

The Influence of Corporate Social Responsibility on Corporate Alliance Brand Value: A Study on Bancassurance Services in Pakistan

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Abstract

Existing theories on corporate values in Pakistan rarely discuss the factors influencing brand value under corporate alliances. This research will identify the factors influencing corporate social responsibility on corporate alliance brand values. The rationale of this research is to drive implications for corporate alliance brand values in Bancassurance services. The study has been conducted on Bancassurance services sector of Pakistan, including banking and Insurance professionals as interviewees. A qualitative methodology has been adopted for this research. Ten interviews have been conducted through the purposive sampling technique, and the interviewees are from the banking and insurance domains of Pakistan. Thematic analysis has been applied as a tool for conducting this research using Nvivo QSR version 10 software. The themes obtained from the transcribed data are that corporate alliance brand value is boosted by implementing CSR towards Bancassurance relevant stake holders, corporate alliance brand value is boosted by implementing CSR towards Bancassurance customers, and corporate alliance brand value is boosted by implementing CSR towards Bancassurance employees. In order to increase their brand value through corporate alliances, the results recommend that the Banca-CSR alliance model can be used by Bancassurance service providers to develop and implement CSR-related policies and initiatives.

Keywords: – : Corporate Social responsibility, Brand value, Corporate Alliance, Bancassurance services

Introduction

Bancassurance refers to the sale of insurance policies from insurance firms via banking channels. Although the idea of bancassurance was first introduced to Pakistan in 2003, this industry saw growth in 2008–2009 (Iqbal & Shamsi, 2017). The bank's principal function in the bancassurance arrangement is to serve as an intermediary for the sale of the insurance product of the insurance company, assisting the latter in building up a sizable client base and expanding its market penetration (Iqbal & Shamsi, 2017). Bancassurance contributes significantly to the overall insurance market's revenue in several nations. This line of work has been growing and now accounts for a significant insurance distribution, helping banks boost their income (Nguyen et al., 2022). Corporate social responsibility, which has been in use for a long time, has been defined in a variety of ways. CSR covers all of the social, moral, legal, and ethical obligations that society expects from businesses (Carroll, 1999). Additionally, the core idea of CSR is that businesses must fulfil their obligations in order to cater the requirements of stakeholders. Enterprises have a wide range of stakeholders, including the government, workers, communities, and partners. Each stakeholder affects how a firm operates in a particular way and plays a different function. Businesses must therefore adopt a unique strategy for each asset in order to ensure appropriateness and provide the greatest value (Nguyen et al., 2022). In his research, Freeman (1984) introduced the concept of stakeholders for the first time, assuming that all corporate stakeholders, including owners or stakeholders, the community, consumers, suppliers, workers, and the state, decide the firm's survival. This approach acknowledges that practically all businesses must balance their commitments and responsibilities with their worries about stakeholders (Carroll, 1991). Corporate ties are alliances. They are about the people you know in the company, and much like a private network, they strengthen your weaknesses and complement your skills. Each alliance is a partnership in which two or more organizations cooperate to accomplish a common objective while keeping separate and independent (Kalia, 2019). Rarely

are the elements impacting brand value under corporate alliances explored in Pakistan's existing theories on corporate values. The elements affecting corporate social responsibility on corporate alliance brand values will be determined through this research. The goal of this study is to develop avenues that have productive solutions for corporate alliance brand values in banking services. The study's interviewees included banking and insurance professionals from Pakistan's bancassurance services sector.

Problem Statement

Existing theories on corporate values in Pakistan rarely discuss the factors influencing brand value under corporate alliances.

Significance of Research

This research will identify the factors influencing corporate social responsibility on corporate alliance brand values. The rationale of this research is to drive implications for corporate alliance brand values in Bancassurance services.

Research Question

The research questions created for further investigation are listed below:

1. What are the factors influencing corporate social responsibility on corporate alliance brand values?
2. What are the factors influencing CSR towards Bancassurance relevant stake holders?
3. What are the factors influencing corporate alliance brand value towards Bancassurance customers?

Literature Review

According to Muttakin et al., (2018), CSR initiatives assist businesses in striking the right balance between their commercial and social objectives and in making the most of limited resources. Due to concerns about public opinion, brand, and ethics, integrating CSR within Bancassurance service providers is crucial for fostering social cohesion and sustainable development. Implementing CSR is becoming a key business strategy, intensifying the competitiveness between corporations (Kim & Kim, 2005). Corporates must therefore continue to market. An awareness of brand value and management that maximizes financial success are necessary for effective brand management (Kim & Kim, 2005). According to Huong & Thuan (2019), a positive brand value is a result of workers' positive perceptions of CSR in the banking industry. The two main views used in brand valuation are those that are firm- and customer-oriented. The first is equivalent to a behavioral marketing strategy, whereas the second emphasizes financial data. Only the impact of brand value on stock returns was validated by corporate brand valuation (Karimi et al., 2022). The brand reveals how an organization is crafted and regarded by those who have interacted with it, whether that perception is tangible or intangible (Nguyen et al., 2022). Since the 1960s, brand management research in the field of marketing has focused on brand value as determined by the firm (Chang & Liu, 2009). Brand value is the added value that a brand adds to a product beyond its inherent worth, which can be assessed from a business or customer perspective, according to corporations (Farquhar, 1989). This theory contends that a company's brand value is made up of the liabilities and assets related to its name and logo. For a company or its customers, it can improve or decrease the value created in a good or service (Aaker, 1996). Organizational and corporate values are used in the writings of Harmon (1996), Aaker and Joachimstahler (2000) Corporate principles are simply referred to as "laws of life" by Gad (2001). A step further is taken by Kunde (2000), who defines corporate religion as the set of principles that bind the organization around a mission and vision. Another approach for a company to convey its beliefs is through a credo (Ind, 2001; Osborne, 1991). The organization's value base must serve as a solid foundation for the mission if it is to serve as the framework for creating the organization's brand (Urde, 2003). However, one issue is that the purpose is sometimes viewed as existing apart from the organization's regular operations, making it more difficult to use. Contrarily, in a company that engages in marketing using its corporate brand, the mission is a distinct driving force and expression of the organization's overarching aims. Consequently, it becomes part of the identity of the brand (Urde, 2003). By engaging in corporate social responsibility activities, businesses can take accountability for their actions.

These businesses are more inclined to maintain high financial reporting standards because of the social and environmental effects of their operations (Chae & Ryu, 2018). From the standpoint of the consumer, firms want to display long-term consumption patterns. From the viewpoint of the employee, however, behavior relating to work is concentrated on upholding the brand promise. Brand equity's many impacts on employees' perceptions of their workplace are referred to as "employee-based brand equity." (King & Grace, 2009). In relation to the banking sector, employees' consideration of the benefits of internal brand management for the organization affects their brand behavior. Another important component of employee-based brand equity is regarded as employee happiness (Nguyen et al., 2022). From the viewpoint of the consumer, Bancassurance services management must provide goods and services that adhere to regulations for quality, safety, value, plan, product information, distribution, sales, and competition. Additionally, one of the elements influencing the success of CSR adoption in businesses is after-sales services, including attentive care and prompt customer service (He & Li, 2011; Pivato et al., 2008). Such practices will develop customer trust. Due to their degree of pleasure, customers can fully infiltrate the market with any product they trust (Kumari, 2012). Customer trust is essential to achieving product offerings and determining profitability (Tiwari & Yadav, 2012). Customers keep their accounts and investment funds with the bank with no hesitation, which is a key source of consumer trust (Choudhry & Singh, 2015). The business environment as a whole is implied by the bank as influencing consumer trust (Sreedevi & Auguskani, 2014). If corporate products guarantee the aforementioned elements and give consumers, particularly Bancassurance service providers, complete and accurate information, they will boost consumer trust effectively, which will raise the perceived worth of their products (He & Li, 2011; Pivato et al., 2008). Additionally, there is growing agreement that corporate social responsibility and excellent (business) governance go hand in hand. The Enron scandal taught us that ethical behavior cannot be produced solely by an award-winning social report (Marsiglia, & Falautano, 2005). Programs for corporate social responsibility and sound corporate governance are increasingly moving away from a "philanthropic" interpretation of corporate capitalism and toward real ways to win back the confidence of consumers and the general public while strengthening reputations. When referring to these recent changes, the words "being held responsible for" and "keeping account of" are sometimes used, which are merely superficially equivalent (The Economist, 2005). One of the crucial components of a company's ability to contend on the international market is its "accountability" (or, more accurately, its capability to accept responsibility for new issues). Additionally, this is much more crucial for the banking and insurance industries. A number of procedures and mechanisms are implied by corporate social responsibility. Internal corporate mechanisms (organizational, middle management, and corporate leadership) aimed at introducing a moral perspective, moral guidelines and agreements of principles, spreading corporate governance systems, mentoring and enhancing intellectual resources, and an Ethical Committee are some examples that can be used in the insurance industry specifically (Marsiglia, & Falautano, 2005).

Gaps Identification after Literature Review

Previous studies rarely focused on the factors influencing brand value under corporate alliances. Secondly, there is a need to explore the factors influencing Bancassurance products through corporate social responsibility.

Methodology

A qualitative research methodology has been used for this study. There are 10 interviews with respondents. Since semi-structured interviews are built around asking questions inside a conceptual framework, they were chosen for the aforementioned objective. But there is no set order or format for the questions. In research, semi-structured interviews are usually qualitative in nature. Due to its subjective, judgmental, and selective nature, a non-probability selection method called purposive sampling has been chosen. I have chosen representatives from the Insurance industry for in-depth information based on their knowledge and experiences. Thematic analysis has been applied as a tool for this research.

Thematic Analysis

According to Braun and Clarke (2006), thematic analysis is a popular technique for qualitative research and is comparable to other approaches including grounded theory, ethnography, and phenomenology. According to Braun and Clarke (2006), thematic analysis should be a fundamental strategy for qualitative research since it provides a focal point for directing a variety of qualitative research projects. Thematic analysis is a technique employed by many qualitative methodologies, according to many researchers; it is not a distinct method but rather a statement used to aid research experts. Clarke and Braun (2006) provided a methodology for the study of qualitative data that comprises the subsequent steps:

- Getting to know the data
- Producing first codes
- Theme research
- Themes analysis
- identifying and naming the themes
- Making the report.

Thematic Coding

After all interviews had been performed and transcribed, the coding procedure was initiated. A coding system was devised after several iterations and the identification of the initial 30 codes, which were explored. Then, in order to further enhance them, these coded transcripts were loaded into QSR Nvivo (version 10). Codes were often developed using information or existing hypotheses. Figure 1 is a coding snap shot.

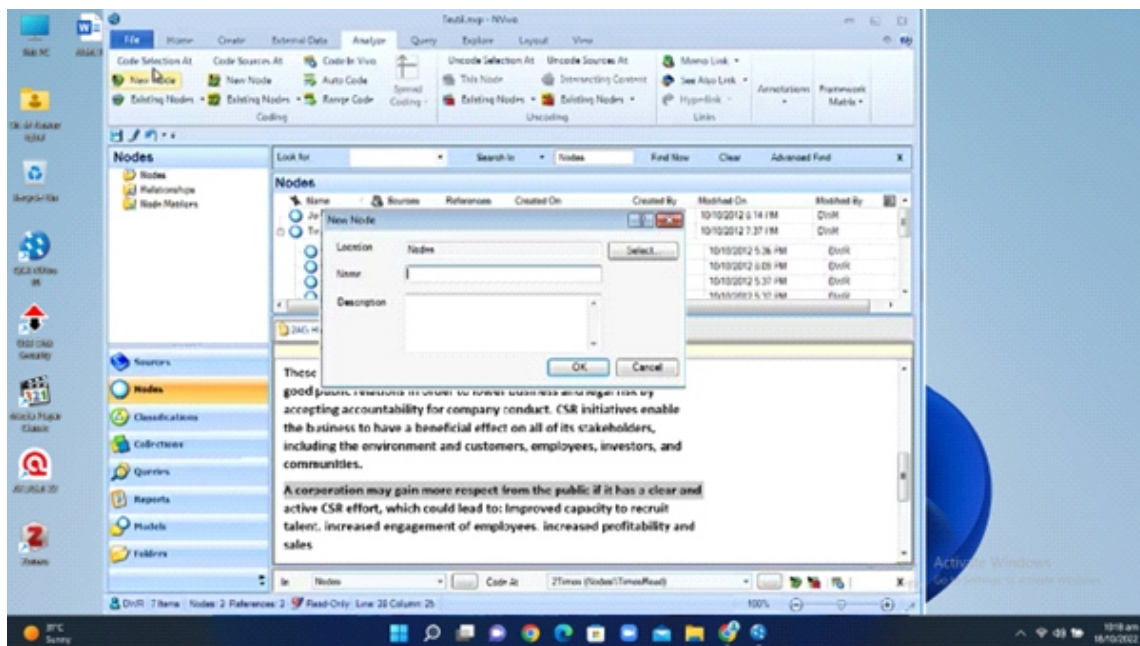


Figure 1: Coding Snap Shot

Triangulation

The first step in 'information source' triangulation is to select numerous Bancassurance stakeholders of different types from different routes (Evers, 2011). This makes it possible to consider the opinions of a variety of participants in different business channels (Evers, 2011). Second, the triangulation of "methodological" and "information type" was created as a result of employing different techniques for information accumulation (Evers, 2011). Rich field notes were immediately written after each meeting, in addition to semi-structured interviews, to document participant behavior and the environment according to occurrences.

Trustworthiness

The confidentiality and anonymity of the participant's shared information were moral requirements. Both the

notes and the material that was transcribed were scrubbed of any personally identifiable information, and each participant was given an individual alpha-numeric code instead. The researcher transcribed each interview, and no interview or no other parties were contacted to receive recordings for transcription.

Results

Interview Characteristics

Respondent Code	Gender	Method
GF_1	Male	In Personal
BS_2	Female	In Personal
HSI_3	Male	In Personal
DH_4	Male	In Personal
RK_5	Male	In Personal
HM_6	Male	In Personal
ME_7	Female	In Personal
QF_8	Male	In Personal
JP_9	Male	In Personal
MR_10	Female	In Personal

Table 1: Interview Characteristics

Following are the themes comprised from the factors explored during interviews. Themes include; corporate alliance brand value is boosted by implementing CSR towards Bancassurance relevant stake holders, corporate alliance brand value is boosted by implementing CSR towards Bancassurance customers, corporate alliance brand value is boosted by implementing CSR towards Bancassurance Employees.

Theme 1: Corporate alliance brand value is boosted by implementing CSR towards Bancassurance relevant stake holders

"...Sharing information about company's CSR initiatives may increase stakeholder participation and encourage customer support..."JP_9.

Additionally, the fundamental tenet of CSR is that organizations must fulfil their duties in order to satisfy stakeholders. Stakeholders in businesses come in many different forms, including the government, employees, communities, and partners (Nguyen et al., 2022).

"...CSR enables business and its stake holders to expand while also assuring self-growth and profitability by assisting them in having a meaningful impact on society and all parties involved in their operations..."RK_5.

Each stakeholder affects how a firm operates in a particular way and plays a different function. Businesses must therefore adopt a unique strategy for each asset in order to ensure appropriateness and provide the greatest value (Nguyen et al., 2022).

Theme 2: Corporate alliance brand value is boosted by implementing CSR towards Bancassurance customers

"...CSR can affect consumers' views and attitudes in addition to how they choose which items to buy..."DH_4.

The most significant and pervasive influences on consumer behavior are cultural. Culture, subculture, and buyer social class are a few of these cultural aspects. Social influences. Small groups, families, roles, and consumers' social position all have an impact on how they behave as consumers. These elements have a significant impact on consumer reactions (Rosanti, 2021).

"...Receiving information about a company's CSR initiatives helps consumers become more aware of CSR,

which fosters favorable views about purchasing goods from CSR businesses... ”HSI_3.

Examples of social component indicators include choosing a bank's insurance products based on a partner's or family's acceptance, referrals from friends, and other people's judgments of the value of insurance. This shows that a client's social life has no bearing on their choice to buy insurance from a bank (Rosanti, 2021). According to Sangadji and Sopiah (2013), a social class is an organization that admits people with similar social standing. Social variables frequently have an impact on a person's desire for a product. Typically, people follow their environmental behaviors, including CSR practices, when making purchases of all kinds.

Theme 3: Corporate alliance brand value is boosted by implementing CSR towards Bancassurance Employees

“...A corporation may gain more respect from the public if it has a clear and active CSR effort, which could lead to: Improved capacity to recruit talent. increased engagement of employees. increased profitability and sales... ”HM_6.

The quality of CSR disclosure and the efficiency of corporate governance procedures are related. According to Gill (2008) and Habbash (2016), corporate governance aims to ensure ethical company operations by deploying a number of organizations, such as the audit function, auditors, and executives, who are in charge of observing and regulating manager performance and decisions regarding stakeholders, the environment, and society.

“...CSR involves initiatives like promoting professional and personal growth, providing ongoing training to impart new skills, and fostering a pleasant and engaging work environment... ”BS_2.

By providing investors with information on the company's ties with its workforce, society, and environment, CSR disclosure reduces the knowledge asymmetry issue that develops between managers and owners (Jennifer & Taylor 2007; Said et al., 2009). Strong governance mechanisms assure integrity, openness, and continued revenue generation for businesses (Ruangviset et al., 2014).

Themes and its Sub themes categorization		
Factors generate during interviews	Sub Themes	Themes
Business Alliance	Corporate Alliance	Corporate alliance brand value is boosted by implementing CSR towards Bancassurance relevant stake holders
Service level agreements		
Common Channel of Communication		
Consumer understanding		
Business Coordination		
Corporate strategy		
Stake holder participation		
Brand Understanding	Brand Value	
Consumer Trust		
Brand Awareness		
Brand Equity		
Purchase Intention		
customer consistency in premium pay	Corporate Social Responsibility	
Organizational support		
Employee stakes		
Corporate understanding		
Consumer market		
Productive targets		
consumer wellbeing		
Consumer Awareness		
Uncertain financial condition		

**Table 2: Theme Meta Analysis
Theoretical Framework**



Figure 2: Banca-CSR Alliance Model (BCSRA Model)

Conclusion

A corporate alliance may raise the long-term value of the brand and the value of the relevant shareholders. According to the above results, excellent corporate social responsibility performance promotes staff productivity, boosts customer loyalty, and lowers financing costs, all of which help to raise shareholder wealth and the economic value of innovation. In order to increase their brand value through a corporate alliance, the outcome implies that the Bancassurance service providers should develop and implement CSR-related policies and initiatives using the model of the Banca-CSR Alliance. CSR improves society by giving firms a way to establish closer links with local communities while also helping to resolve global concerns. Initiatives like corporate volunteerism and charity fundraising generate direct benefits. A reduction in the deductible, copayment, and coinsurance amounts the customer must pay. Cost-sharing reductions in Bancassurance domain are sometimes referred to as surplus savings. If you meet the requirements, you must sign up for a silver category plan to receive the additional discounts. Customers strengthen a socially conscious company's brand value by increasing its future profitability and goodwill. CSR initiatives are therefore ways for businesses to improve their reputation, which has an impact on brand equity as a result.

Future Recommendations

The framework is an effort to understand the variables affecting customers' cross-purchase intentions, and it will further be able to help consumer market segmentation of Bancassurance customers. The factors found in the study are not constant, hence cross sectional and longitudinal studies are required to determine how the environment's changing conditions affect the components.

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