

Impact of CSR on Brand Promotion in the Automotive Industry in Iran

Yadollah Rajaei¹, Mousa Ahmadi², Hassan Taherkhani³, Mahmoud Samadi⁴

Department of business management, Abhar Islamic Azad University-Abhar Branch, Abhar, Zanjan province, Iran

1-Economy, PhD, Assistant Professor, Islamic Azad University, Abhar Branch, Iran, Dr.yadollah.rajaei@gmail.com

2- Business Management, PhD, Assistant Professor, Islamic Azad University, Abhar Branch, Iran, bizhorizons@gmail.com

3- Business Management, M.Sc, Islamic Azad University, Abhar Branch, Iran, htaherkhanii@gmail.com

4- Business Management, M.Sc, Islamic Azad University, Abhar Branch, Iran, goodarz.samadi@gmail.com

Abstract- *industrial and productive corporation which increased contaminants and endangered environment, caused the competition in the cycle of responsibility to be used as a level for customer`s satisfaction with no hope of interest for them. In this study the effect of social responsibility on identity elements of brands is investigated. 105 numbers of managers, experts in car industry were investigated with a questionnaire. The t-test showed corporate social responsibilities in car industry can promote the brand in some aspects of the elements. Therefore, applying strategies of social responsibilities can increase competitive power of corporations against their rivals.*

Keywords - *brand, corporate social responsibilities, car industry*

INTRODUCTION

The brand structure or business mark is comprised of 2 dimensions: visible dimension and non-visible dimension. Visible dimension items are name, sign, color, language, physique, personality. Culture, relation, self-image are non-visible dimensions of the brand. The visible dimension of brand is unchangeable during the time but the non-visible dimension of the identity of brand should be inducted strategically during the time.

The brand identity is the same as our mental image of a business name that is influenced by non-visible factors. A brand after introduction should not be put aside. But also should be promoted regarding corporation strategies and environmental conditions in order to reflect a positive image of the organization in customer`s mind. (Kapferer 1990) {1}

Corporate social responsibility turned out to be a sensitive and crucial subject in recent years. International organizations such as UN and European Union presented some standards in this area. Global warming, production of greenhouse gases and destruction of the environment absorb society and governments` attention to increase corporate roles in producing green`s product and increasing the number of environmentalists. Social responsibility can surpass corporations and its feedback is followed by increasing the value of business brands (non-visible factors particularly culture) and improving the corporation image in society.

Social responsibility increases the customer`s loyalty. Based on Keller`s model, the special value of brand was influenced by two factors: 1)_ knowledge of customers about a brand 2) desirable, strong and unique links that customers have with the brand (Kapferer 1990) {1}

It`s necessary to pay attention to quality and factors that have a direct effect on brand but that is not sufficient. Paying attention to indirect factors (non-visible ones) such as commitment social responsibility can complete the brands personalities. Promoting these factors strengthen the customer`s loyalty. Corporate social responsibility is appealing for governments because it can legalize, substitute and complete policies, programs and efforts. It can act as a complementary for traditional role of governments in composing social policies. Therefore, organizations should benefit from strategic approach to promote the brand by considering the conditions.

SOCIAL RESPONSIBILITY

Admitting responsible corporate social, promote the general trust of investors to agencies also encourage the specialist work force to work with responsible agencies and also encourage the consumers to use the products of agencies. As "fortune" magazine stated, in 2006, around 10 % of assets of agencies in USA (around 2/3 billion dollars out of total 24 billion dollars assets American corporate) are used directly or indirectly in order to keep the corporate`s ranking high in areas concerning the social responsibilities. The roles of social responsibility from agencies are acting as limiting and organizing the motivation of profitability and profit-making managers. In addition, agencies in choosing decisions are really careful and also sensitive for social consequences of their decisions. (Kotler, P and Zaltman, G,(1971)) {2} Corporations consider their responsibilities toward society and social environment as a part of their corporate strategies. That consideration raises their validity and interest in world market which is full of rivals. (Weinreich, N.K.,(1999)) {3}

BRANDING

Branding is the process of defining a brand. Branding is a set of strategies that gives identity to your business name and district your niche in market against your rivals. branding includes different topics such as finding your niche and making the niche of your brand, brand name that is used effectively to create a new category, choose the colors and logo of the brand, expanding or limiting the focus range, depth and value of branding, public relations, event innovating and advertisement. (Keller, K. L. (1999)) {4} The idea of the brand acts as a label key. A brand provides information and such information can be obtained from Marketing Communications. Think about a brand that you know.

What comes into your mind when you think of it? There is no doubt much more than merely a particular product Perhaps .you may think that you like it or how much you know of it or it is one of the best. All these ideas are seen as something that we consider it as brand. The name of brand is representatives for all things that you know of a specific product and is important for you. A brand name of a particular product represents all the things that you know are important to you. In other words, every time you purchase a product you don't need to spend lots of time to research for that product. Your assessment of the product and brand names are followed immediately by the memory of it. Strategic management in general creating a positive view about the product and that happens with advertisements. (Aaker, D. (1991)) {5} Benefits that a brand in its marketing communications emphasize and should be chosen based on 3 features: Importance, providing and a Exclusiveness. Importance refers to the relation of advantage with the according stimulator.

An advantage can have benefit but in a time that can help providing incentives for consumers purchase The provision refers to the capability of brand in presenting advantage. Exclusiveness refersto the expectation capability of a brand in presenting a better advantage relatively better than other brands. This Exclusiveness must be seen in the message about the benefits. What a person looks for is A few benefits associated with the stimulus that can make distinction between other various brands. These benefits should be highlighted later in Relationship Marketing

REVIEW OF LITERATURE

Sohani and Saeednia (2010){6}did a research with the title of “An investigation on the effect of advertising corporate social responsibility on building corporate reputation and brand equity“about bank services. The study used survey research to recognize factors on brand promotion concerning CSR. The study made a structural model to assess the influence of each factors on every brand.

Ganjinia, H. &AkhavanFoomani,S.(2011){7} in the research “The role of brand personality on consumer behavior and branding challenges in Asia” investigated the role of personality on consumer`s behavior and named branding challenges of Asia .One of the desires of the customer to select a product is the valid brand. The value of a business brand includes name, phrase, pattern, sign or combination of these elementsWhich determines the identity of a service organization andDifferentiates it from its. That brand is judged And by reason, logic, senses and emotions of customers. brand is a mental and spiritual movement that it should be in the minds of consumers, customers, shareholders, employees and users..

Brands have social identity And it is a successful brand that community members have a sense of belonging and ownership toward it consider the brand as part of them. In most of the markets, brand creates a specific identity for a product and links them to a special class of the societyIn today's world, with the spread of information ,Moves and decisions of the organization are evaluated by the brand`s organization. Lajevardi, Lida and Rahchamani, Ahmad (2012){8} in a research titled “studying the effects of the measures of corporate social responsibility (CSR) on brand preference in banking industry (case study Refah) investigated three dimensions of social responsibility and its effect on brand promotion . the program of corporate social responsibility is effective on brand preference. Padel, Susanne and Midmore, Peter (2002){9} in the research “The Development of the European Market for Organic Products” with the approach of social responsibility to investigate the dynamics and prospects of development of organic products in 18 countries by considering social responsibility strategies with the assistance strategy of social responsibility in the industry.

THEORETICAL FRAMEWORK AND RESEARCH MODEL

Factors that might affect the brand inpromoting are calledthe intangible factors (kapferer1990){1}

Personality :Providing a speaker or a star for brand

Culture : brand should be a vector of values of their society

Relation : a brand Should provide opportunities for people to exchange .

Reflection : brand should reflect the customer`s image

Self- pattern :making relations Through its relationship with the inner attitude of the brand

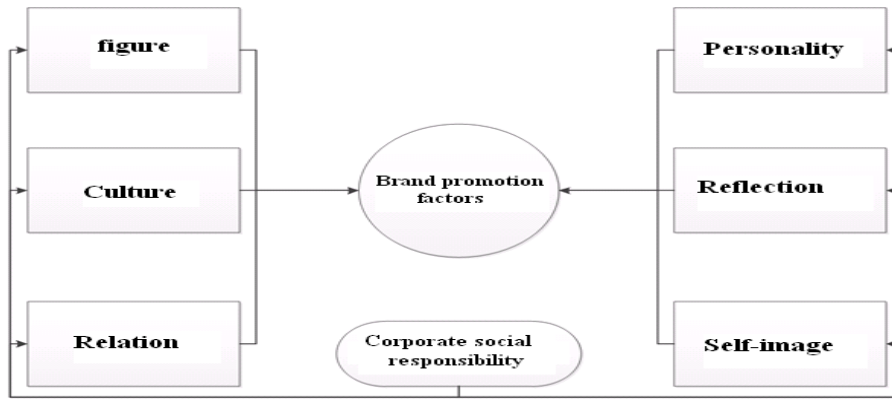


Figure1-1: The combination of independent features or visible or hidden (Noel Kapferer, John1990) {1}

METHODOLOGY

This research is a descriptive study.the study is a descriptive survey using a questionnaire

3- 3 Statistical population

Alborz province , all companies manufacturing car tools 4-3 sampling and size of the sample The total number of automotive experts and company executives In this study are 105 samples. 5-3 data collection tool

In order to gather data from the two methods are used:

1. library resources (such as materials in Books, articles, journals and cases like this) and the Internet
2. questionnaire Results of reliable tool

RELIABILITY STATISTICS

Cranach's Alpha	N of Items
.786	12

1-1:tableResults reliable tool

DATA ANALYSIS

In this study, we investigated the T-test for the hypothesis .we analyzed data with the help of SPSS.

RESULTS

First hypothesis:

- H0: Corporate Social Responsibility has effect on Brand Personality factors
 H1: Corporate Social Responsibility does not have effect on Brand Personality factors

ONE-SAMPLE STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean
personality	105	3.3190	.62835	.06132

1-2:table Statistical analysis of the impact of CSR on brand personality factor

ONE-SAMPLE TEST

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
personality	-11.105	104	.062	-.68095	-.8419	-.5201

According to the results of t-test, sig > 0.05 (Table 1-4), we can conclude H0 hypothesis is rejected. CSR has no impact on brand promotion. 1-3:table the Testof the impact of CSR on brand personality factor

Second hypothesis:

- H0: Corporate social responsibility has an impact on cultural factors
 H1:Corporate social responsibility does not have an impact on cultural factors

ONE-SAMPLE STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean
Culture	105	4.4190	.34755	.03392

Table 1-4:Statistical analysis of the impact of culture on corporate social responsibility

ONE-SAMPLE TEST

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
Culture	12.355	104	.000	.41905	.3301	.5080

According to the results of t-test, $sig > 0.05$ (Table 1-6), we can conclude H_0 hypothesis is rejected. CSR has no impact on brand promotion. Table 1-5: Test of the impact of culture on corporate social responsibility

Third hypothesis:

H_0 : Corporate social responsibility has effect on brand related factors

H_1 : Corporate social responsibility does not have effect on brand related factors

ONE-SAMPLE STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean
relation	105	4.4762	.34932	.03409

Table 1-6: Statistical analysis of the impact of CSR on Brand Relationship

ONE-SAMPLE TEST

	Test Value = 4					
	T	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
relation	13.969	104	.000	.47619	.3867	.5656

According to the test result T, $sig < 0.05$ (Table 1-8), we can conclude that hypothesis H_1 is rejected. CSR has no impact on brand promotion. Table 1-7: Test of the impact of CSR on Brand Relationship

FOURTH HYPOTHESIS:

H_0 : Corporate Social Responsibility has on Brand reflection factor

H_1 : Corporate Social Responsibility does not have on Brand reflection factor

ONE-SAMPLE STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean
reflex	105	2.0095	.50943	.04972

Table 1-8: Statistical analysis of the impact of CSR on brand reflection factor

ONE-SAMPLE TEST

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
reflex	-40.037	104	.000	-1.99048	-2.1209	-1.8600

According to the test result T, $sig < 0.05$ (Table 1-10), we can conclude that hypothesis H_1 is rejected. CSR impacts on brand promotion. Table 1-9: Test of the impact of CSR on brand reflection factor

Fifth hypothesis:

H_0 : Corporate social responsibility has effect on self-image of the brand

H_1 : Corporate social responsibility does not have effect on self-image of the brand

ONE-SAMPLE STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean
khodengare	105	4.4905	.36016	.03515

Table 1-10: Statistical analysis of the impact of CSR on self-image of the brand

ONE-SAMPLE TEST

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper

ONE-SAMPLE TEST

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
khodengare	13.955	104	.000	.49048	.3982	.5827

According to the test result T , $sig < 0.05$ (Table 1-12), we can conclude that hypothesis $H1$ is rejected. CSR has effect on brand promotion. Table 1-11 Test of the impact of CSR on self-image of the brand

Sixth hypothesis:

$H0$: CSR effects on figure factor of brand

$H1$: CSR does not have effect on figure factor of brand

ONE-SAMPLE STATISTICS

	N	Mean	Std. Deviation	Std. Error Mean
body	105	4.5095	.35342	.03449

1-12:table Statistical analysis of the impact of CSR on figure factor of brand

ONE-SAMPLE TEST

	Test Value = 4					
	t	df	Sig. (2-tailed)	Mean Difference	99% Confidence Interval of the Difference	
					Lower	Upper
body	14.773	104	.084	.50952	.4190	.6000

According to the test result T , $sig > 0.05$ (Table 1-13), we can conclude $H0$ hypothesis is rejected. CSR has no impact on brand promotion. 1-13: table test of the impact of CSR on figure factor of brand

CONCLUSION

In This study culture, relationships, reflection and self-image are affected from social responsibility. To promote the brand the development of the related elements can be used for economic development of corporate. The cultural factors with the influence of social responsibility are very effective in brand promotion; in a way that culture of considering social factors with CSR approach is highly effective on consumer`s perception. Using corporate social responsibility should not be done by force or be considered as an obligation on the community. But It should be considered as a responsibility of the organization which is separate from the business strategy and should be targeting for that organization. CSR can make a profound relationship with the consumer brand or is more effective in making relationship. Understanding and reflection of brand, separable from the nature of the corporate business which has the product, can make a positive in the customer's perception separable from the product. Elements of brand promotion in rank order of importance are figure, self-image, relation culture, personality and reflection Strategies to Promote Brand should be in priority based on the ranking order and if using Social Responsibility the Correct form of factors, self-image, relationship and culture are influenced by the promotion.

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