Original Article

Journal of Social Welfare and Management
Volume 11 Number 3, July - September 2019
DOI: http://dx.doi.org/10.21088/jswm.0975.0231.11319.3

A Study on Maintaining and Enhancing Brand Value with Sustainability Among Companies

Dimple Meena

How to cite this article:
Dimple Meena. A Study on Maintaining and Enhancing Brand Value with Sustainability Among Companies. J Soc Welfare Manag. 2019;11(3):323-327.

Abstract

Sustainability concerns are An epochal issue nowadays and when it related to consumers health and ecological point of view or for future generations it becomes a prime issue for the business or corporations to adopt, maintain, sustainability practices as it enhances the Brand value as well as Brand image and brand survival capacity. These values can be critically important or small in consequential things but above all they are the things which give the brand its worth and differentiate from all others. Through these brands value a product or service is enhanced beyond its functional purpose. In this context the brand provides the consumer with more value and this is why they are prepared to pay a premium to acquire it. This paper attempts to conduct study on how far sustainability concerns are epochal for the companies brand value. An effort has been made in the present study to conduct the study on the scenario by conducting *t* test in order to explain the understanding and importance of the respondents in this relatively new aspect from the point of view of company's product Brand value is the noteworthy aspect in every company as it by and large responsible in getting attention wherein in current scenario it was observed that brand value is dependent on sustainability measures. This paper assesses and examines Brand value of companies affected by sustainability and sustainability concerns impact the performance and profitability aspect of the companies. This paper concludes that sustainability issues improving the brand performance and image and obviously the value which will be possible by strict and a well utilization of resources and adoption of green practices.

Keywords: Sustainability; Brand Value; Brand; Profitability.

Introduction

In the competitive business environment, businesses are surrounded with a numerous challenges. If they have not dealt with these challenges can impact on their performance. In the light of this they need to search a new outcome feel the improvement of their performance and to gain or retain the image in the mind of the consumer and in the market so this must be consider in mind and become a new paradigm shift which focused more on sustainable development. As resources dwindle and competition increases, there is need to remain relevant and competitive whilst promoting sustainable social environmental and technological best practices approaches. Business sustainability is defined as managing the triple bottom line - a process by which companies manage their financial, social and environmental risks, obligations and opportunities.

These there impacts are sometimes referred to as profits, people and planet. It respectful resiliency order time. It requires firms to adhere to the principles of sustainable development. By

Author's Affiliation: Assistant Professor, Department of Business Administration, University of Rajasthan, Jaipur, Rajasthan 302004, India.

Coressponding Author: Dimple Meena, Assistant Professor, Department of Business Administration, University of Rajasthan, Jaipur, Rajasthan 302004, India.

E-mail: dmeena522@gmail.com

Received on 21.07.2019,

Accepted on 16.08.2019

attaining this important outcome business can pursue its objecting and achiever its targets by optimizing utilization of resources, reducing the impact on the environment without compromising on product quality, competitiveness, profitability and company long term goals. In today scenario there are lot of business are available who are not considering this aspect but thereare many business or companies who have already adopted as well as focussed on this aspect. Those businesses who have not working on this aspect and if working but in a moderate level may harming the environment. Therefore one of the greatest challenges today is to encourage all business to adopt sustainable forms of business and social responsibility consciously which can make or give the good quality of life for everyone, now and for generation to come.

Literature Review

Various companies are growing with a broad based commitment to sustainable to develop one, some companies need leadership commitment, an ability to engage with a multiple stakeholder along the value chain, widespread employee engagement and disciplined mechanism for excretion. Neoclassical economics and several management theories assume that the corporation's objective is profit maximization subject to capacity (or other) constraints. The key agent in such models is the shareholder acting as the ultimate residual claimant who provides the necessary financial resources for the firms operations (Jensen and Meckling, 1976; Zingalis, 2000).

However, there is substantial variation in the Way Corporation's actually complete and pursue profit maximization. Different corporations place more or less emphasis on the long term reuses the short term (Brochette *et al.*, 2011) Care More or less about the import of extremities from their operational on other stakeholders (Paint, 2004) focus more or less on the ethical ground of their decisions (Paine, 2004) and assign relatively more or less importance on shareholders compared to other stakeholders (Freeman *et al.*, 2007).

During the last 20 years of relatively small but growing number of companies have voluntarily integrated social and environmental issues in their business models and daily operations i.e., their strategy through the adoption of related corporate policies.

Some scholars argue that companies can "do well by doing good" (God frog, 2005; Margolis *et al.*, 2007, Porter and Kramer, 2011) based on the assumption that meeting the needs of other stakeholders e.g. employees through investment in training directly creates value for shareholders (Freeman *et al.* 2010, Porter and Kramer, 2011). It is also based on assumption that by not meeting the needs of other stakeholders, companies can destroy shareholder value because of consumer boycotts (e.g., Sen *et al.*, 2001). On the other hand other scholars argue that adopting environmentally and social policies can destroy shareholder, wealth (e.g. Friedman 1970; Clotfelter 1985; Navarro 1988; Galaskic Wicz 1997). In its simplest form their argument is that sustainability may simply be a type of agency cost? Managers receive private benefits from embedding environmental and social policies in the company strategy but doing so has negative financial implications for the organization (Baloti and Hants 1999; Brown *et al.*, 2006).

Dyelick and Hockerts (2002) describe that"ecologically sustainable companies we only natural resources that are consumed at a rate below the development of substitute. They do not causes commission that accumulate in the environment at a rate beyond the capacity of the natural system do absorb and assimilate these emission finally they do not engage in activity that degraded eco system services (Dyelick & Hockerts, 2002).

Problems and Scope of the study

- Brand value of companies or businesses affected by sustainability.
- Sustainability concerns impact the performance and profitability aspect of the companies.

In any company brand value plays a noteworthy role in reaching out to the corners of the market and in the mind of consumers and of course in occupying a top position in the market. Hence the present study is aimed at to analyse the impact of sustainability on Brand value.

Objectives of the study and hypothesis generation

- To assess the impact of sustainability concerns on the brand value of the various companies or business.
- To ascertain the starts of sustainable issues and to analyze the importance of sustainability concerns in current scenario.
- In order to achieve the stated objective few working hypothesis have developed :

H_0 = Brand value is dependent on sustainability issues.

H_A = Brand value is not dependent on sustainability issues or concerns.

Research Methodology

This study is based on both primary and secondary data which are collected from various categories of public through interview schedule or by questionnaire. The first part of questionnaire consists of identification of public and the second part consists of deep understanding about the importance or impact of sustainability issues on brand value by the consumers. The data for the present study were collected from 20 respondents who have involved in sustainability issues.

Tabel 1:

No of Respondents	Step 1 Agree Score	Step 2 Disagree Score	Step 3 $(x–y)$	Step 4 $(x–y)^2$
1	14	06	–8	64
2	15	05	–10	100
3	18	02	–16	256
4	17	03	–14	196
5	16	04	–12	144
6	13	07	–6	36
7	15	05	–10	100
8	15	05	–10	100
9	14	06	–08	64
10	19	01	–18	324
11	20	00	–20	400
12	17	03	–14	196
13	16	04	–12	144
14	10	10	00	00
15	13	07	–06	36
16	17	03	–16	256
17	19	01	-18	324
18	16	04	–12	144
19	16	04	–12	144
20	15	05	10	100
		Sum	**–222**	**3128**

Data Collection

In order to collect data, sample from 20 respondents were taken from the questionnaire containing 20 questions relating to the impact of sustainability issues as far as current scenario business is concerned which have a major effect on the brand value, performance and profitability aspect of the business. In order to analyze the data, t test were undertaken which can be calculated as follows:

$$t = \frac{\left(\sum D\right)/N}{\sqrt{\dfrac{\sum D^2 - \left(\dfrac{\left(\sum D\right)^2}{N}\right)}{(N-1)(N)}}}$$

Step 5: $$t = \frac{\left(\sum D\right)/N}{\sqrt{\dfrac{\sum D^2 - \left(\dfrac{\left(\sum D\right)^2}{N}\right)}{(N-1)(N)}}}$$

$\sum D$ = Sum of the difference (Sum of X-y from step 3).

$\sum D^2$ = Sum of the squared difference from step 4.

$(\sum D)^2$ = Sum of the squared difference from step 3 squared.

$$t = \frac{\left(\sum D\right)/N}{\sqrt{\dfrac{\sum D^2 - \left(\dfrac{\left(\sum D\right)^2}{N}\right)}{(N-1)(N)}}}$$

$$t = \frac{-222/20}{3128 - \left(\dfrac{(-222)^2}{20}\right)}$$

$$t = \frac{-222/20}{\dfrac{3128 - \left(\dfrac{-222}{20}\right)^2}{(20-1)(20)}}$$

$$t = \frac{-11.1}{\dfrac{3128 - (123.21)}{(19)(20)}}$$

$$= \frac{-11}{\dfrac{3004.79}{380}} = \frac{-11.1}{7.907} = 1.403$$

Step 6: Subtract 1 from the sample size to get the degrees of Freedoms we have 20 items to get (20–1 = 19)

Step 7: Find the *p*-value in the *t* table using the degrees of freedom in step 6 of you don't have a specified alpha level use 0.05 (5%) for this sample problem with df = 19 the t value is = 2.093.

Step 8: Compare *t* table value from step 7 i.e., 2.093 to calculated *t* value = –1.4038 the calculatedt value is less than the table value at an alpha level of 0.05. So accept the null hypothesis and it is stated that after inducing this research that brand value is dependent on a sustainability issues.

Results and Findings

As far as sustainability issues are concerned, many companies are actively integrating sustainability practices into their business according to a various report mainly by McKinsey reports/survey and they are doing so by pursuing goals that go far beyond earlier concern for reputation i.e., Saving energy developing green products and retaining and motivating employees all of which help companies in capturing value through growth and return on capital. In this study of consumers and concerned persons on how they understand and manage issues related to sustainability and the result shows that brands reputation and brand value is dependent on sustainability issues in current state of era and it may not distort the shareholder wealth.

This study explored why and how companies are addressing sustainability. On the whole respondents well rounded understanding of sustainability and its expected benefits and they are also more concerned that companies must take a more active approach than those in other sectors, probably as a result of it potential regulatory and natural resources constraints.

By considering secondary data sources i.e., reports and energy, it is noteworthy that since 2010 survey in the actions of executives report their companies are taking on sustainability, their reasons for doing so and the extent to which they have integrated sustainability into their business. For instance the respondents were also agreed that companies top reasons for addressing sustainability include improving operational efficiency and lowering costs and they have also agreed that in order to maintain reputation and enhancing brand value can be possible by adopting sustainability issues or aspects in their courses of action in business and they have opined that commitment towards R&D in continuous manner do bring sustainability products to market.

After considering this study it is to be ascertain that sustainability concerned is more helpful in managing corporate reputation, managing portfolio to capture trends in sustainability, leveraging sustainability of existing products to reach new customers or markets and achieving higher prices or greater market share from sustainable products in order to ascertain current demand of the market and needs of the consumers.

Sustainability Contribution by Various Companies

According to fortune report, the following companies are considered as green brands and are working largely from the point of view of business sustainability, Where in Unilever a major green giant committed to doubling its sales. While having its environmental footprint by 2020. It aims to source 100% of its agricultural feedstock's from sustainable agriculture and to improve the lives of 1 billion people. It's moving towards sustainable aspect decouple economic growth from carbon growth across its entire business via the sustainable living plan.

Tesla qualified as a green giant manufactured the world's first commercially successful all electric vehicle. This automobile company wanted to help expedite the move from a mine and burn hydrocarbon economy towards a solar elective company.

General electrica green giant produced a line of products ranging from diesel locomotives to electric vehicle charging stations that are certified against a set of criteria and verified by a third party as delivering superior environmental and financial performance to customer. It has created a highly profitable and fast growing portfolio of environmentally superior products and services at a time when industry wisdom held that sustainability could not equal profitability and in spite of the absence of global regulation that would have favored the adoption of these products. This company wants to invent and build things that power the world.

Nike is also qualified as a green giant as it provides a technology that allows athletic shoes to be woven rather than picked together, resulting in a high performance shoe that creates up to 80% less waste than conventional athletic Shoes during manufactures.

Toyota a major automobile player considered as a green giant produced the first hybrid vehicle it topped the 2013 greenest list, an automotive ranking by the American council for an energy efficient economy it has proved to be the first vehicle in the world lot built on the internal combustion engine to achieve mainstream adoption, independent of gas prices and even in the US the land of SUV.

Conclusions and Suggestions

Today every major Corporation understands the importance of running a sustainable business. This means one in which water gets conserved, energy and materials come increasingly from clean sources and the social impact of the business is positive, customers are seeing how brands are performing environmentally companies that neglect to embrace sustainable changes may ultimately find that their products become less relevant to consumers sentiment and less affordable. There is a misconception that longer term sustainability only adds near term cost, while this may be true for less well conceived strategies, a core element of any successful sustainability strategies should be a focus on value certain increasing brand value. Such strategies are characterized by long term business partnerships, a strengthened proposition for the consumer improved operational efficiency and increased margins and growth-all key enablers and drivers of value. The combination of business pro-activity, regulatory intervention and shifting consumer attitudes to environmental and broader sustainability issues will results in increasing demand for products that are greener cleaner and more responsibility produced organizations will had to respond to these changing patterns encouraging consumers to buy smarter and not less. This can be done by reducing the environmental impact of production methods, integrating sustainability into the supply chain, strengthening relationship with suppliers and developing products that help consumers reduces their own carbon footprint on enable them to buy ethically. Companies that neglect to embrace these changes may ultimately find that their product become less relevant to consumer sentiment.

References

1. Aaker DA & Joachimathaler E. Brand leadership. New York. 2000.
2. Azapagic A. Systems approach to corporate sustainability. A General Management Framework. 2003.
3. Charter M, Pealtic K, Ottman J & Polonsky MJ. Marketing and sustainability. 2006.
4. Dyelick T & Hockerts K. Beyond the business case for corporate sustainability. Business strategy and the environment. 2002.
5. Keller KL. Strategic Brand Management. Upper Saddle River. 2003.