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Impact of Corporate Social Responsibility on the components of Brand Equity: A study of multichannel banking in the context of Pakistani Banks

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Abstract
This research seeks to investigate the influence of four CSR dimensions on brand equity in the banking sector of Pakistan. A quantitative research methodology was utilized to gather data, whereby a random sample of banking customers were approached as they exited a branch subsequent to completing a transaction. The implementation of a swift post-transaction mode was deemed effective in mitigating the challenge of inadequate customer social responsibility (CSR) awareness. This approach was based on the premise that the customer's most recent branch visit and transaction experience could serve as a prompt to recall their bank's CSR initiatives. The study gathered data from banks located in Islamabad, which serves as the capital city of Pakistan. The findings based on structural equation modelling indicate a statistically significant association with CSR dimensions and brand equity. The present study has significantly contributed to the banking industry of Pakistan.
Keywords: CSR, brand equity, quantitative research, structural equation modelling

1. Introduction

The notion of CSR is experiencing increasing traction on a global scale. Moreover, the phenomenon of globalization has posed a myriad of challenges for governments worldwide. Carroll (1979, 1991) posits that the foremost consideration for businesses is to prioritize their profitability, which constitutes their economic obligation, alongside their responsibility to operate within the confines of the law, constituting their legal obligation. Significant roles are primarily attributed to ethical concerns, specifically norm-imposed obligations related to minimizing environmental impacts, and charitable aspects such as corporate donations, only in the second instance. Corporate Social Responsibility (CSR) has resulted in a rise in corporate prominence and engagement in societal affairs, along with the development of the notion of Corporate Social Responsibility, which obligates businesses to contribute to the betterment of society actively. CSR is pervasive in contemporary society and is pivotal in establishing and enhancing business branding (Alakkas et al., 2022).

In recent years, the concept of corporate branding has gained significant importance among numerous firms. A firm's brand is widely regarded as its most significant asset, with its value being assessed through the concept of Brand Equity. According to Alakkas et al. (2022), businesses have the potential to enhance their Brand Equity through strategies such as adopting a more distinctive and easily recognizable promotional approach, implementing higher pricing strategies, and maintaining stringent quality standards. The concept of branding extends beyond the mere act of associating a name with a product. It serves as a means for companies to differentiate themselves from their competitors. A corporation's brand serves as a reflection of its identity, encompassing all actions undertaken by the organization. The active engagement of customers in developing a cognitive representation of a brand contributes to the phenomenon known as Brand Creation (Wang et al., 2021).

Previously, Singh and Verma (2017) have asserted that CSR impacts brand equity. Nonetheless, they had a limitation in collecting data from the employees only, so they suggested having more robust results for future studies. In forthcoming studies, one should include the perspective of diverse or diverse stakeholders, including managers, consumers, suppliers, etc. Fatma, Rahman and Khan (2015) also studied building branding through CSR but had a limitation of just taking overall consumers' perceptions of CSR activities, not actual CSR programs. In order to develop better CSR programs, one needs to analyze the effect of CSR programs on brand equity carefully.

The focal point of this study is to establish the significance of CSR initiatives in developing sustainable brands by analyzing the pure services and the services of the retail banking industry of Pakistan. These days' banks operate in several modes, including in-branch, off-branch (online, mobile, call center), and ATMs. The functionality of these channels is undoubtedly not the same, so banks need to analyze consumer behavior in these channels to meet customer needs and enhancement in performance of services in order to gain and retain a competitive advantage (Brown & Swartz, 1989). In retail banking, irrespective of their income level, customers prefer banks with more consistent performance patterns (Blankson, Omar & Cheng, 2009). In the Pakistani banking sector, three categories of banks are defined by the State Bank of Pakistan Pakistani and Foreign Banks. According to the report of the State Bank of Pakistan 2020, there are twenty-nine Pakistani, comprising 14,842 branches and four Foreign with 9 branches. Customers using services (services of Retail Banking) of these banks are the potential units of this

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research. This study establishes the importance of CSR initiatives in developing sustainable brands by analyzing pure services in Pakistan's retail banking sector.

Today banking is a multichannel service where consumer behavior is different in all banking channels in practice, including offline, online banking and m-banking. Understanding the value proposition for customers in multichannel banking can help to understand their experience, which is critical for firms (Lemon and Verhoef, 2016.). Banks need to address the sustainability of their brand equity in multichannel banking (Martin, Gonzalez and Roman, 2019) question arises whether these CSR programs help maintain brand equity. Therefore, this research aims to study CSR programs impact on brand equity and develop a strong understanding of developing brand equity through CSR in multichannel banking and explore this phenomenon from customer's perspective.

Rivera, Bigne, & Curras-Perez, (2019) studied how CSR associations lead towards brand loyalty through brand attitude. While studying this area, they suggested future research in-depth studies should be conducted to explore possible consumer priorities for certain types of CSR that is influential on their buying behavior. Another aspect that has been overlooked in previous studies is the customers' cognition of CSR activities (Kim, Yin & Lee, 2020) and what sort of value customers see in these CSR initiatives that ultimately enhance brand equity. Wu & Huang (2020) also endorsed this research question that customers have different understandings of CSR. They suggested that future research should also explore the heterogeneity in customers' perceptions towards CSR and investigate does and what value they seek in such a scenario. A review of the above literature (Dzupina, Koprda, & Veselei, 2019; Bashir & Amir, 2019; Rivera, Bigne, & Curras-Perez, 2019; Kim, Yin, & Lee, 2020; Wu, & Huang, 2020) supports that there is a gap to in-depth exploration of the initiatives of CSR why they are essential, what is the effect of these initiatives on consumer and ultimately affect brand equity in the multichannel banking industry. Based on these gaps, this research has addressed the following research question.

RQ: Do CSR components influence brand equity?

2. Literature Review

2.1. Corporate Social Responsibility

Elhauge (2005) provides the basic explanation of CSR in the literature, stating that it is the sacrifice of profits for a greater social benefit, which refers to businesses needing to go beyond legal duties and be more active by their choice of volunteers. Carroll's CSR pyramid is widely recognized as a prominent framework in CSR scholarship. This conceptual model comprises four key dimensions: legal, economic, ethical, and philanthropic CSR endeavors. The primary objective of these initiatives is to effectively address the expectations and requirements of various stakeholders associated with the organization. Based on the tenets of stakeholder theory (Freeman, 1984), it is argued that business managers are responsible for aligning their actions with the values and interests of the diverse stakeholders associated with their organization. Clarkson (1995) have asserted that organizations consist of two kinds of stakeholders (i.e., primary and secondary). Primary stakeholders, such as employees and consumers, have been identified in previous studies (Metcalfe, 1998; Sweeney & Coughlan, 2008). Secondary stakeholders refer to individuals or groups that can influence primary stakeholders concerning the functioning of a corporation. Examples of secondary stakeholders include stockholders and community organizations (Metcalfe, 1998; Sweeney & Coughlan, 2008). When CSR initiatives are effectively compatible with the interests and values of stakeholders, they have the capacity to fulfill stakeholder expectations and foster favorable associations for the organization (Sen et al., 2006; Menon & Kahn, 2003; Brammer & Pavelin, 2006; Fombrun & Shanley, 1990).

According to Tschopp and Nastanski (2014), the difficulty faced by enterprises in synchronizing with stakeholder interests arises from the existence of numerous stakeholders who may hold a vested interest in particular aspects of a company's performance. Employees influence firm performance by contributing to productivity, enhancing customer relations, work quality, and other activities. Consequently, it may be advantageous for firms to partake in corporate social responsibility (CSR) initiatives that improve the well-being of their employees. This can be achieved by increasing wages, providing additional benefits, or offering more paid time off (Orlitzky et al., 2003; Lee et al., 2013). Nevertheless, stakeholders with a primary focus on financial gains, such as shareholders, may perceive corporate social responsibility (CSR) initiatives pertaining to employees as being driven by self-interest and potentially harmful to overall profitability (Arora & Dharwadkar, 2011). This previous study suggests that Corporate Social Responsibility (CSR) necessitates thorough planning and a recognition of the concerns of stakeholders in order to provide benefits to the organization. Specifically, corporate social responsibility (CSR) initiatives that engage multiple stakeholders, such as customers, employees, shareholders, and the community, can have intricate outcomes. Therefore, it is crucial for businesses to thoroughly evaluate the potential impact of their multidimensional CSR endeavors on BE (Torres et al., 2012).

2.2 Brand Equity

The cultivation of a robust brand with substantial equity confers a multitude of benefits to enterprises. Managers can gain valuable insights into the value contribution of brands by comprehending the underlying factors and consequences of brand equity (Keller & Brexendorf, 2019). The concept of brand equity has been analyzed and explored through various lenses, including those of consumers, businesses, and financial experts (Baalbaki & Guzmán, 2016; Chatzipanagiotou et al., 2016). There has been a significant focus in the academic literature on the concept of co-creation of brand value by stakeholders (Iglesias et al., 2013; Gronroo & Voima, 2013; Kennedy & Guzmán, 2016). Yoo, Donthu, and Lee (2000) have proposed a consumer-centric definition of brand equity concerning this matter. The authors propose the concept of brand equity as a higher-level construct consisting of three dimensions: brand awareness, which encompasses a combination of primary brand associations and recognition; brand quality; and brand loyalty. Keller (1993) has asserted that *brand awareness* can be described as a capability of consumers to validate previous encounters with a brand (i.e., recognition) and to remember a brand from memory within a specific product category (i.e., recall). Yoo et al. (2000) define *brand quality* as the subjective assessment of consumers regarding a brand's overall excellence. Brand loyalty refers to the degree of consumer attachment (Aaker, 1991) and overall commitment (Yoo & Donthu, 2001) to a particular brand (Keller, 1993). Loyalty can be understood as a measure of positive sentiment, leading to a preference for purchasing a particular brand as the primary choice. Therefore, the enhancement of brand recognition, brand quality, and brand loyalty can enhance brand equity.

2.3 Hypothesis development

2.3.1 Economic responsibility and brand equity

Businesses have a fundamental responsibility to society regarding their financial obligations, which are necessary for their establishment and continuity (Carroll, 2016). Regarding an economic expectation as a social responsibility may initially appear unconventional. However, this perspective arises due to societal anticipation and, in some instances, the demand for business entities to ensure their viability. The sole means of achieving this objective is by attaining profitability, which enables the provision of incentives for owners or shareholders to invest and acquire adequate resources for ongoing operations. Throughout history, business organizations have been perceived by society as institutions that generate and distribute the products and services that are necessary and sought after. In order to incentivize economic activity, society grants enterprises the opportunity to generate profits. According to Carroll (2016), when a business enhances its value, it generates financial gains, thereby benefiting all of its stakeholders. According to Gürhan-Canli et al. (2016), brands are regarded as the most valuable assets of an organization, as they possess the potential to augment the financial value of a brand. Keller (2016) has argued that brand equity can be generated through economic development in the market. The plausibility of this assertion lies in Carroll's (2016) assertion that the economic responsibility of businesses induces firms to reinvest in their business to reflect their responsibility for employment generation, which could lead to generating brand awareness. Based on these arguments, it is hypothesized that

HI: Economic responsibility is significantly associated with brand equity

2.3.2 Legal responsibility and brand equity

Legal Responsibility relates to the company's mandated CSR actions and falls under the purview of the law (Carroll, 1991). In society, it is permissible to conduct business under certain laws, and different laws, such as federal, state, and local government laws, are in effect in various locations (Carroll, 1991). Businesses must abide by these laws, rules, and regulations and carry out all of their legal obligations (Carroll, 2016). In other terms, legal obligations refer to those codified societal ethics or values (Carroll, 2016). In many developing countries, local businesses invest less in complying with legal obligations, such as minimum wage rates or safety requirements. In some respects, this has little impact on their businesses. However, foreign or multinational corporations adhere to minimum legal obligations, as these legal frameworks are essential for legitimate business development, growth, and operation (Carroll, 2016). A company's brand equity that complies with these legal requirements may increase (He & Lai, 2015). Hence it can be hypothesized that

H2: Legal responsibility is significantly associated with brand equity

2.3.3 Ethical responsibility and brand equity

Ethical responsibility refers to a corporation's overall actions that fit within the realm of ethical manners, such as a company performing activities that are required of them as an ethical business and prohibiting behaviours that are not illegal but are deemed unacceptable by society members (Carroll, 1991). Members of society and society as a whole believe that all enterprises function ethically or should do so. They favour businesses that demonstrate a sense of responsibility for society and its benefits rather than focusing solely on their interests. Organizations should be ethical in all standards, values, principles, and expectations, which includes all actions that are acknowledged and prohibited that harm the overall benefit of or are viewed as such by their stakeholders, including customers, workers, shareholders, and the general public (Carroll, 2016). This is why we believe that society as a whole is aware of all acts and that, ultimately, its members prefer organizations with ethical actions and restrictions. However, it may impair their revenues and personal benefits. In addition, according to He and Lai (2015), consumers' ethical purchasing may be "a reflection of the individual's moral judgment in his or her purchase behaviour" (Freestone & McGoldrick, 2008; He & Lai, 2015). Therefore, organizations or companies that act ethically or are perceived to behave ethically are prone to be chosen or preferred over brands that are unethical in their actions or do not promote their ethical actions, particularly if doing so enhances consumers' self-esteem and makes them feel more ethical (He & Lai, 2015). Even Kang and Namkung (2018) have corroborated that ethical responsibility exhibited by businesses may also generate a positive brand image. Hence, we hypothesize

H3: Ethical responsibility is significantly associated with brand equity

2.3.4 Philanthropic responsibility and brand equity

Philanthropic responsibility encompasses all forms of corporate giving and is positioned at the apex of the Corporate Social Responsibility (CSR) pyramid (Carroll, 2016). The author characterizes corporate giving as a discretionary or philanthropic gesture. In contemporary times, corporations are considering practices such as philanthropy to enhance their public image, thereby augmenting their Brand Equity (Carroll, 2016). Philanthropic Responsibility refers to a range of socially responsible initiatives undertaken by corporations, including providing resources and facilities for the wider community and supporting their employees. Although not legally required, corporate social responsibility initiatives can improve a brand's image, which is a crucial component of brand equity, and contribute to society's prestige (Kang & Namkung, 2018).

H3: Philanthropic responsibility is significantly associated with brand equity

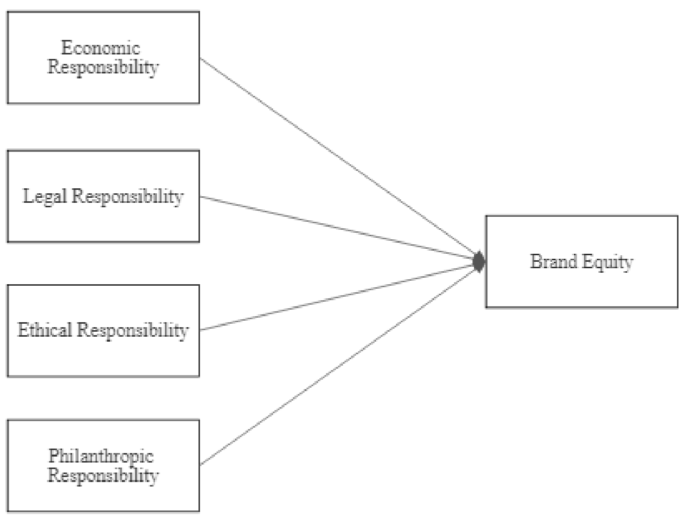

Figure 1

3. Research Methodology

3.1 Sampling technique

In order to collect the data for hypothesis testing, field survey has been incorporated. A random number of banking clients were contacted as they departed a branch after completing a transaction. A rapid post-transaction mode helped to avoid the issue of poor CSR awareness, as it was believed that the customer's most recent branch visit and recent transaction experience might assist them remember their banks' CSR efforts. Data were collected from banks situated in Islamabad (the capital of Pakistan). There were two parts of questionnaire; the first part was related to demographic and personal information (e.g. age, gender, education) and the second part was related to measurement of variables of the study.

3.2 Research Instrument

CSR is multi-dimensional construct and scales were adapted from Wu and Chen (2015). It has four dimensions such as legal, economic, ethical and philanthropic responsibilities. Ethical responsibility was measured by six items anchored with 5 point Likert Scale (1= strongly disagree – 5 = strongly agree). This scale exhibits the information pertaining to economic responsibilities towards country, customers etc. Sample item of this construct are *“I think this bank can boost economic activity in my country”*; *“I think this bank provides benefit to consumers”*. Legal responsibility is based on 5 items anchored with 5 point Likert Scale (1= strongly disagree – 5 = strongly agree).

This scale captured information related to legal obligations, fair trade regulations etc. Sample item of this construct are *"I think this bank adheres to legal regulations"; "I think this bank adheres to fair trade regulations"*. Ethical responsibility consisted of 5 items anchored with 5 point Likert Scale (1= strongly disagree – 5 = strongly agree). This scale captured information related to social expectations, standard of integrity etc. Sample items of this construct are *"I think this bank meets social expectations"; "I think this bank adheres to standards of integrity"*. Philanthropic responsibility is comprised of 3 items anchored with 5 point Likert Scale (1= strongly disagree – 5 = strongly agree). This scale captured information related to charitable activities etc. Sample items of this construct are *"I believe this bank meets social expectations of philanthropy"; "I believe this bank hosts or participates in charitable activities"*.

3.3 Data Analysis

For conducting data analysis and testing proposed hypothesis of the study, PLS-SEM was incorporated and SmartPLS was used which has gained substantial scholarly attention regarding quantitative data analysis (Hai et al., 2020). PLS-SEM is most popular method in existing statistical analysis methods due to its robustness (Peng & Lai, 2012). In structural models, PLS-SEM is a significant approach for estimating path coefficients and it models latent constructs despite small samples and non-normality of the data (Hair et al, 2021). As this research revolves around predicting brand equity (dependent variable), therefore, PLS-SEM is the justified and suggested approach (Richter et al., 2016; Hair et al., 2014). The size of the sample in this study was 310 which is appropriate for data analysis using PLS-SEM approach. Initially, the measurement model was evaluated by reliability, validity and internal consistency. Then structural model was analyzed using SmartPLS (Henseler, Ringle, & Sarstedt, 2012).

4. Results

4.1 Evaluation of the measurement model

In order to assess the measurement model, convergent validity (CV) was examined, as indicated by factor loading, composite reliability (CR), and average variance extracted (Hair et al., 2013). Convergent validity (CV) explains the degree to which a particular measure exhibits a positive correlation with other measures that assess the same underlying construct (Hair et al., 2017). CV was analyzed using factor loading and average variance extracted (AVE) techniques. Hair et al. (2013) explains that AVE quantifies the extent of variance present in the items that make up a construct. Avkiran (2018) have argued that value of 0.5 for AVE and 0.7 for outer loadings are appropriate. In this perspective, Chin et al. (1997) have asserted that value of 0.6 is also acceptable for our loadings. For further analysis, we considered items that met the criterion of having factor loadings of at least 0.7 and constructs with an Average Variance Extracted (AVE) value of at least 0.5. After removing this item, all constructs reached the minimum AVE threshold (ER=; LR=, Ethical R=, PR=, BE=). According to Hair et al. (2017), it has been posited that CR serves as a valid indicator for assessing internal consistency. CR is a metric used to evaluate how precisely the indicators of a concept reflect the underlying latent construct (Hair et al., 2013; Richter et al., 2016). The CR values exceeded the recommended minimum threshold of 0.7. Secondly, we ascertained the constructs' discriminant validity (DV) which indicates the degree to which the model's constructs deviate from one another (Hair et al., 2017). It entails that there are no redundant concepts inside the model and that each construct gauges something distinctive. We evaluated the DV using Fornell and Larcker's (1981) criteria. They advise that the square root of AVE must be greater than the correlation value for each latent component. Table III demonstrates that the correlation values in rows and columns are less than their respective square root values of AVE. Henceforth, the findings imply that our model's reliability and validity are satisfactory.

4.2 Multicollinearity

The Variance Inflation Factor (VIF) estimation was conducted as a preliminary step to the analysis of the structural model to address the issue of multicollinearity. According to Burns and Burns (2008), it has been recommended that the minimum VIF score should be less than 10.0. A Variance Inflation Factor (VIF) score exceeding 10 indicates the existence of multicollinearity. However, according to Hair et al. (2014), it is recommended to establish the threshold value for multicollinearity at 5. The Variance Inflation Factor (VIF) values of each construct in the study were found to be less than 0.5, indicating that multicollinearity is not a significant issue.

4.3 Structural model evaluation

Applying structural modeling is deemed suitable for examining causal relationships among the variables under consideration (Sang et al., 2010). In order to assess the significance of path coefficients and evaluate the proposed model, a total of 5,000 iterations of the bootstrapping method were employed, as described by Chin et al. (2008) and Hair et al. (2017). Due to the inherent limitations of Partial Least Squares (PLS) in providing comprehensive measures of overall model fit, it is recommended that diagnostic techniques be employed in order to achieve the desired outcome (Ali, 2016). According to Henseler et al. (2016), using the standard root mean square residual (SRMR) is a viable approach for evaluating the adequacy of the model's fit. A preferred SRMR value is below 0.08, while an SRMR value of 0.00 signifies a perfect match. The present study yielded an SRMR score of 0.076, suggesting a satisfactory level of model fit. The outcomes of the structural model evaluation are illustrated in Figure 2. The findings have confirmed that economic responsibility has a significant positive association with brand equity (H1: β=, LL= , UL= , *p < 0.01). Results further revealed that Ethical responsibility has a significant positive association with brand equity (H2: β=, LL= , UL= , *p < 0.01). moreover, Legal responsibility has a significant positive association with brand equity (H3: β=, LL= , UL= , *p < 0.01) and lastly philanthropic responsibility has a significant positive association with brand equity (H4: β=, LL= , UL= , *p < 0.01).

4.4 Predictive relevance (Q^2) and effect size (f^2)

In addition to reporting the significance of the correlations between the latent variables, we also computed the coefficient of determination (R^2), effect sizes (f2), and predictive relevance (Q2), as suggested by Hair et al. (2017), (see Table V). R^2 measures how much variation in a given independent variable can be attributed to differences in the dependent variable. The results indicate that economic responsibility explains the 30% change in brand equity (R2 = 0.309). Ethical responsibility explains the 24% change in brand equity (R^2 = 0.240); legal responsibility explains the 15% change in brand equity (R2 = 0.149) and philanthropic responsibility explains the 21% change in brand equity (R^2 = 0.211). An endogenous variable can be determined by numerous exogenous factors in a complicated structural model. As stated by Wong (2013), f^2 should be determined in such cases in order to examine the contribution of exogenous factors to deciding the R^2 value of the endogenous variable: $f^2 = (R^2_{\text{included}} - R^2_{\text{excluded}}) / (1-R^2_{\text{included}})$. A cut-off score of 0.02 indicates no impact, 0.15 suggests a moderate effect, and 0.35 indicates a larger one (Wong, 2013; Cohen, 1988). In this study, economic responsibility has a smaller effect on brand equity (f^2 = 0.04); legal responsibility has a smaller effect on brand equity (f^2 = 0.04); ethical responsibility has a smaller effect on brand equity (f^2 = 0.09) and philanthropic responsibility has a larger effect on brand equity (f^2 = 0.440).

Predictive sample reuse approach (Q^2) may be used to assess predictive relevance (Chin et al. (2008). In the present study, cross-validated redundancy was utilized to determine the Q^2 (Chin, 2010). According to Hair et al. (2017), "Q^2 values larger than zero for a certain reflective endogenous latent variable indicate the path model's predictive relevance for the particular construct" (p. 178). As indicated in table V, Q^2 values for economic responsibility, ethical responsibility, legal responsibility and philanthropic responsibility are 0.175, 0.121, 0.142 and 0.185 respectively revealing the acceptable range.

Table 1

Construct	Items	Loadings	α	CR	AVE
Ethical Responsibility	ER1	0.342	0.624	0.699	0.501
	ER2	0.221			
	ER3	0.478			
	ER4	0.444			
	ER5	0.201			
Philanthropic Responsibility	PR1	0.478	0.573	0.629	0.554
	PR2	0.509			
	PR3	0.499			
	PR4	0.322			
	PR5	0.471			
Legal Responsibility	LR1	0.333	0.693	0.561	0.667
	LR2	0.231			
	LR3	0.781			
	LR4	0.401			
	LR5	0.570			
Economic Responsibility	EcR1	0.239	0.789	0.602	0.576
	EcR2	0.201			
	EcR3	0.278			
	EcR4	0.421			
	EcR5	0.561			
Brand Equity	BE1	0.211	0.701	0.611	0.500
	BE2	0.246			
	BE3	0.572			
	BE4	0.306			
	BE5	0.321			

Table 2

Hypothesis	Path	β	*t-value*	R^2	Q^2	f^2	Decision
H1	ER $\longrightarrow$ BE	0.721	0.437	0.651	0.383	0.021	Accept
H2	PR $\longrightarrow$ BE	0.635	0.401	0.701	0.491	0.033	Accept
H3	LR $\longrightarrow$ BE	0.561	0.457	0.782	0.521	0.039	Accept
H4	EcR $\longrightarrow$ BE	0.781	0.471	0.722	0.434	0.027	Accept

5. Discussion and Conclusion

The scholarly literature provides limited coverage on the topic of brand equity, specifically within the retail banking sector, with a particular focus on the customer's perspective (Sankaran & Chakraborty, 2023). There is a scarcity of research investigating the correlation between the four pillars of corporate social responsibility (economic, legal, ethical, and philanthropic) and brand equity as perceived by customers in the retail banking industry. This study's findings indicate a significant positive association between brand equity and all CSR dimensions. However, it is noteworthy that ethical and philanthropic responsibilities significantly influence brand equity compared to legal and economic responsibilities. The plausible reason for the increased impact of ethical and philanthropic responsibilities on brand equity is that customers are more sensitive to ethical and social concerns. This is in line with arguments of Lee et al. (2015) that customers are ethically sensitive due to which they develop their purchasing behavior. Arguably, those customers who perceive that an organization is fulfilling ethical CSR generate a more positive association with brand image, as in the case of our findings. Furthermore, philanthropic responsibilities of organizations have the tendency to persuade customers more towards enhancing corporate reputation (Singh et al. 2023; Mahmood & Bashir, 2020).

Our findings have also corroborated this assertion that philanthropic responsibility has more significant positive impact. Apart from ethical and philanthropic responsibility, economic and legal responsibilities revealed the significant impact on brand equity. Profitability is crucial to the success of a business because it enables the company to invest in growth opportunities and reward its stakeholders, including investors, proprietors, and employees. It functions as a vital performance indicator of an organization's financial health and viability, making it an essential driver of business activity (Carroll, 2016). In addition, businesses have a responsibility to their stakeholders, including shareholders, customers, employees, and the greater community. Due to this reason, economic responsibility of firms tends to increase the brand equity. Findings of this study have also substantiated with the literature (Mahmood & Bashir, 2020). Even, Carroll (2016) has further argued that profitability is a crucial aspect of fulfilling this responsibility, as it enables businesses to create value for their stakeholders by providing high-quality goods and services. Moreover, businesses are also expected to adhere to legal responsibilities to fulfill the expectations of the government and law (Carroll, 2016) which has the tendency to affect brand equity (e.g. Tan et al., 2022). Our findings also corroborate this assertion that customers' perception of fulfilling the legal responsibilities by the bank influences brand equity.

Consequently, it is posited that dimensions of CSR have significant association with brand equity in Pakistan's banking sector. Moreover, findings support the assertion that philanthropic and ethical responsibilities have more significant association with brand equity as compared economic and legal responsibilities. The findings indicate that organizations should place greater emphasis on ethical and philanthropic responsibilities for enhancing more brand equity.

This study has some limitations as well. First, data was gathered from customers outside the banks without researcher interference or any other factor, which can generate a common method variance issue (Podsakoffet al., 2003). Moreover, we just emphasized analyzing four CSR dimensions' impact on brand equity. Future studies can focus on mediating and moderating mechanisms to investigate the process further. Lastly, we employed a just quantitative approach to investigating the association of CSR with brand equity. Future scholars can emphasize incorporating qualitative and mixed-method approaches to bring more robustness to the related research.

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