



## Impact of Corporate Social Responsibility on Corporate Brand Image: with Special Reference to Television Channels in Sri Lanka

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### **ABSTRACT**

The television media industry is a matured industry, while showing a decline in some parts of the world with the replacement of technology. Television (TV) plays an essential role in the day to day lifestyle of people in the society and thus has not been fully replaceable. Due to the power of communication TV channels hold along with their consistent partnering in activities, TV channels takes a unique role in the corporate social responsibility (CSR) frontier. Further, corporate social responsible partnership with society counts on building corporate brand image. In the Sri Lankan context, there is a huge competition among twenty three TV channels in the market. This has resulted in numerous marketing activities, with the center of aiming for a 13 million viewership. The trend of engaging in social activities was thus quickly picked by leading TV channels. In recent past natural disasters that the country faced, TV channels highlighted the service and contribution they were engaged. The study developed research questions to understand this phenomenon of how Corporate Social Responsibility influences the Corporate Brand Image of TV channels in Sri Lanka.

The main objective of this research is to investigate the influence of Corporate Social Responsibility on Corporate Brand Image. The research will be an exploratory study and the researcher chose multi stage random sampling. The population comprises of CSR benefitted TV viewers. It was identified that TV channels conducted their CSR practices in natural disaster affected areas in the recent period. For analysis, six districts were selected based on available disaster management statistics. Of them, one district was randomly selected to conduct the survey. Data was collected through the means of self-administrative questionnaires distributed among all district secretariats. Findings of the study resulted in identifying that philanthropic responsibility, ethical responsibility, and legal responsibility have significant impact on corporate brand image of TV channels while economic responsibility did not have a significant relationship.

**Keywords:** *Philanthropic Responsibility, Economic Responsibility, Ethical Responsibility, Legal Responsibility, Corporate Social Responsibility, Corporate Brand Image*

## 1. INTRODUCTION

CSR is a practice that has records from the ancient past; philosophical references like Vedic and Sutra writings of Hinduism and the Jatakas of Buddhism include rules for good governance and ethical admonitions on usury, and Islam has tread upon corporate social responsibility activities in the philosophy background. It has taken a significant role in today's businesses, where it is also used as a marketing effort. It was identified in a study that present day consumers closely evaluate companies who make claims regarding their involvement in social issues (Brønn, Vrioni, & Brnn, 2016). Thus CSR significantly affects aspects of client related results (Thi & Trang, 2011; Bhattacharya & Sen, 2004). Maneet and Sudhir (2011) highlighted that CSR also has it's levels; in the minimalist version, CSR is a little more than philanthropic activities of planting trees, improving schools and health clinics, whereas in the maximalist version, CSR is about character and conduct, where integrity and responsibility is ensured in the firm's activities. CSR gradually has become a concurrent part of modern companies' strategy, which directly motivates a number of factors: alternation of consumers wishes and demand, changes of suppliers, attitudes, new industry requirements, legislator requirements, employees expectations, and altering scale of social values (Maruf, 2013; Juscius, & Snieska, 2008). Past literature on corporate social responsibility emphasizes that failure to meet ethical and social commitments damages corporate brand image because consumers prefer products of socially responsible companies and partners seek for long term mutually useful relations with socially responsible companies. Consistency of behavior is seen through company's ability to meet its declared values and selection of partners (Maruf, 2013).

CSR is tightly linked with the Sri Lankan culture, as Ariyabandu and Hulangamuwa (2002) highlighted that charitable activities performed by business communities to support various needs of the society is not a new concept in Sri Lanka. Even when it comes to tv channels, in the past decade, CSR campaigns and activities such as manusath derana, parissamin gihin enna, janasarana, punarjeeva, derana daruwo, little hearts, gammadda, sirasa sahana, e-thilina, rata wenuwen, hiru sahana yathra, and hiru saukkya kadavura, any many more have been conducted by tv channels. While CSR likely has major implications for marketing activities such as advertising and branding, there is much we still do not know about its effects on consumer decision making (Smith, Lopez-rodriguez, & Read, 2010). Bronn et al. (2016) highlighted in his study that sociocultural and economic environments are so heterogeneous that it is worth considering the differences and their potential influence in the perception of CSR. Thus, taking in to consideration the differences in social and cultural environment and differences in the economic environment of an Asian and developing country, this study contributes to understanding, whether engaging in CSR activities does really have a significant impact on corporate brand image on tv channels, in the context of Sri Lanka.

There have been theories brought up on CSR, backed by financial theories, political theories, integrative and ethical corporate practices. Corporate social responsibilities theories and related approach (Garriga & Mele, 2004), had looked at instrumental theories, where the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results, political theories, which concerns themselves with the power of corporations in society and a responsible use of this power in the political arena, integrative theories, in which the corporation is focused on the satisfaction of social demands, and ethical theories, based on ethical responsibilities of corporations to society. Amidst the concern placed on several areas, there is a theoretical gap to fill the gap emphasis on the relationship between CSR and brand image.

Ailawadi et al. (2011) and Maruf, (2013) emphasize that the concept of social responsibility in marketing theory is a subject to further discussion since there is no widely accepted definition. Given the increasing level of complexity and competition in today's business environment, CSR managers therefore need to keep assessing which CSR elements are critical to the sustainable development of their organization (Lenguyen, 2007).

The background of the study exposes that impact of the corporate social responsibility on corporate brand image and whether demographic factors the moderating relationship between CSR and corporate brand image with special reference to the television media in Sri Lanka is not much explained in the previous studies. Most studies attempted to evaluate the socio cultural influence on CSR practices. Researchers have discovered that corporate social responsibility significantly affects a few client related results (Thi & Trang, 2011; Bhattacharya & Sen, 2004). Based on these ideas, many scholars have recently focused on the study of CSR, especially from a management perspective and try to determine how CSR investments and the performance imply larger benefits for companies (Perez & Rodriguez, 2015; Melo & Garrido, 2012). Less attention has been given to the study of customer perceptions of CSR (Garcia de los Salmones et al., 2005; Matute et al., 2010; Tian et al., 2011; Stanaland et al., 2011; Pérez and Rodríguez del Bosque, 2013; Perez & Rodriguez, 2015).

Thus, the study aims to address how CSR influences Corporate Brand Image of TV channels in Sri Lanka. The main aim of the study is to assess the influence made by CSR on developing Corporate Brand Image of TV channels of Sri Lanka with the moderating effect of demographic factors, comprising of the factors of age, sex, education level, income level, marital status, occupation, and religion.

## **2. LITERATURE REVIEW**

### **2.1. Corporate Social Responsibility**

CSR is defined as “the voluntarily contribution of companies for a better society and a cleaner environment” (European Commission, 2001, cited in Mummullage, 2010; Arachchige & Darshi, 2010).

The World Bank defines CSR as “the commitment of business to contribute to sustainable economic development working with the employees, their families, the local community, and the society to improve their quality of life, in ways that are both good for business and good for development” (Carroll & Shabana, 2010; Chung et al., 2015). It is also defined by authors as the commitment of business to contribute to sustainable economic development working with the employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development (Foreign Investment Advisory Service, 2006; Wijerathna & Gajanayake, n.d.). In general, many studies suggest that CSR activities have a significant influence on several consumer-related outcomes such as purchase intention, brand choice and recommendations, and customer loyalty (Sen and Bhattacharya, 2001; Salmones et al., 2005; Werther & Chandler, 2005; He & Lai, 2014).

Corporate social responsibility has been chosen as a survival strategy to ensure the going concern of the society and the organization for a foreseen future. CSR describes the extent to which organizational outcomes are consistent with societal values and expectations (Lerner and Fryxell, 1988; Bronn et al., 2016). Since the businesses only make profit when products and services are being consumed by the society, a business must run its activities in a socially acceptable way to maintain a long-term relationship and long-run sustainability of the business (Uddin, Hassan & Tarique, 2008; Jusubova, 2015). CSR activities are broadly conceptualized as the company’s status and activities with respect to its perceived societal obligations (Brown & Dacin, 1997; Sen & Bhattacharya, 2001; Chung et al., 2015). The role of CSR has been transforming throughout the years, where Carroll (1979, cited in Marjo Elisa Siltaoja, 2006) highlighted that CSR is an economic, legal, ethical and philanthropic responsibilities imposed to companies. The importance order of CSR factors are as follows: consumer protection, philanthropic responsibility, legal responsibility, ethical responsibility, economic responsibility, and environmental contribution (K. Chung et al., 2015). This was also backed up stating that for a company to be a socially responsible corporation, its behavior should entail all of these components (Wijerathna & Gajanayake, n.d.) Carroll argued that these responsibilities are performed not only for the firm's sake but also for the sake of the society at large (Doda, 2015), reflecting organizations are obligated to take the interests of the society (Andreasen & Drumwright, 2001; Doda, 2015). The companies engage in CSR activities because they can have some kind of business benefits such as a good reputation, customer loyalty etc. good business policy with an ethical reference has more influence on reputation of the organization (Siltaoja, 2006; Wijerathna & Gajanayake, n.d.).

Base on Carroll’s pyramid of Corporate Social Responsibility which was published as an article on Business Horizons (1991), Carroll suggested that CSR includes four kinds of social responsibilities: economic, legal, ethical, and philanthropic, and these four aspects have always existed to some extent, but ethical and philanthropic responsibilities have drawn significant attention in recent years (Carroll, 1991; Thi & Trang, 2011). At present, most Sri Lankan organizations are seeking to conform to CSR

practices since stakeholders and other relevant parties often want to know about a firm's social responsibility (Wijerathna & Gajanayake, n.d.). Another famous theoretical model by Wartick and Cochran (1985) outlined the evolution of the corporate social performance model by focusing on three challenges, those are: economic responsibility, public responsibility, and social responsiveness (Wartick & Cochran, 1985; Jusubova, 2015).

### **2.1.1. Economic Responsibility**

In business institutions, economic responsibility is the basic unit in a corporation (Carroll, 1979). Economic responsibility is fundamental among any organization that intends to make profits; a business must produce and sell what the society requires to fulfil their economic mission. With regards, they should maintain a strong competitive position in the industry and aim at efficient operations (Carroll, 1979; Doda, 2015). Economic responsibility lies in maximizing not only shareholders' interests but also other stakeholders' interests as well. The role of economic responsibility is also reflected in the Triple Bottom Line (TBL) outlined by Elkington model, which concentrates on performance along the interconnected dimensions of people (social) and planet (environmental), as well as profit (financial) as tools for achieving sustainability (Jusubova, 2015), highlighting the responsibility of the organization to earn profits.

### **2.1.2. Legal Responsibility**

In carrying out their economic responsibility, corporations are expected work within the framework of laws and regulations as a partial fulfilment of the social contract between corporations and society (Doda, 2015). A successful firm is the one that fulfills its legal obligations, which is key to keep the firm operated. Conchius (2006, cited in Doda, 2015) on the other hand, stated that legal responsibility includes abiding by consumer and product laws, environmental laws and employment laws while also adhering to laws and regulations governing competition in the marketplace. However, legal responsibilities do not embrace the full range of behaviors expected of corporations by society. Laws are important, but they are often inadequate. First, they cannot possibly address all the issues or areas that a corporation may face. Second, laws often lag behind more recent concepts of what is considered right behavior, and third, laws may represent the personal interests and political motivations of legislators (Carroll, 1998; Doda, 2015).

### **2.1.3. Ethical Responsibility**

The ethical responsibilities imply that organizations should produce goods and services that are demanded and desired by customers (Valentzas & Broni, 2010). Ethical concerns expresses those standards and expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights (Carroll, 1979). The stakeholder's image of the company encourages ethical standards. According to Carroll (1991), business performance can be determined by the corporation's consistency in promoting

morale and ethical standards. If a corporation practices good corporate citizenship, the activities of the corporation are trusted. Ethical responsibility also recognizes that corporate integrity and ethical behavior should go beyond the requirements of laws and regulations. For an example, the programs that are telecasted should adhere to the ethical value of community.

#### **2.1.4. Philanthropic Responsibility**

Philanthropy is located at the most voluntary and discretionary dimension of corporate responsibility and has not always been linked to profits or the ethical culture of the firm (Ferrell, 2004). Philanthropic responsibility comprises of individual business attentiveness, where societal desires must be thought about. The implemented activities within this dimension are voluntary (Carroll, 1979; Doda, 2015). Philanthropic responsibility refers to corporate actions that are in response to society's expectations of good corporate citizens. Corporate philanthropic responsibility is likely to enhance the corporate image especially those that have high public visibility. According to Carroll (1991), it is important for managers and employees to participate in voluntary and charitable activities within their local communities, especially in projects that enhance a community's quality of life. Although society wishes corporations to be philanthropic, it is voluntary on the part of corporations (Carroll, 1991). According to Fombrun, Gardberg and Barnett (2000, cited in Doda, 2015), strategic philanthropists argue that, although philanthropy may not generate direct economic returns, it will enhance the firm's long-term competitive position through intangible gains in reputation, legitimacy or employee loyalty.

## **2.2. Media Industry and Corporate Social Responsibility**

The ultimate goal of CSR is to inspire public opinion of a corporate, public opinion is both formed and reflected by the media. The subject of the mass media is incomplete without the study of the topic 'Media and Society'. The stalwarts of communication studies including Wilbur Schramm also used to define communication only entwined with the relevance of society in it (Hiremath & Specialist, 2012). Carroll (2011 cited by The Economist, 2008) reported that only 36% of companies surveyed believed that working with the news media was helpful for their CSR initiatives. Pollock and Rindova (2003, cited by Nass, 2015) have shown that media visibility can play an important role in firm legitimation. Out of all the publics identified in the survey, the news media were identified as the source with which firms least proactively engaged. One reason for this is that scholars and practitioners alike tell audiences that CSR is not newsworthy (Grayson, 2009). The television media has shown its effect on the CSR information disclosed by organizations. Grafstrom & Windell (2011) and Nass (2015) argued that media has the potential to influence interpretations as well as practices of CSR. In fact, the media is often considered a "more credible" source of CSR information, as it is "less controllable" than company-released information (Du, Battacharya & Sen, 2010; Nass, 2015). Nass (2015 cited in Yoon, Gürhan-Canli & Schwarz, 2006) showed that consumers were more likely to approve of a company's CSR activities when they learned about the campaign from a "neutral source", such as the media.

Furthermore, media interest and reporting on CSR is increasing (Ditlev-Simonsen, 2014; Tench, Bowd & Jones, 2007; Nass, 2015.).

### **2.3. Brand Image**

Brand image offers a significant perspective on the understanding of consumer decision making (Jalil & Rahman, 2014; Wu & Wang, 2014). Consumers search for products which have images that are compatible with their perceptions of self-brand image (Jamal & Goode, 2001). Brand image can be divided into functional image, symbolic image and experiential image, such images directly affect consumers' brand attitudes (Park et al., 1986; Wu & Wang, 2014). Functional Brand image is significantly correlated with consumer appraisals and corporate reputation; the better the brand image, the higher the consumer appraisal (Cretu & Brodie, 2007; Wu & Wang, 2014). When brand attributes are associated with positive images, customers tend to have more favorable brand attitudes, thus feeling greater satisfaction with the brand (Romaniuk & Sharp, 2003; Wu & Wang, 2014). CSR data is probably going to constitute an especially significant reason for buyers' assessments of brand personality (Sen et al., 2006; He & Lai, 2014). At the point when customers see inharmoniousness between their own particular characters and that of the brand in their responses to its CSR activities, the CSR activities can even decline shoppers' expectations to purchase the brand (Sen & Bhattacharya, 2001; He & Lai, 2014).

### **2.4. Corporate Brand Image**

A positive corporate brand image helps organizations to expand rivalry as well as urge customers to re-buy (Porter & Claycomb, 1997; Tu, Wang, & Chang, 2012). A successful brand is a valuable business asset because consumers identify products and services through the respective brands (Rodrigues, 2011). Corporate and services branding are closely linked because of their intangible attributes and reliance on the interactions between employees and customers (King, 1991; Mc Donald et al., 2001; Hawabhay, Abratt, & Peters, 2009). That is, if the company is well known in its community, its corporate social responsibility activities will strengthen its brand image more than they would if the company were less well known (Maneet & Sudhir, 2011). CSR could be a benefit for building a better brand image and creating consumers' positive attitudes so that it is an important source of competitive advantage (Porter & Kramer, 2006; He & Lai, 2014). According to Gronroos (2007, cited in Jusubova, 2015) marketing has three objectives which consist of: getting customers, keeping customers and growing customers into a customer relationship.

Corporate Social Responsibility driven efforts does not only relate to donating money but it talks about integrating social and ethical practices into business strategies that help the consumer in creating a positive brand image (Maneet & Sudhir, 2011). With the increase in CSR awareness, some companies promote a very elementary understanding of corporate governance and ethical standards (Maneet & Sudhir, 2011). Keller (1993) approaches brand equity from a customer's perspective. Equity occurs

when the customer is familiar with the brand and holds some favorable, strong and unique brand associations in memory. If a company's positioning strategy is based on its' CSR activities, the core values are permeated by the core values of CSR (Du, Bhattacharya & Sen, 2010; Jusubova, 2015). When CSR is communicated, it becomes a strategic branding tool to manage customer's expectations (Werther & Chandler, 2005; Jusubova, 2015). Du, Bhattacharya & Sen (2007) state that CSR initiatives form a positive customer's attitude and behavior. This in turn strengthens the company's brand image, which is one of the main reasons for the company to engage in CSR activities (Du, Bhattacharya & Sen, 2007; Swedish trade federation, 2014). Brands based on emotional values are more protected from competitive erosion (Martinez, Pérez & Rodríguez del Bosque, 2014; Jusubova, 2015). CSR can be seen as an emotional aspect of brand image which enhances a company's competitive advantage (Martinez, Pérez & Rodríguez del Bosque, 2014; Jusubova, 2015).

## **2.5. Corporate Social Responsibility and Corporate Brand Image**

The advantages of utilizing CSR in branded content are endless. CSR activities can be amazingly viable at fashioning profound important associations with its customers that changes the devotion of the shopper to them as a promoter of the organization inside their informal communities (Kaur, Maneet, Agrawal, 2011). Studies indicate that consumers increasingly consider CSR as something important, raise their expectations on firms to behave responsibly, and are interested in knowing about how firms deal with CSR (Dawkins and Lewis, 2003; Schmeltz, 2012; Blombäck, Anna, 2013). CSR is not any more a decision but instead that organizations later on must incorporate CSR into technique to stay fruitful (Werther and Chandler, 2005; Hillestad et al., 2010; Blombäck & Anna, 2013). From a consumer perspective, it has been verified that a firm with credible CSR activities and reporting, is more successful in generating longer term consumer purchase intentions, loyalty and advocacy (Du et al., 2010; Blombäck & Anna, 2013). CSR is becoming a core component that affects brand image in a positive way and is therefore considered to be a strategic necessity, rather than something that only contributes to the customer's social value (Crespo, Salmones & Bosque 2005; Cretu & Brodie, 2007; Werther & Chandler, 2005; Idowu, 2009; Wu & Wang, 2014; Jusubova, 2015). The need for more emphasis on the Corporate Social Responsibility concept and its company-to-consumer communication is important. Though a number of companies' websites and their annual reports include information on these practices but it is seen that either this information does not reach the consumers or the current communication strategy is not strong enough to link the Corporate Social Responsibility actions to brands (Kaur, Maneet, & Agrawal, 2011).

## **2.6. The Moderating Effect of Demographic Characteristics**

Chattananon, and Lawley (2007), and Maruf (2013) highlighted that consumer demographic characteristics are of great importance when forming corporate image. The most important

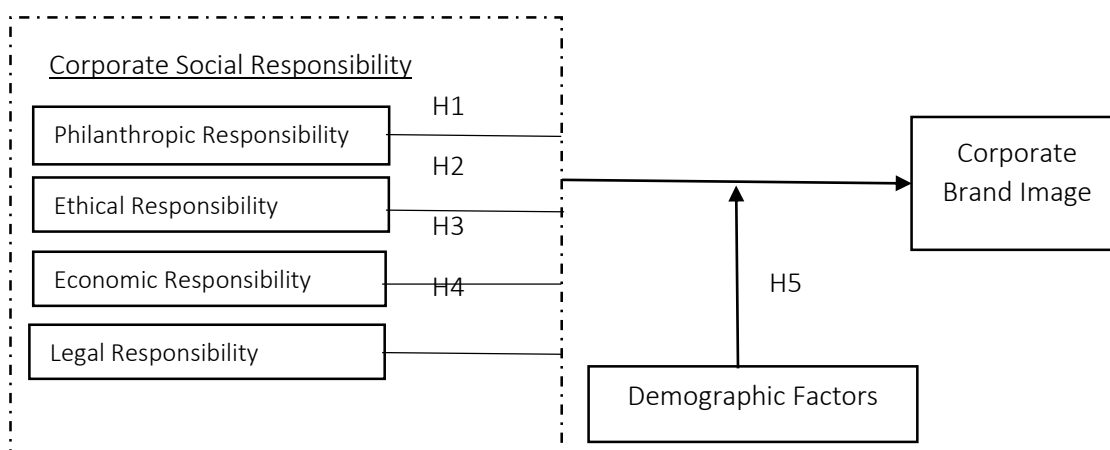


characteristics are: gender, age, education level, income level and marital status. For an instance, women have a more positive attitude towards socially responsible companies in comparison with men (Ndubisi, 2006; Maruf, 2013). While the declared objective of CSR activities is serving a socio-environmental stewardship mission, researchers have pointed out how social responsibility can also enhance firm reputations and create a loyal base of consumers (Pirsch et al., 2012). Chattananon, Lawley, 2007; Maruf, 2013 stated that no conclusion can be made about the impact of age group and marital status on consumer's attitude towards socially responsible companies. The analysis of scientific literature showed that CSR has a positive impact on favorable consumer attitude towards a socially responsible company and its products (Maruf, 2013). There is a strong link with three core themes; (1) Strategy/Integration and Implementation/Reporting, (2) Strategy/Integration and Competitiveness, and (3) Effect of Recession and Competitiveness (Spillane et al., 2013). When reviewing these relationships in accordance with Elkington's (1994) triple bottom line of sustainable development; social, environmental and economic parameters are identified as being fundamentally important. This implies that a comprehensive approach needs to be taken to CSR in order to both fulfill ones obligations to society, and also gain any economical or competitive gains that can be made. The results indicate that there is a wide spread belief that if implemented correctly, then CSR can provide a company with a competitive advantage (Spillane et al., 2013).

### 3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

#### 3.1. Conceptual Framework

The conceptual model was developed based on previous literature to measure the relationship between corporate social responsibilities on corporate brand image with the moderating effect of demographic factors.



Source: developed based on the studies of Carroll (1979), Chung et al. (2015), Lenguyen (2007), Met & Ali (2014), and Bhattacharya, and Sen (2004).

### 3.2. Hypotheses

As per the literature review supported in chapter two, five hypothesis were developed as follows;

*H1 : There is a relationship between economic responsibility and corporate brand image*

Carroll (1979) identified that a corporate to sustain needs to fundamentally fulfil its economic responsibility, where Doda (2015) also stated it's importance adding that economic responsibility is required to be maintained for a strong competitive position. These studies have reflected the relationship of economic responsibility to corporate survival and enhancement of corporate brand image.

*H2 : There is a relationship between legal responsibility and corporate brand image.*

It was reflected in the study of Doda (2015) that working within the framework of laws and regulations itself is a partial fulfilment of the social contract between corporations and society, thus plays a vital role in building corporate brand image.

*H3 : There is a relationship between ethical responsibility and corporate brand image.*

Studies have reflected that ethical responsibility, which includes concerning for what consumers, employees, shareholders, and the community regard as fair, just, or moral is important to raise stakeholders image of the company (Carroll, 1979), which also in return influences company performance.

*H4 : There is a relationship between philanthropic responsibility and corporate brand image*

Previous studies have concluded that philanthropic responsibility enhances the firm's long-term competitive position through intangible gains such as reputation and brand image, which denotes a positive relationship among the factors (Carroll, 1979; Doda, 2015).

*H5 : There is a moderating relationship between demographic characteristics on corporate social responsibility and corporate brand image.*

Studies by Chattananon and Lawley (2007); Maruf (2013) identified that consumer demographic characteristics influences when forming corporate image, comprising of major factors such as gender, age, education level, income level and marital status. This was also evident on various studies done on certain demographic factors from the above (Ndubisi, 2006; Maruf, 2013; Spillane et al., 2013). However, the studies of Chattananon and Lawley (2007), and Maruf (2013) also stated that no conclusion can be made about the impact of certain factors such age group and marital status towards socially responsible companies.

#### 4. RESEARCH METHODS

The research used deductive approach and the base model was developed on studies by Carroll (1979), Chung, Yu, Choi, and Shin (2015), Lenguyen (2007), Met, and Ali (2014), and Bhattacharya and Sen (2004). The population was CSR benefited television viewers in Sri Lanka. The TV viewership sample size is calculated via raosoft.com scientific statistical tool, where the sample size was 385. Data for the study was primary data, collected through self-administrative closed questionnaire, selected in accordance to likewise previous studies. The questionnaire was distributed among randomly selected disaster affected districts where CSR projects were conducted in the recent past, following a simple random sampling method. In addition, secondary data was also referred for decision making throughout the study, utilizing central bank reports, annual reports available in the market, LMBR reports, disaster management reports, and UN disaster project reports. To avoid respondent errors, the questionnaire was developed in English and translated into Sinhala. The translation was confirmed by a translator to ensure greater equivalence of meaning. Data was analyzed using SPSS software, where regression was majorly used in data analysis.

#### 5. RESULTS

Sample profile of the respondents were television viewers who were victims of natural disasters in Sri Lanka. Multi stage sampling technique was used to select the sample. The unit of analysis of the study is Galle district TV viewers who benefited through corporate social responsible activities conducted by Sri Lankan TV channels.

Reliability was tested and assured for all variables using Cronbach Alpha.

<b>Dimension</b>	<b>No. of items</b>	<b>Cronbach's Alpha value</b>	<b>Internal Consistency</b>
Philanthropic Responsibilities	4	<b>.730</b>	Acceptable
Ethical Responsibility	4	<b>.859</b>	Acceptable
Legal Responsibility	4	<b>.817</b>	Acceptable
Economic Responsibility	4	<b>.826</b>	Acceptable
Corporate Brand Image	15	<b>.787</b>	Acceptable

*Reliability Test. Source: Survey Data*

This study was mainly based on evaluating the basic demographic characteristics of the population. This has been achieved by age, gender, Occupation, education level and income.

The awareness level of CSR projects was 100%, period of aware CSR activities 71.8%.

Most of the respondents accounting to 47.7%, are TV viewers of the age group of 20-29.

#### *Age*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	126	47.4	47.4	47.4
	30-39	94	35.3	35.3	82.7
	40-49	46	17.3	17.3	100.0
	Total	266	100.0	100.0	

Sample contained 74.4% of females and 25.6% of males.

#### *Gender*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	68	25.6	25.6	25.6
	Female	198	74.4	74.4	100.0
	Total	266	100.0	100.0	

45.5% of respondents possess a diploma equivalent qualification. It can be generalized because according to 2012 statistical data, the literacy rate in Galle was 96.2%.

#### *Level of education*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school	57	21.4	21.4	21.4
	Diploma equivalent	or 121	45.5	45.5	66.9
	Bachelor's degree	46	17.3	17.3	84.2
	Master's degree higher	or 42	15.8	15.8	100.0
	Total	266	100.0	100.0	

Most of the sample respondents were within middle income range 30,001-40,000 LKR which count 38.7% of sample population.

#### *Income*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10,000 - 20,000 LKR	25	9.4	9.4	9.4
	20,001-30,000 LKR	67	25.2	25.2	34.6
	30,001-40,000 LKR	103	38.7	38.7	73.3
	40,001- 50,000 LKR	34	12.8	12.8	86.1
	More than 50,000 LKR	37	13.9	13.9	100.0
	Total	266	100.0	100.0	

The majority of respondents (90.6%, n=241) are private sector employees while (2.6 %, n=7) are government sector employees and the rest had their own businesses.

#### *Occupation*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government officer	7	2.6	2.6	2.6
	Private sector employee	241	90.6	90.6	93.2
	Business	18	6.8	6.8	100.0
	Total	266	100.0	100.0	

The descriptive statistics of each of the independent and dependent variables are as follows.

<b>Indicator</b>	<b>Mean</b>	<b>SD</b>
<b>Supports Culture</b>	5.45	.931
<b>Active participation to CSR projects</b>	5.39	1.038
<b>Support education institute</b>	5.45	1.061
<b>Enhance quality of life</b>	5.11	0.84
<b>Consist attend to ethical norms</b>	5.03	0.984
<b>Respect new social norms</b>	5.14	1.109
<b>Prevent unethical Behaviour</b>	4.53	1.588
<b>Effort to be good citizenship</b>	4.85	1.296
<b>Cooperate according to Gvt. law</b>	5.4	1.165
<b>Fulfill legal obligation</b>	5.15	0.998
<b>Minimum legal requirement</b>	5.38	0.976
<b>Cooperate with competitor CSR projects</b>	5.48	1.047
<b>Maximizing Earnings</b>	6.47	0.645
<b>Committed profitability</b>	6.27	1.011
<b>Strong competition</b>	6.49	0.657
<b>Seek profitable</b>	6.44	0.731

Descriptive values of independent variable

<b>Indicator</b>	<b>Mean</b>	<b>SD</b>
<b>Clean Reputation</b>	4.5	1.465
<b>Brand Function</b>	5.24	0.883
<b>Imagining Brand</b>	3.08	1.338

<b>Support natural disaster victims</b>	5.77	0.691
<b>Quality of CSR</b>	4.94	0.926
<b>Corporate culture</b>	5.19	0.995
<b>Promote corporate Image</b>	5.9	0.577
<b>Good corporate citizen</b>	4.84	1.05
<b>Communicate CSR</b>	4.9	1.225
<b>Company Value</b>	5.32	1.321
<b>Company Vision</b>	5.32	1.042
<b>Strategic Promotional Tool</b>	6.08	0.995
<b>Goodwill</b>	6.32	0.736
<b>Build Reputation</b>	6.44	0.574
<b>Improve Market share</b>	5.93	1.276

Descriptive values of dependent variable

The values for skewness and kurtosis between -2 and +2 are considered acceptable in order to prove normal univariate distribution (George & Mallery, 2003). According to normality testing all variables are normally distributed.

		IV_				DV_Brand
		Philanthropic	IV_Ethical	IV_Legal	IV_Economic	Image
N	Valid	266	266	266	266	266
	Missing	0	0	0	0	0
Skewness		.350	.748	.428	-.823	-.093
Std. Error of Skewness		.149	.149	.149	.149	.149
Kurtosis		-.598	-.061	.126	-.370	-.574
Std. Error of Kurtosis		.298	.298	.298	.298	.298

#### Skewness and Kurtosis of Constructs

In analyzing, the correlation among the variables, the categorization and interpretation of Evans (1996) was used. It was identified that ethical responsibility has a strong correlation with dependent variable

corporate brand image which is  $r=0.658$ ,  $p < 0.01$  and highest correlation with dependent variable. All variables are significant except environment responsibility variable according to analysis. Philanthropic responsibility has moderate correlation with dependent variable. However, the sig value is taken into consideration, three variables point to a statistically significant relationship with dependent variable as their sig values are lesser than 0.05.

### Correlations

		IV_ Philanthropic	IV_Ethica l	IV_Lega l	IV_Econom ic	DV_Brand Image
IV_Philanthropi c	Pearson	1	.482**	.327**	.066	.463**
	Correlation					
	Sig. (2-tailed)		.000	.000	.287	.000
	N	266	266	266	266	266
IV_Ethical	Pearson	.482**	1	.761**	.151*	.658**
	Correlation					
	Sig. (2-tailed)	.000		.000	.014	.000
	N	266	266	266	266	266
IV_Legal	Pearson	.327**	.761**	1	.277**	.563**
	Correlation					
	Sig. (2-tailed)	.000	.000		.000	.000
	N	266	266	266	266	266
IV_Economic	Pearson	.066	.151*	.277**	1	.109
	Correlation					
	Sig. (2-tailed)	.287	.014	.000		.075
	N	266	266	266	266	266
DV_BrandImagi e	Pearson	.463**	.658**	.563**	.109	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.075	
	N	266	266	266	266	266

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).



### Correlation Coefficients

Regression analysis was carried out to test the impact of CSR related factors on corporate brand image. In this case, Philanthropic Responsibility, Ethical Responsibility, Legal Responsibility, Economic Responsibility are the independent variables and corporate brand image is the dependent variable.

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \text{ ----- (1)}$$

Where  $Y_1$  = Corporate Brand Image  $X_1$  = Philanthropic Responsibility,  $X_2$  = Ethical Responsibility  $X_3$  = Legal Responsibility  $X_4$  = Economic Responsibility

### Analysis of the relationship between CSR factors and corporate brand image.

#### Model Summary<sup>b</sup>

Model	R	Adjusted R Square	Std. Error Change Statistics			Sig.	F		
			of the Estimate	Change	Change			df1	df2
1	.687 <sup>a</sup>	.473	.464	5.73278	.473	58.451	4	261	.000

a. Predictors: (Constant), IV\_Economic, IV\_Philanthropic, IV\_Legal, IV\_Ethical

b. Dependent Variable: DV\_BrandImage

According to model summary, the explanatory power of four independent variables that represent the CSR factors on corporate brand image dependent variable, is  $R^2 = 0.473$ , which indicates that 47% explains our factors towards corporate brand image.

A moderator analysis is used to determine whether the relationship between two variables depends on (is moderated by) the value of a third variable. A multiple linear regression model was tested to investigate whether the associations between dependent and independent variables are moderated by the demographic factors. First corporate social responsibility and corporate brand image factors basic regression was analysed.

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.687 <sup>a</sup>	.473	.464	5.73278

a. Predictors: (Constant), IV\_Econ, IV\_Phila, IV\_Leg, IV\_Ethi

b. Dependent Variable: DV\_BI

## Model Summary

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	7683.928	4	1920.982	58.451	.000 <sup>b</sup>
Residual	8577.696	261	32.865		
Total	16261.624	265			

a. Dependent Variable: DV\_BI

b. Predictors: (Constant), IV\_Econ, IV\_Phila, IV\_Leg, IV\_Etthi

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Lower Bound	Upper Bound
(Constant)	45.157	4.428		10.199	.000	36.439	53.876
1 IV_Phila	.547	.141	.199	3.875	.000	.269	.825
IV_Etthi	.797	.139	.432	5.731	.000	.523	1.071
IV_Leg	.405	.167	.174	2.427	.016	.076	.734
IV_Econ	-.053	.146	-.017	-.364	.716	-.342	.235

a. Dependent Variable: DV\_BI

Table 4:21 Coefficients

The moderating effect was tested by using stepwise hierarchical regression model by considering selected demographic factors as independent variables and modified regression output is give below.

**Modified Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781 <sup>a</sup>	.610	.596	4.97921

a. Predictors: (Constant), Income, IV\_Phila, Level of education, Occupation, IV\_Leg, Gender, IV\_Econ, Age, IV\_Etthi

b. Dependent Variable: DV\_BI

**Modified ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9914.739	9	1101.638	44.434	.000 <sup>b</sup>
Residual	6346.885	256	24.793		
Total	16261.624	265			

a. Dependent Variable: DV\_BI

b. Predictors: (Constant), Income, IV\_Phila, Level of education, Occupation, IV\_Leg, Gender, IV\_Econ, Age, IV\_Ethi

**Modified Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
	(Constant)	21.979	6.383				3.443
IV_Phila	.622	.127	.227	4.895	.000	.372	.873
IV_Ethi	.343	.134	.185	2.557	.011	.079	.606
IV_Leg	.033	.160	.014	.205	.838	-.283	.349
IV_Econ	.440	.147	.141	2.983	.003	.149	.730
1 Gender	-1.732	.821	-.097	-	.036	-3.348	-.115
Age	5.236	.705	.499	7.424	.000	3.847	6.625
Level of education	.938	.339	.117	2.772	.006	.272	1.605
Occupation	6.303	1.056	.245	5.966	.000	4.222	8.383
Income	-.793	.309	-.116	-	.011	-1.401	-.184
				2.566			

a. Dependent Variable: DV\_BI

Without considering the moderating effect of demographic factor the explanatory power of four independent variables that represent the CSR factors on corporate brand image dependent variable, is  $R^2 = 0.473$ , which indicates that 47% explains our factors towards corporate brand image. When pair moderate effect,  $R^2 = 0.610$  (61%) which shows an impact of  $R^2 = 0.137$  which indicates a significant of interaction.

The table below provides a summary of the analysis with the status of each variable and the justification utilized in arriving at the said conclusion. In the regression analysis following values are obtained in order to accept or reject hypotheses.

<b>Hypothesis</b>	<b>Relationship</b>	<b>Beta value</b>	<b>Sig value</b>	<b>Result</b>
<b>H1</b>	The Philanthropic Responsibility is positively correlated with Corporate Brand Image	<b>.547</b>	.000	Accepted
<b>H2</b>	The Ethical Responsibility is positively correlated with Corporate Brand Image	<b>.797</b>	.000	Accepted
<b>H3</b>	The Legal Responsibility is positively correlated with Corporate Brand Image	<b>.405</b>	.016	Accepted
<b>H4</b>	The Economic Responsibility is positively correlated with Corporate Brand Image	<b>-.053</b>	.716	Rejected
<b>H5</b>	The demographic characteristics moderates the relationship between corporate social responsibility and corporate brand image.	$R^2 = 0.137$	.000	Accepted

Source: Survey Data

## 6. CONCLUSION AND RECOMMENDATION

According to the findings of the research, researcher has made some suggestions to the Management of the Sri Lankan TV channels.

It is found that ethical responsibility factor has the highest impact for a corporate brand image of TV channels in Sri Lanka. With Sri Lankan cultural background and education level of community it was highly consider acceptance of ethical responsibility. Failure of ethical responsibility can caused from different sections. In TV channels it is mainly considered when they socially engaged and telecast in news and other information. It can be news reporting, CSR projects, political program, other social sensitive events or incidents, where TV viewers' directly or indirectly connect with the TV channels. Not like other corporates like mobile service providers, hospitality industry and retail sector customer relationship manager don't directly deal with the community. They couldn't get the direct feedback from the community. As a corporate entity ethical responsibility TV channels effect on its corporate brand image. So the service providers must give their first priority to ethical in their practices. Wording,

reaction, comments, reporting, participating and appearance should be a line with the ethical norms of the society. Otherwise it will harm the corporate brand image. Nowadays there is a trend to directly disclose unethical incidents like robberies, murders, accidents and revealed dead bodies through a fiction, storytelling or telecasting real videos but the knowledgeable community will refuse these harassment and will count it as unethical practice and will damage the corporate brand image

One of other main points to reveal is the impact of philanthropic responsibility on corporate brand image. In the practices of CSR activities and contribution to social wellbeing TV viewers count on corporate brand image. They appreciate employee and management engagement on social activities, how much they support to culture and social empowerment. So it is needed to people aware on the philanthropic activities they conduct. So the researcher is suggesting to implement the philanthropic programs that will cause to sustainable development while appreciating the projects like “Parisemin Gihin Enna”, “Manusath Derana”, and “Little Hearts” etc.

The next necessity of TV channels to be legally responsible as a corporate entity. But the majority of the community does not have a clear idea about these legal requirements imposed by the Ministry of Mass Media .Therefore the researcher recommends the management of Sri Lankan TV channels to adhere to legal requirements to protect social values.

Though the economic responsibility does not significantly co related with corporate brand image of Sri Lankan TV channels, researcher encourages the entities to grow up through a healthy competitiveness while being responsible towards the society at large.

## **7. LIMITATIONS AND FUTURE RESEARCH**

The research was a conducted through quantitative research which was based on self-administrative questionnaire. To get accurate response and the feeling of the TV viewers on how does corporate social responsibility will influence on corporate brand image of TV channels in Sri Lanka, qualitative methods such as interviews would provide more insights.

Regarding research sample population, the research was conducted among the CSR benefited TV veiwers in Galle district. The main drawback found was the limited knowledge and scope of the study.

Through the research it was found that there was 100% awareness of the corporate social responsibility among sample respondents. Doing a further research on impact of corporate social responsibility on corporate brand image for particular brand will give more clear idea on particular brands' image.

Sample contained 385 respondents and only respond 266. And doing a future research with much higher sample will give more generalize idea on impact of corporate social responsibility on corporate brand image.

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