

**UNIVERSIDAD DEL ROSARIO**



**How can sustainability initiatives have a positive impact in corporate brand value?**

Homologation by exchange

By

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Rennes, France

2020

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## Table of Contents

<i>Acknowledgements</i> .....	<b>3</b>
<i>Glossary</i> .....	<b>7</b>
<i>Abstract</i> .....	<b>9</b>
<b>1. Introduction</b> .....	<b>10</b>
<b>2. Problem statement</b> .....	<b>13</b>
2.1. Research question. ....	<b>15</b>
2.2. Objectives. ....	<b>16</b>
2.2.1. Overall objectives .....	<b>16</b>
2.2.2. Specific objectives.....	<b>16</b>
<b>3. Methodology</b> .....	<b>17</b>
3.1. Chosen technique.....	<b>17</b>
3.1.2 Instruments.....	<b>18</b>
3.1.3 Inclusion and exclusion criteria.....	<b>20</b>
Source: Author`s own work.....	<b>21</b>
3.2 Data extraction.....	<b>21</b>
3.3 Analysis of data. ....	<b>23</b>
<b>4 Literature review</b> .....	<b>23</b>
<b>5 Development</b> .....	<b>30</b>
5.1 Models of sustainability in companies. ....	<b>30</b>
5.2 Companies obliged to stop environmental deterioration. ....	<b>32</b>
5.3 Customers concerned about caring for the environment. ....	<b>38</b>
5.4 How sustainability initiatives influence corporate brand value. ....	<b>40</b>
5.5 Indices to measure the influence of corporate brand value sustainability initiatives.....	<b>54</b>

<b>6</b>	<b><i>Conclusions</i></b> .....	<b>58</b>
<b>7</b>	<b><i>Limitations and future directions</i></b> .....	<b>62</b>
<b>8.</b>	<b><i>Reference List</i></b> .....	<b>65</b>

## List of Figures

Figure 1. Brand Resonance Pyramid.....	26
Figure 2. Dimensions of sustainable development. ....	28

**List of Tables**

Table 1. Inclusion and exclusion criteria ..... 21

## Glossary

**Sustainable development:** is the result of economic growth that includes social equity aside with non-destructive action to the environment through policies and practices, by guaranteeing satisfaction of current needs but that don't affect future generation to meet their own. (Bur, 2013)

**Brand value:** It is the set of assets and liabilities linked to the brand, its name and symbol, which incorporate or decrease the value supplied by a product or service exchanged to the company's customers. Asset or liability is understood to be those that are really linked to the brand name or symbol. (Aaker, 2017)

## Abstract

Over the past few decades, topics regarding environmentalism and how organizations are becoming more committed towards their own corporate environmentalism practices is heard more often, as well as several studies have been investigating the corporate consequences this topic have by measuring the firm performance. But what haven't been explored so far, is if those eco-friendly practices have any effect on the firm's market-based assets or its brand value and if so, how. Based on that, this study seeks to fulfill that gap as much as possible by showing how some industrial firms have favorable results on its brand value considering three salient areas of corporate environmentalism: environmental innovation, efficiency in utilizing natural resources and emission reduction. Through these activities, it was identified an outstanding performance with environmental innovation, as well as by using fewer and in a more efficiently way the natural resources is registered a fairly equal contribution to the brand value, but the contribution regarding reduction of emission was least compared to the other, even though still relevant.

**Keywords:** Corporate environmentalism, eco-friendly, firm performance, brand value, environmental innovation, natural resources, emission reduction.

## 1. Introduction

The planet we inhabit is suffering from many problems, including pollution, climate changes, actions humans do that affect the environment in where we live. So, in this scenario it can be consider companies as an option for making change, so that they can represent a value of conservation of resources, and in return they receive a very relevant brand value.

In this research work, two aspects will be related which are important within companies regardless of the industry or the country where they are located, since they`re part of the basis of the success of any company. It`s refer to brand equity and the initiatives that companies have in order to strengthen this aspect, in this case the focus will be on sustainability initiatives, which in recent years for various reasons have had a significant increase in their analysis.

Brand equity exposes symbolically the economic value constituted by the brand`s worth and that can be reflected in the way in which consumers think, feel and act with respect to the brand regardless of the product or service they provide, as well as the niche or market in which they are interested. On the other hand, sustainability can be mentioned as a complex and multidimensional concept that cannot be solved with a single corporate action, but what it can imply is to take advantage of the maximum resources of our time without causing any harm to future generations. Companies face the challenge of minimizing waste from ongoing operations, trying to use their resources in a more efficient way, reducing emission in order to prevent pollution, along with reorienting their portfolio of competencies towards more sustainable

technologies and technologically clean capabilities, all in order to be able to have a differentiator in comparison with competition and that customers can realize the true value of the brand that these companies seek.

Given all this, the general objective of the work is to carry out a systematic review based on existing literature of previous research to know which are the influences that sustainability initiatives have on Brand Equity in companies in the last 10 years, it's delimit in that time because in that period of time there has been an evolution in the interest that companies have to take care of everything related to the planet and the environment, in addition to the fact as from being part of a globalize world, international policies as well as the local ones depending on the market where it's being develop, are forcing all industries to have to use sustainability measures if they want to continue operating without any complications. This objective was reflected after the main research question, which was: How can sustainability initiatives have a positive impact in corporate brand value?

The way in which this study is structured was designed so that each of the parts of the subject were understood. Knowing in the first instance the problem statement, since the situations that surround this problem must be known, all based on the three salient areas of corporate environmentalism: environmental innovation, efficiency in utilizing natural resources and emission reduction.

One of the parts that is considered as a pillar of the research is the methodology, since this section allows to reach the expected results from the creation of the work. The selected technique

is indirect observation, it's considered to be the most pertinent according to the common interests that are wanted at work. This technique occurs when it's supported by books, magazines, reports, recordings, photographs, or any material that represents the use of prior information. The work is about a systematic review that is looking to describe the main characteristics of previous works over the years that gives important and outstanding information on how sustainability initiatives influence the corporate brand value. At this point is important to highlight that the methodology also tries to understand and develop previous ones used in other studies such as "Regression analysis using the generalized method of moments (GMM)". There are very few works that are relate to the subject, therefore the particular interest of making the information known will benefit the entire society in general.

At the end of the study, it will be seen the reasons why it's considered that sustainability initiatives can influence the brand equity of companies, based on reliable information sources and above all on what companies tell about those that have had good results after use these initiatives, so that at the end of the research, important information on this topic is acquired and that the whole of society benefits from the content that will be presented throughout our research.

## 2. Problem statement

The vulnerability of the markets at a national or international level forces organizations to have cheaper, simpler and more flexible structures, but always trying to keep the best quality possible and avoiding affecting the relationship with the client in any way. So, the idea is to follow a more efficient and effective management, adapting to the new obligations that society has in favor of sustainability, in the face of the challenge that is experiencing our planet, which often forces the use of alternative strategical and marketing tools and tactics, based on sustainability initiatives. Currently all companies have competition, there's no field in which there are not several companies trying to be the best in what they do, therefore they must implement the best practices to get new customers and keeping the loyalty from those who are already their consumers.

In this sense, marketing has become one of the most important areas in a company, and in recent years it has seen some complications to satisfy the needs and desires of the population. That is why in the 21st century with the improvement of technology and due to the new ways of communicating between society, there must be an adaptation to new initiatives that will help the company in a very significant way. Everything that surrounds the changes that globalization brings with it is represented in organizations entire structure.

Creating value as a brand can take an indefinite time, and it's gained according to the actions and all the performance of the company, but a vital point is the initiatives that they take to stay in

the market, but companies tend to struggle a lot to do what is necessary to reinforce its brand equity for various reasons, since each company is different.

The main drawback that many companies have is that they don't take the time to use sustainability measures or initiatives, or at least something consciously related for creating their brand value, but instead use other strategies in which society may not be so in favor, but might be in a short term more profitable, which in several occasions differ from something sustainable, meaning with this, practices that can even lead to more contamination or negative impact in the planet, consequently having a negative repercussion in its brand equity.

In addition, that now adays numerous organizations are only satisfied by having a good logo, a great name or perhaps a great slogan; and they only stay with their customers and don't see the need to increase them, so they don't go beyond what it can represent as a brand and its whole and the situation becomes complicated if they can get stuck, so that in the meantime other companies are strengthening their brand equity throughout other ways of performance.

Currently, sustainable initiatives are used by a large part of the companies regardless of the field to which they are dedicated, but there are certain ones that don't know how to carry it out in the best way, but in these that they have known how to apply the loyalty of their customers have been reinforced and favored, since by consuming their product they know and are sure that they are contributing in some way to helping the planet or at least not collaborating with damaging it more.

This being said, if a company has problems creating its brand value, it will have situations that can put the future of said organization at risk, all this because from the first moment it will be very difficult for them to keep their customers, but above all to gain their trust. Also, with potential new consumers and for gaining a good position in the market, despite the fact that the product or service offered is excellent, for people to create a brand equity of that company will be very complicated.

Not knowing how to make good decisions when using sustainable initiatives can cause serious difficulties, and it can turn into negative brand equity, consumer loyalty could be threatened and the successes of companies would not be fulfilled, giving the possibility that the competition who, if they used the initiatives correctly, would be positioning themselves in a good place before consumers.

Furthermore, following the research questions arises that that will be answered throughout the work:

### **2.1. Research question.**

- How can sustainability initiatives have a positive impact in corporate brand value?
- What sustainability initiatives have the most presence today?

## **2.2. Objectives.**

### **2.2.1. Overall objectives**

- Carry out a systematic review based on existing literature of previous research to learn about the influences that sustainability initiatives have on companies Brand Equity in the last 10 years.

### **2.2.2. Specific objectives.**

- Perform an investigation of information from reliable sources in the last 10 years that talks about how sustainability initiatives influence the Brand Equity of companies and focus on those positive ones.
- Select the most relevant articles that are consider having a significant contribution to the research within the parameters.
- Describe the information found in the bibliographic review about the influences that sustainability initiatives have on Brand Equity.

### 3. Methodology

#### 3.1. Chosen technique.

The selected technique is indirect observation, it's considered the most pertinent according to the purposes of this research. After comparing other techniques, it was decided the indirect one as it will allow to obtain the expected results unlike the other techniques, especially as this technique of observation is a fundamental element of any research process in the way researcher relies on it to obtain the greatest number of data.

As Rekalde (2014) mentions, observation is a fundamental element of any research process, the researcher relies on it to obtain the greatest number of data. The observation technique can be either direct or indirect, in this case, it was considered the indirect observation as the most pertinent in order to develop this research, since this occurs when the researcher becomes aware of the fact or phenomenon observed through the observations previously made by other authors and researchers. In the same way, it's important to highlight that it would be taken into account methodologies such as: regression analysis using the generalized method of moments (GMM), used on previous researches from some authors, but by supporting them by books, magazines, reports, recordings, photographs, or any material that represents the use of previous information, but that is related in some way to what it's been investigated, which have already been obtained

or elaborated by people who observed the same topic before; being for this case issue related to sustainability and corporate brand value. (Rekalde, 2011)

### **3.1.1 Type of study.**

The following research it's develop as a systematic review that seeks to describe the main characteristics of previous works over the years that speak or give important and outstanding information about the impact of sustainability on Brand Equity, it's considered pertinent that the information gather is as maximum as 10 years prior to the current date so that all the information is updated and that the review can have the theoretical support that is sought.

### **3.1.2 Instruments.**

Regarding the instruments used for the progress of the research it's mainly based on the bibliographic review. For the bibliographic research strategy, it must be available the necessary informational material such as books, popular science magazines or scientific research, websites, being these materials the most used, but also any other information from reliable sources could be helpful.

A bibliographic search should be done from a structured and professional perspective, taking into account the common interest of each research project. Of course, when a bibliographic search process begins, it's not known which materials will be the most pertinent or relevant, but by seeing what previous researchers have done, since it is valid to rely on them, and as it has been gone through different approaches, topics that are considered of most interest, start defining a path to follow. The material used must be recognized, meaning it can't consist merely of hallway conversations or files downloaded from the Internet without further references, everything must be based on evidence, that the origin of these works are reliable pages and of a good recognition of the research community (Gómez, 2014).

Recognized sources are those that have been carefully reviewed by experts before being published or approved by the teachers in charge of the project. Of first choice, books are usually the starting point of any bibliographic research, since they provide a good base and a global vision of the chosen topic (Gómez, 2014). On the other hand, in recent years, trends in any branch of research recommend journals, since they contain updated and specialized articles (generally peer-reviewed). There is also a material known as technical reports, usually they are reports of research projects carried out by universities and /or public or private organizations, in which very useful information is found. (Cisneros, 2012).

Moreover, Internet appears as a valuable source of information nowadays, but it should be treated with extreme caution, since the material found can be unreliable, so you have to be very careful although it's one of the best tools in research matters. In order to define the research domain, search equations (expressions consisting of keywords and logical operators) should be

used since a sustainability analysis with brand equity haven't been very explored , they aren't a lot of sources that that the exact orientation of what you're looking for, so it the idea is to seek for information with a highly percentage of relationship with the specific research that it's been trying to be done. (Gómez, 2014)

### 3.1.3 Inclusion and exclusion criteria.

To select the research criteria, it was decided to create a table, so that the information was clearer:

**Table 1**

*Inclusion and exclusion criteria*

<b>Inclusion criteria</b>	<b>Exclusion criteria</b>
<ul style="list-style-type: none"> <li>• No more than 10 years of being published</li> <li>• Related topics to brand, brand equity and sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Very broad information not specifically related to either sustainability or Brand equity</li> <li>• Documents for profit purposes</li> </ul>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Information where the topics can be applied in either a real or simulated life of in the corporate world.</li> <li>• Reliable sources</li> <li>• No publication problems</li> <li>• Content that can be used without repercussions or copyright, if there`s well citated.</li> </ul> | <ul style="list-style-type: none"> <li>• Directly relate the social responsibility of companies with sustainability</li> </ul> |
|---|--|

*Table 1. Inclusion and exclusion criteria*

*Source: Author`s own work*

### **3.2 Data extraction.**

This second phase is of great importance in any research project, it consists of systematically organizing the documentation found or the extraction of the most important data from all the materials or instruments analyzed and that we mentioned in previous sections. It can be done both in a basic or very detailed way, and this depends on the researchers, for this research it`s considered that the basic way is the best one as the idea is to emphasis in other more important aspects.

Initially, the information can be arranged in folders or spreadsheets developed by the researcher himself manually, however, the process is slow and deficient. Another way to do is by using special programs such as: JabRef, Zotero, Mendeley, Endnote and Reference manager, but this could be considered something very complex (Gómez, 2011) and are more suitable to more higher level of research which involve other interests greater than what's trying to be demonstrated in this specific research. One way to organize information is by relevance, distinguishing the main documents from the secondary ones, so that is possible to obtain a structure or diagram that allows to identify the pillars of the subject under study. It's necessary to define a structure to organize the information in a hierarchical way and which will be the amount of data to be included in it (authors, year, abstract, main idea, etc.). Also, mental maps allow to relate the most important elements with the levels of closeness that exist between them, to clarify the vision that one has of a topic, so different tools can be used to make a synthesis of the best documents, the form will be considered the more basic the more viable for the job.

Furthermore, hierarchical diagrams (pie diagrams, content network, bar diagram, indentation diagram, brace diagram, etc.) can be used to clearly differentiate main documents from children. Its elaboration requires the knowledge of the central ideas and the fundamental postulates of the subject. Another way to organize information is through the use of data tables, the purpose of which is to have a specific organizational structure of the data and to make a concise presentation of them. The variables or characteristics are limited to the criteria chosen by the author. (Gómez, 2011)

### **3.3 Analysis of data.**

The third phase of the work, and also the final one, is to analyze the information already organized, inquiring about which are the most useful documents for the subject under study and which will have the most contribution to our project. Information analysis is the task that takes the most time in bibliographic research, since it's expected to identify the contribution to be made. In this phase, researchers must have critical thinking and must be carried out in parallel with the first, since it is a constant process and is a pillar of our research work. (Cisneros, 2012)

Once the main documents have been identified, it is necessary to perform an analysis of co-citation of authors and co-occurrence, to identify the research fronts and the authors with the most citations, since there are some sources that were an important reference for us (Gomez, 2014).

## **4 Literature review**

One of the most famous, despite being a little longer-lived compared to other authors and their definitions of brand equity, is that made by Aaker(2017) who states that:

*“The value of a brand is the set of assets and liabilities linked to the brand, its name and symbol, which incorporate or decrease the value supplied by a product or service exchanged to the company's customers. Asset or liability is understood to be those that are really linked to the brand name or symbol.”*

Orellana (2016) presents that Brand Equity is the added value that is assigned to a product or service based on the brand they hold. In the same way, this value can be reflected in the way in which consumers think, feel and act with respect to the brand regardless of the product or service they provide, as well as the niche or market in which they are interested, as well as the prices , market share and profitability generated by the brand for the company.

With these two definitions, it can be said that brand equity is conceptualized from the relational act of consumption between the brand and the person who acquires it, who in this case is the most important thing a company can have. That is the difference between what a product costs and what a brand is worth, which the consumer recognizes and is willing to pay, which for a company it is essential that it can be recognized, both locally and abroad.

Brand equity exposes symbolically the economic value constituted by the brand's worth, one of the most decisive aspects, understanding that financial issues have always been the special importance for companies. This brand worth is not found inside the organization but "outside" it, in the mind of each consumer, who gives hope to the company that it can create success compared to others. In other words, the true value of brands only exists in the minds of

consumers, those who have this direct interaction with the brand and who's had their factors why they had preferred it.

The Brand Equity has the characteristic of being able to be guided by models, which serve as a reference for companies or in this case, for researchers. The model that is currently best known, is the following:

### **Brand resonance model or pyramid.**

This model of brand value based on the consumer, claims that the power of a brand depends on what consumers have learned, felt, seen and heard about the brand over time, that is the power of the brand that kept in consumers' minds. This model considers brand creation to be an ascending process, consisting of the following phases (1) ensuring that consumers identify the brand and associate it with a product category or specific need; (2) firmly establish the meaning of the brand in the minds of consumers, by strategically linking a set of tangible and intangible brand associations; (3) causes the appropriate consumer responses, in their judgment and feelings concerning the brand, and (4) creating a close relationship and active loyalty to the brand.

(Orellana, 2016)

The model raises a series of questions which establishes six building blocks of the brand regarding to consumers, in which significant brand value will only be produced in brands that

reach the top of the pyramid, this being the way in which that represent it and which is consider important for understanding the brand concept (See Figure 1).

### Brand Resonance Pyramid



*Figure 1. Brand Resonance Pyramid*

Source: Orellana Pletz, Dayana (2016). Determination of the Brand Equity of the brand “Murano” in the Cochabamba market. *PERSPECTIVAS*, (38), 7-24. ISSN: 1994-373.

Another approach in this topic, can be found in the work of Kotler (2012) which consists primarily of four components: differentiation, relevance, esteem and brand. At first, differentiation measures to what extent a brand is perceived as different from the others, as well as its perceived drive and leadership. Second, relevance measures the suitability and breadth of brand appeal. Third, esteem measures the perceptions of quality and loyalty, in other words, assesses how much consideration and respect the brand fosters. And last, Brand refers to any sign or denomination that allows any company to be identifiable in the market.

The consumer is the principle focus within a company, from any perspective in which it is analyzed. Understanding that brand equity can be either positive or negative, this would be

determined by how favorable consumers to the marketing of the product or service when identifying their brand. The opposite case is when it is perceived negatively or simply when it is not identified.

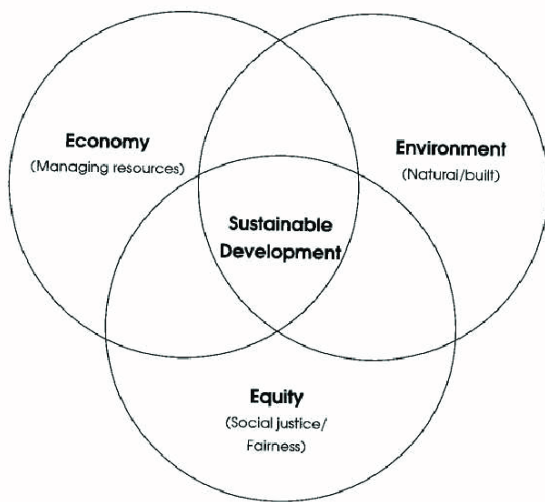
For its part, sustainability can be mentioned is a complex and multidimensional concept that cannot be solved with a single corporate action. Companies face the challenge of minimizing waste from ongoing pollution prevention operations, along with reorienting their skills portfolio toward more sustainable technologies and technologically clean skills. Likewise, companies should keep in a broad interaction and constant dialogue with external agents on how economically rational solutions could be developed for those social and environmental problems that may arise in the future vision of sustainability.

Another feature that needs to be taken into account is that in all the approaches that appear in the academic literature, the idea is that the company must comply with the most widespread vision of sustainable development, which incorporates voluntary integration by the company to environmental, economic, social dimensions, social concerns and their relationships with interest groups. Practically they include many aspects, in a company when making its commitment, especially everyone belonging to the company must put their efforts into such participation.

Increasingly, interest groups require organizations to be more responsible with the environment, and this should be more of an obligation, that companies specifically in their brand value required to adopt sustainability initiatives as a commitment from even its beginnings, considering it something essential. According to these authors, that have been cited throughout

this part, the reasons for these demands are mainly regulatory requirements, care for the environment, the improvement of the public image and the potential to expand their market share and win competitiveness. In addition, many countries in recent years have a series of standards that promote sustainability within companies.

Sustainable development is conceived as a multidimensional process. There's a theory that considers that there're three dimensions that constitute it and that they're fundamental so that it can be carried out in the best way and doesn't have circumstances that won't allow this development (Artaraz, 2002). They're represented in the following Venn diagram:



*Figure 2. Dimensions of sustainable development.*

*Source: [https://www.researchgate.net/figure/Venn-diagram-of-Sustainable-Development\\_fig8\\_273445539](https://www.researchgate.net/figure/Venn-diagram-of-Sustainable-Development_fig8_273445539).*

Now the important thing is to show what the meaning of each of the dimensions is, which are explained below based on Bur (2013) statements:

- Economic dimension: Provide and manage resources in order to ensure their durability and allow sustainable economic growth. Without the need to endanger these resources to future generations.
- Ecological dimension: Protect at all costs the natural resources, genetic resources (human, forestry, fishing, microbiological), water and soil.
- Social dimension: Ensuring that all humanity (equity) benefits regardless of any characteristics such as race, gender, religion, to name a few.

Sustainable development is effective when there is a balance between those three dimensions, resulting in what is known as the equilibrium zone. Bur (2013), in addition to the three dimensions indicated, includes others that are described below and that are related in a very important way to the dimensions above.

- Cultural dimension: Favor and include the diversity and specificity of local, regional, national and international manifestations, without affecting the culture of the different social groups that can be found in the world.
- Energy dimension: Investigate, design and use technologies that consume less energy and that, in addition, do not harm the environment, this should be a priority among companies, since these are the ones that pollute the most and those that should take these actions immediately.
- Scientific dimension: Support research in pure and applied science related to new technologies, avoiding that they are not exclusively oriented by criteria of profitability

and short term. Since researchers can describe us information on how to help the environment.

Throughout recent years, more and more the interest groups force organizations to be more responsible with the environment, generating a sense of an obligation, which must be taken into consideration either when the business is already running or when there`s a plan for starting a business. According to these authors, who we have been able to cite throughout this part, the reasons for these demands are mainly regulatory requirements, caring for the environment, improving the public image and the potential to expand the customer base and gathering competitiveness, also being governments more conscious about it, so that they set a series of standards that promote and regulate sustainability within companies which will be detailed later on.

## **5 Development**

### **5.1 Models of sustainability in companies.**

This part of the research is especially interesting, as it was found a complete model in the banking sector, that companies could rely on to function in a sustainable way. Although considering that each company will have different conflicts of interest and particular needs,

based on its own sector and as an individual entity, it will be mention as a guide for the generalities it describes. This being said, this model is from “Grupo Financiero BANORTE”, one of the most important banking entities in Mexico, throughout its history since it was founded.

Any company seeks to work with full responsibility and transparency, innovate in the offers of its products and services, minimize impacts on the environment and contribute with the community to migrate towards a growth model that provides value for all its stakeholders belonging to the brand. Therefore, one of the sustainability strategies is based on three fundamental pillars (Grupo Financiero BANORTE, 2018):

### ***1. Responsible business.***

Here factors such as: environmental, social and corporate governance are integrated into all its credit and investment portfolios. In this way, it`s manage the risks and impacts of operations and identify potential business opportunities, as well as new products and services. This is the most important pillar for everything that can be seen in the business.

### ***2. Their people.***

They mention that by promoting social programs that involve all its collaborators and the communities of which they are part, with the purpose of applying practices that improve living conditions, inside and outside the institution, are key aspects to pursue progress.

### ***3. Our planet.***

Initiatives are carried out to strengthen the environmental culture within the institution, to measure and reduce the consumption of resources and the generation of pollutants.

As engines of economic development, they have the responsibility to focus attention on issues that represent unprecedented challenges globally and locally. For this reason, the commitment to respect human rights, mitigation and adaptation to climate change and the conservation of biodiversity is reiterated.

### **5.2 Companies obliged to stop environmental deterioration.**

It is very well known to all, or at least the majority of society, that in recent years, authorities, whether they are presidents, governments, or world organizations are looking for the most

pertinent actions to achieve the regression or in the best of the cases to eradicate pollution towards our planet, since it became a threat to humanity due to its imminent growth

One of the keys among all the actions or strategies to solve this problem is precisely within the organizations, since they are worldwide the ones with the highest impact regarding the increasing levels of pollution in the ground, sea and air due to chemicals and garbage. Therefore, if companies pollutant emissions from all over the planet could be reduced by becoming sustainable, various benefits would be obtained and could be translated in a guarantee of being able to acquire more customers who precisely seek that the products or services they use are friendly with the environment, which now it can be consider as becoming a significant trend.

For the prevention of the risks that derive from industrial pollution around the world, an effective integration strategy for development of sustainable initiatives is essential, so that they become the basis of companies, also setting objects where the protection of the environment is included in the economic and social aligned with the objectives of their respective country, since if these aspects are neglected they could have further difficulties and complications.

The evidence shows that environmental factors, which include waste from companies, influence in 80% of the diseases studied by the World Health Organization (WHO) who`s the highest body in charge of carrying out these studies. It is estimated that worldwide 24% of the disease burden (years of healthy life lost) and approximately 23% of all deaths (premature mortality) are attributable to environmental factors, which inevitably makes us think of the responsibility that companies have on this point and above all, knowing how much could be

reduced if companies used sustainable initiatives to reduce pollution. The bulk of these effects falls on the most vulnerable groups such as children, pregnant women, chronically ill and elderly people, since according to the WHO this groups are the most susceptible to suffer the consequences of this kind of diseases (Suarez, 2014).

Therefore, the obligation of organizations is precisely to use sustainability initiatives, which would bring many benefits, which it consider pertinent to mention so that they can be known. (Suarez, 2014). The company will improve the health of the employees, and therefore they will be more effective at the time of production and everything related to the processes of the companies. The number of deaths and diseases will be reduced in significant percentages around the world, due to the reduction of waste that will be seen in the ecosystem.

Efficient use of resources regarding materials and input used will reduce pollution and waste, by contributing to sustainable consumption and production, helping future generations to not have to worry about an exaggerated use of resources and that as time passes, they might become scare at some point. It will be recognized as an environmental company and a planet friendly, something that represents a competitive advantage and that can attract more customers.

Related to this topic, the podcast published by Michael Bárbaro (2020) earlier this year in the New York Times Daily, presents very important information on what companies should do, since the interviewer describes certain guidelines that should be taken into account. What they mention is that long-term goals should be created since thinking in this time frame will allow companies to take care of their future. A remarkable point of this interview is that climate change

must become an integral part of the investment thesis of the companies, and that if they don't do so, they should suffer the consequences that may be taken in the boards of directors.

Companies must make disclosures related to sustainability and everything that has to do with it, and those in charge of doing this should be mainly investors and entrepreneurs. Also, it presents an interesting case on the measures to be taken in the event that a person doesn't want or doesn't have the initiative to do something for the planet regardless of the position in which they are, since they seek that companies are careful with the environment.

The phrase with which can be reminded this audio is that "This is the decade of urgent action" since in these years it is where the most relevant decisions must be made for the care of the planet. And global companies should be the more concerned about taking these sustainability initiatives, being clear examples Microsoft, Delta and Amazon, which contribute millions of dollars to the cause of caring for planet earth.

Although of all these companies, the one that can stand out from the rest is Delta, since its strategy of being able to use its economic resources in a certain way as a tool for change, due to the fact that airlines are the ones who pollute the most due to the fuels emitted by airplanes that end up being carbon waste and they pose a great danger to all humanity.

Related to what was mentioned in the previous paragraph, a point that from a certain perspective could be analyzed is precisely this Delta case, since they can't stop using fuel as it's part of their raw materials in order to offer the service, so meaning that at least they must

compensate for the damage they are doing to the environment. Even when it's not completely accepted by some, at the end it would be better to try to do something to compensate rather than just not caring at all (Babaro, 2020). So perhaps if there are companies that cannot stop using products or resources that pollute, at least they can do promote action that prevent or counter the continuous deterioration they are causing.

So companies today have to make it a priority to use sustainability initiatives in order to stand out from the rest and be successful, they can be guided by well-known companies as the ones were just mentioned, taking into account that even those companies begin to use their sustainability strategy in a few years, they don't do it immediately as most of us might think, since they are changes in the entire structure, but that then will be part of a long term change, where aspects such as their mission, vision, philosophy and values as an organization are subject to change towards the care of environment. Also, considering that step by step they will be accomplishing the standards that overtime will be implement more and more by governments.

In this way, there are certain economic instruments with certain financial and fiscal measures that help to promote, motivate or encourage the behavior of individuals to reduce pollution and degradation of natural resources, which also apply to workers of the different companies so that also corporate could be offer.

Multinational companies with global brands are often accused of seeking to maximize corporate profits without regard for the vulnerable communities that are next by the places where they operate. Some examples are the exploitation plant of Nike or the alleged exploitation of

water by Coca-Cola. Problems like these can arise in companies with visible sustainability initiatives that are related to the search for the benefits of brand resonance and can give the feeling that they only get involved in sustainable issues for their own interest. Therefore, in these situations, it is important to achieve credibility in sustainability initiatives to ensure effectiveness in the implementation of programs that offer environmentalism practices that are connected to the company's activity. (Orlitzky, 2003)

Remarkably, given the risks that disputes in a subsidiary of a global brand can affect the entire organization, it's particularly relevant for these global brands to be perceived as a credible organization in terms of policies and programs of sustainability initiatives. Being categorized as a socially responsible brand with the environment through the care of resources can prevent local problems from negatively affecting the rest of the company and each of its participants, which could be very harmful to the brand. For this reason, all these studies that have been mentioned so far and further ones will be supporting the positive effects of sustainability initiatives on consumer metrics, especially in terms of global brands.

Two important functions are assigned to these instruments: an incentive to reduce pollution and promote research and development activities towards clean technologies. The economic instruments have been organized into three types: a) Those that have been translated into fiscal policy tools and that generally punish polluters; b) Subsidies related to production; and c) Payments to reward environmentally desirable behavior.

It's known that nowadays some countries are developing programs in order to promote the good practices of companies regarding taking care of the environment by reducing pollution. Some of those programs could include granting preferential credits at low interest rates for those companies that are destined to activities to protect the environment and reduce pollution, such as organic agriculture, companies recyclers and those companies that use recycled material (or material with faster degradation) in the production of their products. Also, governments can support by giving tax benefits to these activities, grand financial aid to productive activities that generate greater environmental benefit or even finance research institutions that produce products for final or intermediate consumption that degrade more quickly; for example, create a type of plastic that degrades faster.

### **5.3 Customers concerned about caring for the environment.**

First of all, it's consider important to mention what customers are looking for with respect to products or services that have a good relationship with the environment. This is why before emphasizing in the initiatives of sustainability and their influence on corporate brand value, it would be relevant to understand a little bit more how consumers perceive this subject and which could be their preferences or tendencies.

Whenever a consumer just worries about buying eco-friendly products because the influence of the latest trends in the market and even that they are products that everyone is using, could not

be consider as a “green consumer”, what really should be considered is that they have a genuine and grounded interest and concerns regarding environmental topics. So, it can be defined as one who “constantly buys eco-friendly products and is actively concerned about environmental problems and the respective solutions to them. So, when it happens to have this mindset, it will look for brands that are dedicated to producing or offering services which have as a priority that they are friendly with the environment”. (Herrera, 2011).

And with all this, Herrera (2011) mentions one of the most relevant concepts that will be discussed along the research, which is this specific segment, called “green” consumers, that by caring for the planet, could generate greater brand loyalty, less sensitivity to prices, and buy more often. Therefore, being able to say that they`re one of the most loyal in the markets. It should be noted that a consumer concerned about the planet is highly linked to a change in all decisions about their purchase decision, there are many individuals who declare the importance of the environment for them and their families, but in a real sense its purchase behavior is not influenced by the relevance they said they gave to this topic, as their attitudes towards the environment are not related to their purchase decision, since in most cases they tend not to know how they are benefiting the planet at the time of acquiring a service or product, so this usually become a big problem for companies. (Herrera, 2011).

They assume that the knowledge that consumers have regarding environmental problems doesn` t necessarily determine that individuals finally purchase green products, influencing their motivation in that area. So here, companies must make an advertising campaign in which they know how to define that the initiatives they are taking will first have a benefit to the planet, but

that in reality it will have positive effects on each of the aspects that have to do with the daily life of consumers, being this the key for gathering the client attention and giving them a sensation of that the company is in charge. (Herrera, 2011)

#### **5.4 How sustainability initiatives influence corporate brand value.**

Today's society shows greater interest in topics related to innovation, if it's proposed as sustainable, encourages companies to develop new activities in an environmentally responsible manner. Concern for the environment that surrounds us is becoming more and more relevant in consumer purchasing decisions, since this environment is not usually the one we had just a few years ago and is deteriorating in an exponential way, when would it be imagine that we'll have to measure the quantity pollution in the air or that we should avoid the expose of ourselves to the sunlight for long periods of time due to sun damage due to the lack of protection of the ozone layer. This context has led brands from various sectors to embark on the development of social responsibility initiatives seeking to align themselves with the values of their target audience and those who are already part of the group of their consumers.

Tully (2014) expose an extremely fundamental argument for the development of this research, since in his work from a marketing perspective it is expected that sustainability initiatives add value to the brand, improve its image in the target segment, increase its consumption intention and reinforce the loyalty of its customers, these being the most outstanding points that a

company would have. Although, some companies have been implementing these practices for several years since the beginnings of the concern of taking care of the planet in this way as is being done now, and they already have positive results, but still it must be taken carefully to generalize this situation, and there he mentions one of the most relevant phrases of this work: “it cannot be said that any action aimed at social welfare is a source of value for the brand”. It is stated that one of the most important assets of the company is the brand, being the name that the organization owns itself, which is part of its own identity. In this way, activities related to green practices or in favor of sustainability could have effects both on the optimization of resources and on the company's brand equity.

Consequently, brand equity stands as key factor to be identified and managed through differentiation, in terms of strength, compared to competitors, since it could be the situation in which the competition has nothing to do with caring for the planet. (Montes de Oca, 2020)

Given the increasing attention paid to ecological management and everything that has to do with improving the conditions of the planet, sustainable practices and initiatives are beginning to be considered an increasingly important component towards the company brand equity. Various authors that have been able to find in their information sources a point to the existence of a positive and significant relationship between the ecological behavior of the consumer and his intention to frequent for example a green restaurant, reflecting that the ecological personality of the consumers has important marketing implications. (Montes de Oca, 2020)

Something that have to be taken into account when delimiting the brand equity, is to consider not only the client's point of view, but also the company's perspective, since green practices and their performance are sometimes not very visible to the consumer, reason why the model previously presented by BANORTE Financial Group is a good starting point. (Montes de Oca, 2020)

It's a fact that the relationship between corporate brand value and sustainability in companies is shown with greater force in developed countries given that the degree of awareness of consumers towards environmental issues is greater, it's not surprising that in countries known as "first world" these situations occur, since all entrepreneurs and society in general, highly understand the impact that using sustainability initiatives causes in their brand value, there are usually many positive factors that these countries have. (Montes de Oca, 2020)

Therefore, in developing countries or so known as "Third world countries", this option can represent a great opportunity. It's vital to become aware of the importance of directing efforts and resources towards the implementation of green practices, sustainable innovation and reduction of waste in all the senses that these companies have in countries with less development and that something similar is not implemented, since the results of the few previous studies show that to the extent that a company positions itself as having sustainable characteristics and generates this association with respect to its brand, it will be able to differentiate itself from the competition among those consumers who are more aware in the sense of respect for the environment. Since that the latest current trends are driving people to be more interested in

buying products that give them the expected benefits of the product or service, but if it has the differentiator of being eco-friendly, they would rather select this one. (Montes de Oca, 2020)

In this direction, there may be a customer segment that is willing to pay more for the services of a company that strives to have a lower environmental impact by implementing these sustainability initiatives. The estimation of the size of this market segment, as well as the identification of their special motivations and needs in relation to the environmental practices of the establishment, could be a future line of research.

According to Martínez (2014) he mentions in his research, that sustainable companies or that take this type of initiatives achieve a triple social, economic and environmental impact in different periods, but the author is very precise about how they manage to do it. Everything is done through the development of environmental protection systems, a series of policies and procedures and the promotion of relations with the community, customers or suppliers, in order to benefit both the company and the various stakeholders that affect and are affected by it. He also shows the results obtained by his investigations that provide evidence of the positive effect on corporate reputation for those companies that promote greater sustainable development, be it economic, social or environmental, but that in some way they are construct on these initiatives, very punctual is mentioned that the reputation of the company becomes better than all its competition, and in addition to this, people are more related to them.

What companies should do once they make the decision to implement sustainability initiatives is to inform their clients that they are doing it, highlighting that through sustainability the health

of workers improves, in addition to promoting a more environmentally friendly life, that natural resources are taken care of in all senses, that the product or service provided by the company doesn't contaminate in any way the planet, but even quite the opposite. And so, everyone knows that this company is already in some way sustainable. An adoption of ecological marketing or marketing based on sustainability bases above all its success if it could integrate all its environmental concepts and ideas in the marketing area, in such a way that pro-environmental strategies are designed to improve the performance of products and services, could contribute thus to the strengthening of the brand.

Complementing the previous paragraph, is that these sustainable initiatives should also include a society as a whole, them being also part of the change, because as Martinez (2011) says, a company that started with the sustainability initiatives is that the majority of its clients work actively for a sustainable world. It doesn't make much sense to save a few trees using recycled paper if the client you work with is destroying the environment or harming the community.

The brand will not seek commitment with the products, but with the buyers, with the consumers themselves, this must be a motto if entrepreneurs or investors want to win the trust of workers. There comes a point in the life cycle of a brand that has been in the market for years and that seeks to position itself as one of the best in its field, in which the property is subtly transferred to the consumer, they simply are no longer interested only in what the customer thinks, but there comes a time when they practically are the ones making the decisions of what can be done or not. Past this point, perception merges with reality. The values of the brand are

neither more nor less than what the consumer believes they are, this gives us to understand that the brand is made by the client and this generates its value (Martínez, 2014).

A large part of consumer habits is governed both by the story that the brand tells and by our emotions, these are a necessary part of life, which affect the way we feel, behave and think. Therefore, as we mentioned, if a company wants to improve in different aspects with its consumers, they must make it known that they are taking sustainability initiatives to do things, and it will undoubtedly influence their corporate brand value. (Martínez, 2014)

In a way, the surprise lies in the fact that today there is evidence that brands that are pleasant in sustainable terms enable us to live and work better because it's known that if you are using a product you are doing good to your planet and community. Just as the products or services that those brands boast also makes them feel good, for which they will be consumed. So, a product or service that has achieved the true "brand value" can arouse emotions and generate affection that translates into "brand loyalty" with an appropriate strategy based on sustainability initiatives, since caring for the environment is synonymous to concern, love and concern for the welfare of society. Also a brand that manages to excite its public by maintaining its level of quality and customer satisfaction and that also arouses affection for showing interest in social causes or contributing to caring for the environment, can ensure that its public image is sustained based in affection, this being a relevance of future success. Consumers also tend to think that a branded item is preferable to a generic one, even though the two are similar. (Martínez, 2014)

In order to go further in this subject, among some of the positive consequences that companies can have if they begin to guide, use, or develop sustainability initiatives, being translate in the impact over corporate brand value, some of the most outstanding ones will be mentioned:

- Increased sales
- Improve the positive image perceived by investors
- Improve the reputation of the company
- Reduce the risk perception of investors and the market and, consequently, the cost of capital

With these statements just mentioned, it can be establish that at the beginning it`s only worth associating with a sustainable initiative only one product that is the best of that brand, that has an association with the brand image and the perceived quality that they seek as a company or that have been reflected at the beginning of the creation of certain products, since if their association is merely with brand awareness, it will have a very weak or nonexistent impact on the next stage of loyalty development: the affective stage (emotional brand value and brand satisfaction), so if an initiative is taken that does not have much future it could turn into a total failure.

In other words, managers or senior managers of companies have various incentives to promote sustainability strategies that allow them to capture incremental profits and maintain, protect and improve the corporate reputation of the company, helping to create a favorable image of the company herself and therefore strengthening their brand equity. This means that the influence of sustainability initiatives would generate a complement to the other strategies used to

position the brand with society, but mainly with the consumers that a company has. These authors that have been referred, argue that the sustainability performance of a company can also be considered as a measure of operational efficiency, and that proactive measures in the environment can produce profits in the long term, being another point in the way in which these influence initiatives.

A brand creates value in two ways: generating demand and reducing risk, ensuring future profits for the business. A sustainability program that is consistent with a brand's positioning will create value for companies by creating more value for their brands. A leading brand translates to customers what is relevant in today's world, by influencing purchasing behavior. You also develop a strong relationship with customers due to your various offers that lead to repeat purchases. (Martínez, 2011)

However, following the recommendations of the sustainability strategy should not be understood merely as a marketing element, since the only way to guarantee the success of this strategy is to merge it in your operations and daily financial strategy. Sustainability builds more brand equity when it contributes to improving the "product experience in all senses and even in those who did not have the slightest idea", reinforcing quality, utility, savings and convenience of its products, as it enriches the experience with the brand by improving people's lives and reinforcing emotional ties with the consumer, these becoming some of the influences that could had on consumers and potential clients. (Viteri, 2015)

Consumers expect more commitment, authenticity, and integrity from companies they trust by using either their product or service. Companies should "lead by example" and offer the

consumer a relevant experience consistent with their messages, since a company can't say that it does or promotes something when its product does not represent this. For brands to be relevant, they have to care about people "in human terms", going beyond their role as consumers and more if they are based on new initiatives. They must listen to them, share their ideals and contribute, in some way, to improving their life and well-being. Communication initiatives must impact the mind, heart and soul of the consumer and be relevant and engaging to move the consumer to action. " (Viteri, 2015)

That is why companies have begun to focus their attention in recent years on the effect that a sustainable strategy can generate on their cost of equity or on the rate of return that their investors will demand, being more influence on those over the last 10 years, where it can be added the relationship that sustainability has with the marketing points as every day is getting stronger. The previous evidence obtained shows how those companies that promote sustainability practices reduce informational asymmetries, investors have a greater volume of information and value companies with lower risk, thus requiring a lower return, that is, a cost of lower capital for companies, which in our time, can be considered as an advantage point, for all the possible benefits that this can give us.

Regarding the previous evidence on the effect of the influence of sustainability initiatives on business reputation, an aspect that must be consider that could be one of the best ways to explain how sustainability influences the brand equity of a company, is at the moment in which they conceive their practices as a resource that provides a better reputation to the company and guarantees a competitive advantage over its more direct rivals, which nowadays is well

developed by companies of a very large magnitude. That is why the sustainable strategy helps to create a favorable image and reputation by investors, consumers and market agents in general, and therefore can have an impact on better levels of corporate profitability. Specifically, the effect of the sustainability initiative's practices on corporate reputation has been extensively analyzed in the previous literature that was mentioned in the previous section. In addition, the evidence found to date is characterized by the lack of unanimity and consensus in the results, since being studies that don't give specific or exact answers, there are no parameters on how in a particular way sustainability initiative influence in the Brand Equity of each company. Due to the lack of studies and unanimity in the results, one of the objectives of the research is to determine the effect of sustainability practices on the business image, that has later on an impact on the corporate brand value.

People always look to help the environment in a certain way, even indirectly, if they consume a brand, they know that they are helping in a certain way, regardless of the fact that there are thousands most brands, they will continue to prefer that brand. Since doing so makes them feel good, and above all they know how to recognize the value of the brand of their choice.

Companies that become socially responsible for the environment earn a significant reputation, which is even better than any advertising campaign they have. Since they create a good image for the brand they defend by helping others, this point is interesting, since here the company would be showing a concern not only for its customers, but for the whole of society, something that has a great impact on its image, this can help them to alleviate any crisis in which they have

been immersed previously and can even improve relations with other companies in the same field.

There are companies that reach every corner of the world, so that all of society and even the smallest know how to recognize them or at least know what they offer in their products. Something striking happens here, the brand value that companies generate can serve as a complement to education, of that magnitude can influence the value of a brand, meaning that there are parents worldwide who prefer to use brands that can guide their children to carry out actions that help the planet in a certain way, so these initiatives influence consumers by allowing them to transmit values and have the possibility of educate and transform reality, generating a positive environmental and social impact, with answers and solutions to current problems. Since parents can choose companies that do the planet good, and that if at the same time gives them the plus that their children can replicate this, he would not hesitate to continue consuming these products or services.

When a brand becomes internationally recognized, consider to be the main purpose of companies that are first created locally, the critical point becomes to establish the strongest brand equity, evenly in all markets and stick with it over time, maybe it can be mastered with older consumers but the idea is that new customers know the value of the brand by getting to know it due to sustainability initiatives. The various authors that have been seen in all this work have developed a strategic plan, regarding the necessary components to cover in order to achieve a global brand value. (Herrera, 2011)

Globally, there is a trend in recent years that truly demonstrates the preference of consumers for brands with a sustainable purpose and that help the environment. According to a study conducted by Unilever, which included consumers from Latin America, 54% of consumers are willing to choose sustainable products regardless of the brand. However, this is not a key purchasing factor in all these countries, although there is an increase between the emotional connection and the brands associated with the creation of positive social and environmental impact. It can be said that if the product or service is sustainable, a link is created with the consumer where a special relationship with the brand is created, and that immediately in the minds of these consumers they know that the brand is their best option regardless the competition. (Reason Why, 2018).

Whenever implementation of sustainable initiatives there must be a lot of precision, meaning that there will be other brands that can do the same or in a similar way to what the company is doing. It could happen that a company create a sustainable product or service but unfortunately is not being related to that brand, because they are similar to another company and they can be confused between brands, so they must be very precise when creating the advertising that can achieve for the brand to position itself.

But as has been mentioned throughout this research, it must be taken with caution, which sustainability initiatives companies will choose. The studies carried out by Stephanie Tully and Russell Winer (2014) from New York University, suggest that the intention to pay for products linked to sustainable social responsibility initiatives vary in several ways depending on who is the beneficiary of the initiative in question. According to these authors, consumers are more

likely to pay a higher surplus for products linked to initiatives in favor of third parties (which include fair trade, a living wage and respect for minorities), compared to causes related to the defense of animals or the environment, something surprising, which take it again, supported by the research antecedent that initiatives must be analyzed from a very rigorous perspective according to their common interests.

On the other hand, John Peloza and Jingzhi Shang (2011), leading researchers from Simon Fraser University in Canada, identified that the impact of socially sustainable proposals on a brand depends on the category to which the product in question belongs, thus as for the profile of the consumer to whom it's directed, this is something similar to what had been mentioned previously, related to the fact that each of the companies may have different products, so it must be chosen well in which category will be added these totally sustainable products. For example, brands made with organic raw materials or through the use of non-toxic substances, generate greater value in categories with a strong functional load such as personal hygiene or home cleaning products, as well as consumers concerned about their personal well-being.

Likewise, both last authors argue categorically that this type of initiative, such as donations of money or time through volunteer programs, as well as ethical practices in business management (which includes recycling, implementation processes that reduce environmental impact and fair trade), generate greater value in consumers who seek to balance their personal well-being with the collective, so this option of initiatives could be taken into account by some companies.

An important fact is that companies categorized as medium and small could also put into practice what large or global companies do, also by relying on the activities that have already generate a positive impact for their brand equity, which companies that big have recorded in a more precise way.

As a last added aspect, it was considered necessary to mention some brands as example of how their practices have had a positive impact in their brand equity and as a consequence they have also gain a significant amount of new consumers due to this factor, also considering that they're outstanding especially due to the quality of their product as well as other important factors, but that with these sustainable practices and being recognize as companies that are aware of the earth current situation and that they are actually doing something, have strengthened significantly their brand equity and differentiate them from other brands from the same sector, those are:

- Colgate: Colgate's purpose and the value of the products are directly related to sustainability performance. In addition, in all their products they have messages or stamps which describe that they are totally sustainable.
- Nike: “Turning waste into source materials to make our products is one of the main ways we can reduce waste and our global carbon footprint”. And honestly, in recent years when they release a new collection, some of their products are made from recycled products or, if applicable, the entire product was made from this material.

- Samsung: They strive to create social and environmental values as well as economic values through sustainability management in order to contribute to a better society globally. “Since these social and environmental values are difficult to quantify, we take a “quality over quantity” approach when setting and managing our sustainability management goals”. Even when you buy a product, they have stamps or stickers where they inform you of the benefit you are doing to the planet by contributing to the consumption of a product of this brand.
  
- Huawei: is committed to maximizing resource utilization throughout the entire product lifecycle. It is also working to use more renewable energy. Their cell phones are what inform you about their benefits at the time of purchase.

### **5.5 Indices to measure the influence of corporate brand value sustainability initiatives.**

Although, previously they were evaluated which are those sustainability practices that demonstrate a positive impact on the brand equity of a company, but now with the help of certain indices, it will be possible to have a more precise notion of their development, allowing to measure or assess whether they are really influencing positively and if they are being carried out correctly. This analysis will be based mostly in a financial aspect, as is considered that topics such as maintaining or increasing sales, or even a better performance in terms of profits, are highly related to how the brand itself is developing as well as its equity.

The absence of a sustainability strategy is considered one of the consequences of situation related with financial resources, as it can be understand that the brand value generated over time and based on consumers, increases by creating favorable responses to the prices, distribution, advertising, and promotional activities of the brand, therefore the emphasis in this part on how to measure all these favorable points of sustainability initiatives (Martínez, 2014)

Financial departments of companies that use sustainability initiatives, use mechanisms such as: the reduction of environmental risks, orientation towards clients whose activities are environmentally and socially responsible, relationships with multilateral and international institutions that require environmental guidelines in their joint operations, and the creation of new businesses, so it can be considered that these organizations are creating "green value" and therefore increasing their competitive advantage compared to those that don't apply this type of mechanism, and all this is reflected in the financial performance of the company.

Orlitzky(2003) theorize about two ways in which sustainability initiatives can influence financial performance in some way. The first, which is by improving the capabilities and competencies of a company. Starting from the point of view of companies based on sustainable resources, it could be argued that the initiatives require it and therefore improve the management of the company's competences such as information systems, processes and analysis, which increases the preparation of the company in order to face changes in the environment, turbulence and crisis, by doing this that the financial department can prepare for when this type of situation arises at some point. These competencies are especially relevant when managing global brands

as they operate in diverse environments, which could somehow complicate the financial management of certain companies.

The second way in which sustainability initiatives can influence financial performance involves an improvement in the company's reputation in the eyes of stakeholders. Specifically, when sustainable initiatives are highly credible and relevant in a certain way, they can develop a positive image among consumers (as mentioned earlier at the beginning of this research work), investors, bankers, and suppliers. Given this situation, consumer loyalty increases and thereby enhances the value of the company. In addition, credible sustainability initiatives reduce information asymmetries and with them the need for supervision, which can be important in complex and large organizations, so it can be done in the best way.

There are different methods, but one of the most used worldwide is Interbrand. A system designed by Interbrand, which is one of the largest marketing consultancies in the world considers three factors to analyze which is the most powerful brand in the world. (Keller, 2014)

**1. Financial analysis:** measures the general financial performance of an organization's investors or its economic profit. One of the aspects that are considered is how much finances increase with respect to a new product with the previous ones, in this case something interesting is to see what is the percentage of increase in terms of profits with a totally sustainable product.

**2. Role of the brand:** measures the role of the brand in influencing the customer's choice.

**3. Brand strength:** it focuses on its ability to generate loyalty and, consequently, a sustainable demand that ensures profits in the future.

To mention some of the initiatives that would improve the financial aspects of companies, by a simple change within the organization facilities, an example could be that if adjustments are made in a facility to improve its indoor air quality, in addition to computing its impact by operating cost differential, it also means a higher staff satisfaction, creating an effect of higher productivity and staff retention, which would have an immediate and long-term impact on finances. These latter values can become complex and subjective when analyzing a return on investment.

Although, there is an important amount of organizations that don't pay enough attention to their financial areas while being interested in the environment, as they are not relying on procedures, as previously shown. Thus, among the main obstacles they face are a) translating the environmental impact into financially relevant terms; b) give more importance to environmental issues in financial results; and c) design and implement an environmental policy.

To complement this part, from a more personal insight there is no contradiction between sustainability and economic growth, it's not consider that being sustainable can endanger the

monetary resources of a company, since it's favored by the positive impact it has on our planet, and that if society knows that it's doing it in some way it will try to support it. Sustainability allows them to optimize natural, economic and any other type of resources, but this optimization allows avoiding wasted and above all that they are kept apart from not using resources that could endanger generations of subsequent years; in addition to reducing risks, stimulating innovation and boosting the sales of their brands, creating a virtuous circle of growth in all business aspects.

## **6 Conclusions**

This research was carried out to contribute to the knowledge about the corporate brand value of companies and the influence of sustainability initiatives on this very important concept, meeting the objectives set at the beginning of this work.

Companies worldwide are creditor of extremely high levels of pollution and that even in recent years policies or regulations have been created whose main objective is to considerably reduce these levels of pollution and that year after year they exert more pressure over firms. There are more demanding places where if certain levels of contamination are not met, organizations can reach their definitive closure or be entitled to very high financial fines, so that polluting and doing nothing about is already punished.

The brand image is the set of perceptions that consumers have of a certain brand, reflected by its associations. A mental image is created about the company, even for a single product or service, being sustainability initiatives one of the most current points by which consumers prefer certain brands. Therefore, companies must have the ability to discover how to get closer to their consumers and above all to have a loyalty to the brand that allows them to grow as an organization, and without a doubt if they insist on using these initiatives, they could achieve it. So, it's important to consider that all those aspects where brand can be developed, at the end are the ones that generates those figures regarding brand equity.

As it was seen, sustainability initiatives go beyond making better products or services for the environment and everything that has to do with it, but rather goes well regardless of the category or the industry to which they are dedicated can in a certain way become sustainable in all aspects, not just taking a final product, but that the entire process that is carried out can benefit the planet, from using the raw material of resources that don't pollute, up to the storage and transportation in which for example minimizing fuel or using renewable energy can lower the negative impact on the ecosystem, but what is important is to analyze among all that possible ones, which ones fit better to the business model each firm has by using it as a long-term strategy, because if it's only used for a season consumers or it's made in a very inconsistent way, it might not be notice and the effects could be not the expected ones or could even become in negative ones. Also, to ensure that it last over time, is important to realize that the implementation of these practices could take even years, which is a process where's important to base a good initiation plan, considering all possible constrains as well as being patience and persistent.

Apparently, the concern towards brand equity is growing more and more every day for any company, since, as shown in previous literature, this would cause companies a resounding success in all aspects, since in the few companies that had previous studies about this topic, its main goal is people to see their product and immediately show the loyalty they have to choose it again, since for a consumer to recognize the value of the brand it means that they fully understood the values, philosophy, mission and vision of the company to which you trust.

Briefly, it can be said that the influences on corporate brand value after using sustainability initiatives are based on a greater consumer loyalty in the product or service that is offered, that potential consumers can choose once and for all to buy from the brand that chooses to do its production with resources used in the best way possible, being the financial aspect also beneficial and tightly related on the brand equity in the way that these initiatives are implemented, but also mentioning that the support of the rest of the departments would be determinant and a key to success towards this strategy of sustainability. Furthermore, quality of the products with sustainable materials and production processes that identify the brand will be a differentiator in the market, having an important competitive advantage. The company's finances will be improved by increasing sales of fully sustainable products and the brand will become a powerhouse in the industry in which it is placed, and so that way it will be recompensate.

Moreover, something interesting and consider prudent to mention in this final part, is that unfortunately there are companies that their products or services raw material pollutes the environment in some way, and that they can't do anything to change this type of material , or at least replace it, so that they can't do anything to avoid this impact on the planet. But there are

some companies worldwide which try in some way to compensate that damage done, as shown with the Delta company case, where they created programs to plant trees and prevent deforestation, clean the oceans, using biodegradable products within their other internal activities, to contribute significant amounts of money for the creation of programs against the impact on the environment, this just to mention a few, but in the same way as the interviewer in the podcast studied previously recalled, is a topic subject to debate due to the fact that they are not stopping their contaminant practices and it should be deeply analyze how equivalent could it be the compensation activities they claimed to do and how appropriate they are, in order to determine if it could be a real alternative to those organizations that are facing the same or something similar, as is important to make conscious of the importance of making anything or better, doing the most possible regarding to this topic.

Moreover, as mentioned through the research, it can't be said that any action aimed at social welfare is a source of value for the brand, so companies should be careful. Social responsibility initiatives can generate various results that will not necessarily meet the expectations of a company. Therefore, before embarking on any type of social action, it's a priority to consider three key aspects: the beneficiary of the action to be implemented, the category to which the product belongs, and the level of interest in the collective well-being that exists in the target audience. (Tully, 2014)

To conclude, this topic of sustainability and corporate brand value initiatives is still very scarce in research, there are very few authors who are really in charge of studying the relationship of these topics, so it would be expected that in the future more publications can be

found in this subject, since it has benefits for society, companies, but above all for the planet. Even though, it seems cleared that for the future of companies this is a topic to deeply research on and the fastest it's started the easiest it could be to get more out over this circumstances, as is in every individual hands to conserve the resources that exist, as they're limited, no substitutes have been found for many of them and to be aware of future generations.

## **7 Limitations and future directions**

As in any research work, there was encountered situations that didn't allow this research work to develop in the best possible way, although it was possible to fulfill the established general objective, is consider important to mention what the limitations were and on what directions can be taken in future research in the scientific community, since is consider that this research can serve as a reference for the realization of others, so it's a priority that the least possible mistakes are made and that the least possible limitations are founded.

It is evident that there is a lack of studies and research that relate these issues, since it's scarce to find documents that inform about the content related to this investigation. The studies that exist are limited to individually studying the brand value of companies or the sustainability initiatives that they use, but they don't relate in the vast majority or almost all of the investigations these variants, which are brand value and sustainable initiatives.

A point that felt restrictive was being able to give more description of the subject in terms of brand equity of companies, as they're normally based on everything except taking initiatives that benefit the planet, so the approach that could be found it was not expected. On the other side, something was impressive and limiting in a certain way was the information that specific countries or companies has, as the particular interest towards this subject is apparently not much importance if compare to related topics but with different approach.

One of the points that was consider the most decisive of all the research is that there are very few companies that have already done a strategy plan based on sustainability initiatives or at least something related to the care of the planet, and these companies are the ones that are known worldwide like Coca-Cola, Apple, Samsung, LG, among others. For this reason, it was limit to studying large companies, which have their information very well structured on their official pages, so this point increases an interest in knowing what happens in companies of a smaller magnitude than the ones mentioned, so that it could be said that future directions can focus on studying the brand equity taking into account sustainability initiatives of small and medium-sized companies(SME) , since those could have different approaches and consequences.

There are different reasons to continue with research of this type, the most fundamental is that companies have an impressive "thirst" for new information that allows them to generate new tools or strategies which help companies strengthen their brand equity, so that they can implement them and be able to generate loyalty among their consumers that allows them to stay in the market for as long as possible.

Finally, in this part it's advice whether future studies could focus on developing countries companies, due to the fact as mentioned throughout the research, that are the ones where have more lack of development in this subject, but that on the other side carries a lot of negative impact in an overall view of the contaminants responsible, in the way as also world-leading company are operating in these countries as well as they got some other significant ones. In addition, perhaps a methodological instrument could be used for gathering a different approach, since in this research the collection of information was used, but it's believed that for a more accurate study using an interview or questionnaire already applied directly to consumers on based on business cases would give more exact and relevant results on how sustainability initiatives can influence the brand equity of the company, for what it's consider would be an excellent complement to this work.

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