR practices, the market could be saturated with similar initiatives. This can dilute the uniqueness of a company's efforts and make it difficult to stand out.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to disclosed.

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