# The Impact of Corporate Social Responsibility on Competitive Advantage through the Mediating Role of Brand Trust and Brand Equity

**Saba Iqbal**

Graduate MSBA, Department of Business Administration, Ghazi University, Dera Ghazi Khan, Pakistan at- sabaarslan100@gmail.com

**Dr. Muhammad Zia Ullah**

Associate Professor, Department of Business Administration, Ghazi University, Dera Ghazi Khan, Pakistan at- mziaullah@gudgk.edu.pk

**Muhammad Aqib Shafiq**

Scholar PhD Business Administration, Department of Business Administration, Ghazi University, Dera Ghazi Khan, Pakistan/Corresponding Author at- mastoiaqib@gmail.com

**Hafiz Ghulam Nabi Saad**

Graduate MS Business Administration, Department of Business Administration, Ghazi University, Dera Ghazi Khan, Pakistan at- hafizghulamnabisaad@gmail.com

**Arooj Zahra**

MPhil Applied Psychology, Department of Psychology, Bahauddin Zakariya University, Multan, Pakistan at- A4arooj@msn.com

## ABSTRACT

The motives of the investigation is to learn more about how does corporate social responsibility matters in brand trust and brand equity in developing Competitive Advantage. Out of the 350 surveys we sent out, 330 persons answered, and 11 of those replies had unsuitable outcomes. So, we only considered the results of 309 questionnaires. Google Forms was used to create and distribute a digital questionnaire, which was used to gather data. Random sampling procedures were used to create the sample. The corporate social responsibility, brand trust, brand equity and competitive advantage were main variables of the investigation. A practical evaluation of the proposed framework is conducted by using statistical package for the social science version 26 for normality, reliability, frequency tables, standard deviation, mean, correlation and regression. Then CFA used to check model fit and validity and SEM used for hypothesized model. The corporate social responsibility has positive impact on competitive advantage by the mediating effect

of brand trust and brand equity. This analysis helps to provide a deeper understanding of how the business engage in social activities to maintain loyalty in customer through trust and equity and gain competitive advantage. The point of this study was to examine the ways in which corporate social responsibility has affected competitive advantage by examining the mediating function of brand equity and trust across the different stages of the selected cycle.

**Keywords:** Corporate Social Responsibility, Brand Trust, Brand Equity, Competitive Advantage, Banking Sector, Punjab, Pakistan

**Introduction**

Development is commonly viewed as a technique for gaining a competitive advantage (Suoniemi et al., 2020). Researchers are mainly concerned with invention due to life conditions and a perpetual demand for ongoing development to individual requirements and preferences (Ciampi et al., 2020). Advancements aid innovation in many spheres of life. According to Peter Drucker, one of the organizational scholars, creativeness is a significant element in economic and social change, as well as a primary weapon in the advancement, perseverance, and flexibility of modern organizations in modifying environmental factors, as those organizations that do not innovate will be eliminated soon (Anwar, 2017).

By merging academic and business objectives, CSR is a company's strategic tool that promotes innovation and competitive advantage (Shafique et al., 2021). By integrating business and societal objectives, CSR is a strategic tool that usually allows exceptionally competitive differences (Ali and Kaur, 2021). Because of its two benefits, CSR also acts as a basis for corporate marketing strategy. First, focusing on noneconomic aspects aids in creating a competitive advantage. CSR is a business goal that fosters the development of potential clients and positive company perceptions. As is well known, brand image is an important component of marketing strategy and, when done well, may increase customer loyalty, customer attitude amounts, and corporate reputation (Kataria et al., 2021).

CSR is increasingly the priority of corporate organizations due to its capacity to improve a company's competitiveness, and consequently, CSR is a powerful determinant of improving a firm's competitive advantage (Maqbool and Zameern, 2018). In addition, because enterprises must obey international CSR rules to obtain a

passport to the global markets, their capacity to react to CSR regulatory constraints becomes increasingly crucial in preserving global competitiveness. There needs to be more complete awareness of CSR among third-world nation businesses and minimal CSR activity. Many firms feel that meeting the minimum labor, and environmental requirements required by government laws and obtaining a governmental license to operate is sufficient. Organizations that make the efforts needed to genuinely tackle workers' and human rights concerns are undercut by less ethical competitors in a highly competitive market (Gugler and Shi, 2009).

Numerous academics have shown the connection between CSR and competitiveness via qualitative analysis and research analysis (Lu et al., 2020; Vilanova et al., 2009). The relationship between a company's competitive advantage and its CSR efforts has also been the subject of numerous evidence-based studies (El-Garaihy et al., 2014; Nyuur et al., 2019; Panwar et al., 2016), while other studies have found no relationship or a negative one (El-Garaihy et al., 2014; Nyuur et al., 2019; Panwar et al., 2016; Nelling and Webb, 2009). Porter and Kramer (2006) state that further research is required to determine the degree of the relationship between CSR and competitiveness. These concepts are thus essential for scholarly research (Yu et al., 2017).

The previous study of Eyasu and Arefayne's (2020) findings only apply to Ethiopia's Lion International Bank, and the measurement scale only includes some banking industry stakeholders. Only a few sample stakeholders were chosen to assess CSR practices and determine whether they may add to long-term competitive advantage. The previous study by Reham (2020) focuses on the mediation effect of Trust and Equity on Brand Loyalty, but we are using competitive advantage as a dependent variable. Previous studies on these variables are in foreign countries, but we are conducting this study in Pakistan.

Globalization and technological change have made the business world extremely competitive and dynamic. In order to remain competitive, organizations must incorporate corporate governance, social and environmental concerns, and the interests of interested parties into their policies (Lim and Greenwood, 2017; Mahjoub, 2019). Stronger, more effective, and more productive banks may reduce the danger of bankruptcy in a vibrant and competitive banking industry while still

giving their shareholders a respectable return, claim Adusei (2016) and Lema (2017). A company's image and reputation may be enhanced by CSR and morality, which are crucial factors in determining its competitive advantage (Gardiner et al., 2003; Worcester and Balmer, 2009).

Over the years, CSR investigation has used various methodologies, but detailed results have yet to appear. Based on one understanding, CSR is interested in the interactions between enterprises, industries, cultures, and nations. The present study, therefore, examines the impact of CSR in the banking industry. Before this, there was a deficit in the studies on how CSR impacts competitive advantage by mediating the role of brand trust and brand equity. This study was planned and executed to close the gap. Various factors, such as brand trust and brand equity, that could influence competitive advantage were incorporated into the framework.

**Literature Review**

**Relationship of CSR and Brand Trust**

For BT, CSR is crucial (Fandos-Roig et al., 2020; Iqbal et al., 2023). According to Ahn and Kwon (2020), CSR initiatives may boost consumer confidence in a business. Furthermore, by enhancing brand credibility via CSR activities, Dzupina et al. (2019) discovered that CSR builds relationships between consumers and businesses. However, Moon et al. (2015) claim that customers often identify with a company for two reasons: either the company's ability to manufacture high-quality goods or its involvement in corporate social responsibility. These are seen as business affiliations that influence how customers feel about the company's goods and branding.

Customers' impressions of a company's faithfulness are related to trust, and a lack of confidence discourages customers from business operations with that company (Nyamrunda and Freeman, 2021). The trust structure was used as a crucial element in forecasting customers' experiences and needs regarding the influence of trust on business activities (Ben Amor and Ben Yahia, 2021). Brand trust is the degree to which consumers are ready to rely on a company to keep its commitments. Trust happens whenever one participant has confidence in the excellence and dependability of an exchange relationship (Raza-Ullah, 2021).

**H1: The Corporate Social Responsibility positively effect on Brand Trust.**

**Relationship of CSR and Brand Equity**

Based on the study, it can be concluded that CSR generally has a favorable effect on company reputation (Alakkas et al. 2022; Wang et al. 2021; Zhao et al. 2021; Shafiq and Khan, 2024). The effect of CSR on reputation in the restaurant business was examined by Lin and Chung (2019). Perceived quality, brand recognition, perceived value, and brand loyalty were the elements of brand equity that were examined. The authors claim that businesses who engage in CSR activities have an edge over those that don't. In the research conducted by Wang et al. (2021) on the purchasing of cosmetics, Bhattacharya et al. (2020) shown that CSR has a beneficial impact on brand equity and plays a significant role during economic recessions.

**H2: The Corporate Social Responsibility positively impact on Brand Equity.**

**Relationship of Corporate Social Responsibility and Competitive Advantage**

By becoming more well-known in competitive markets, businesses today have learnt how to implement fresh company procedures (such as eco-friendly). Businesses may fulfill the demands of the competitive world by combining creative company tactics with CSR activities (Almeida and Coelho, 2019). CSR initiatives encourage the development of distinctive assets, giving the company a sustained competitive edge (Valdiansyah and Augustine, 2021; Shahid and Ahmad, 2023). Businesses see CSR as an important concept that fulfills the obligations of all stakeholders, including the community, consumers, and workers. Research indicates that corporate social responsibility (CSR) activities lead to long-term development in the form for environmentally friendly competitive edge (Han et al., 2019). In order to build a symbolic link with the firm's stakeholders, organizations construct a competitive advantage. The research explains this idea by showing that CSR is a useful instrument for appreciating stakeholder requirements, which improves the competitiveness of enterprises (SMEs) (Nadanyiova, 2021). Without a doubt, competitive advantage is shaped by sustainability, which enables the company to be successful in the marketplace. The RBV's differentiating standpoint enables the enterprises to get a competitive edge over their rivals. By achieving a sustained competitive edge, strategic CSR initiatives benefit both the company and society. It is acknowledged that CSR is a vital component in developing a competitive advantage. CSR initiatives provide companies a distinctive point of uniqueness, allowing them to

develop unique resource capabilities and gain a sustainable competitive edge (Banerjee et al., 2018). As a result, research suggests that CSR provides a solid basis for both business profitability and organizational success.

Implementing CSR practices to achieve better organizational performance is ensured by competitive advantage, which is the differentiation approach. CSR programs significantly increase a company's competitiveness by creating distinctiveness that sets it apart from rivals. In order to create sustainable competition and improve the performance of businesses (i.e., SMEs), CSR is strategically important (Thanh et al., 2021). In emerging economies like Pakistan, the combination of competitive advantage with corporate social responsibility (CSR) policies improves organizational performance (Anwar, 2018). By creating a sustainable competitive advantage, CSR policies enhance a company's success in today's rising markets (Maletic et al., 2018).

**H3: The Corporate Social Responsibility positively impact on Competitive Advantage.**

**Relationship of Brand Trust and Competitive Advantage**

Since brand equity results from the connections that consumers have with brands, it is seen as an interpersonal competitive asset in the most current research on competitive advantage. Brand loyalty, which in turn sustains a positive connection with brand equity, has a beneficial relationship with brand trust, which is based on prior experiences with the brand. According to Delgado-Ballester and Munuera-Aleman (2005), trust is a key component in building brand equity. Building brand trust is essential for establishing a profitable competitive edge as well as for promoting customer loyalty and brand equity (Delgado-Ballester and Munuera-Aleman, 2005).

**H4: The Brand Trust positively impacts on Competitive Advantage.**

**Relationship of Brand Equity and Competitive Advantage**

Numerous marketing benefits are produced by an effective approach for developing high brand equity (Fathabadi et al., 2017; Ali et al., 2023). According to Davcik et al. (2015), brand equity is the difference between the marketing impacts or results that a product with a particular brand would have versus those that would occur if the product did not have the brand name. CA may be built on a basis of well-established

brand equity (Marshall and Johnston, 2015). Previous research by Hussain et al. (2020) shown that sustainable competitive advantage is positively impacted by continuous brand equity. On the basis of the above literature it can be hypothesized that:

**H5: The Brand Equity positively impact on Competitive Advantage.**
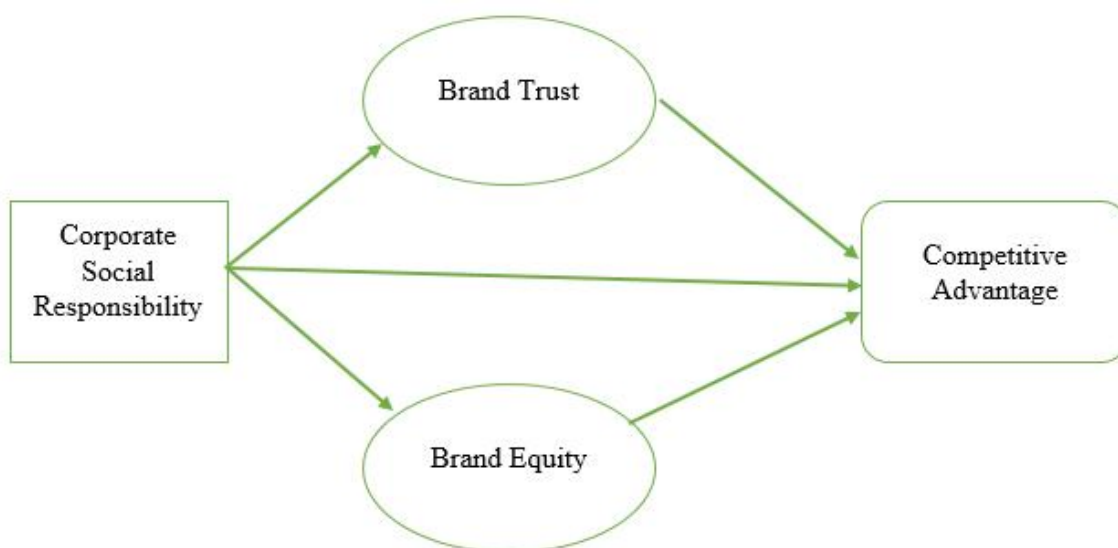
**Research Framework**



**Figure 1 Research Framework**

**Research Methodology**

**Research Design**

The research design was a strategy for connecting the theoretical research challenge to relevant as well as useful empirical studies. The research topic is transformed into an investigation via the research design approach (Al-Ababneh, 2020). Research design solves a logical problem (Massaro, 2019). The study's design could guarantee that the backing you got would enable you to respond to the fundamental research as accurately as feasible. Finding the kinds of examinations that are used to evaluate programs, test hypotheses, and answer examination queries is necessary to get the appropriate assessments (Smagina, 2017). The purpose of this study is to get a better understanding of how CSR affects brand equity and trust in the development of competitive advantage. This study is interpretive and quantitative as it involves

testing theories experimentally. The most efficient and widely used technique for obtaining basic information for quantitative analysis is the survey method. Creating a questionnaire to gather pertinent data is often a part of this study's surveying design. The researcher obtained replies from the defendants by distributing a survey questionnaire to record holders of several Pakistani banks. All research participants are bank account holders who have had an account for a minimum of one year. To carry out the study, the researcher will gather information from those who had bank accounts in Pakistan. An estimated 50.565 million people in Pakistan are projected to have bank accounts (Wikipedia, 2018).

The potential to gather information to pose research questions and look into public opinion served as the foundation for the sample processes (Saunders et al., 2001). Owing to limited resources, data is gathered and analyzed from every targeted population. Consequently, a sampling idea was used since it offers a good substitute for the survey (Saunders et al., 2001). For ease, data was gathered using random sampling procedures. We reviewed the account holders from many Pakistani banks. According to the most recent information, there were 50.565 million bank account holders in Pakistan in 2018 (Wikipedia, 2018); nonetheless, all users must be targeted. We need to focus on a select group of folks who answer our questionnaire promptly. The sample size of 300 respondents was deemed to be extremely good, according Tabachnick and Fidel (2001). In contrast, Hill and Alexander (2000) thought that a sample size of 200–500 was appropriate for best-people polls. 330 respondents completed the 350 surveys that made up our sample size, and 11 of their replies had unsuitable findings. Therefore, we only took into account 309 questionnaire responses.

**Instrument Development**

The seven questions used to evaluate CSR of business in this study were modified from earlier research (Carroll, 1979). For measuring the item CSR, a seven point Likert scale was used ranging from 1= strongly disagree to 7= strongly agree. The scale for brand Trust was taken from Chaudhuri and Holbrook, 2001 (Four Item). Three items were adapted to measure brand equity from Chahal and Rani (2017). The scale for competitive advantage was taken from Porter and Kramer (2006) and Chang (2011).

**Data Collection**

Data from customers was collected using Google Forms and a questionnaire using a seven-point Likert scale. Before consenting to fill out the questionnaires, consumers were made aware of the purpose of the research. Quantitative data gathering techniques are mostly derived from the positivist paradigm and stress objective measurements, often in quantities. Descriptive and inferential statistics are used to interpret the information. In this investigation, the researcher used the questionnaire. The questionnaire for this study employed a seven-point Likert scale, with responses ranging from "strongly disagree" (1) to "strongly agree" (7).

**Statistical Tests**

Using information from the questionnaire responses, the researcher performed reliability analysis, frequency tables, descriptive statistics (Mean, Median, Mode, Variance, and Standard Deviation), and correlation using the Statistical Package for the Social Sciences (SPSS) 26 software after data collection. The scholar then evaluates the validity and hypothesis testing using Analysis of Moment Structure (AMOS) 23. The results of the data assessment were presented in the next chapter.

**Data Analysis**

**Demographics Matrix**

The results show the group's the rate and proportion of men and women who participated in the research; the population is composed of both genders. Male respondents made up 50.8 % of the sample as a whole, while female respondents made up 49.2 percent. Of the overall sample, 19.4% of the participants are in the 18–28 age group, and 30.1% are in the 29–38 age group. 16.2% of the sample is made up of people aged 39–48, while 34.3% of the sample is made up of people aged 49–60. Students with a bachelor's degree make up 42.1% of the sample as a whole, whilst those with an intermediate degree make up 16.2%. Of the whole population, 41.7% belong to the M.Phil./MS education group. The government employee group accounts for 24.9% of the sample as a whole, followed by the private worker group (23.3%) and the self-business profession group (30.0%). Students' occupation category makes up 18.8% of the 309 overall sample. Individuals with one to three years of experience make up 25.2% of the population. 36.6% of the

sample is made up of those with 11 years or more of experience, 27.8% are made up of those with 4-6 years, and 10.4% are made up of those with 7-10 years of expertise.

**Reliability Analysis**

Reliability is the extent to which a tool is free from random error. Using a customer-trusted instrument increases the possibility of error-free results (Kirby, 2011). The tools used in the present study underwent internal consistency (Cronbach's Alpha) testing. For CSR, the Cronbach's alpha range was.889 with seven questions, whereas for BT, it was.815 with four questions. The Reliability of BE represents .853 and the reliability of CA represents .874 with 03 and 05 number of questions respectively.

**Table 4. 1 Reliability**

| Variable | Items | Reliability |
|----------|-------|-------------|
| CSR | 7 | .889 |
| BT | 4 | .815 |
| BE | 3 | .853 |
| CA | 5 | .874 |

**Descriptive Statistics**

The mean of Corporate Social Responsibility (CSR) is (M= 4.9080, SD= 1.45059), Brand Trust (BT) is (M= 4.8414, SD= 1.43598), Brand Equity (BE) has (M= 3.8932, SD= 1.81835), Competitive Advantage (CA) is (M= 4.986, SD= 1.41621) with total 309 respondents.

**Table 2:  Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---------|---------|------|----------------|

| | | | | | |
|---|---|---|---|---|---|
| **CSR** | 309 | 1.00 | 7.00 | 4.9080 | 1.45059 |
| **BT** | 309 | 1.00 | 7.00 | 4.8414 | 1.43598 |
| **BE** | 309 | 1.00 | 7.00 | 3.8932 | 1.81835 |
| **CA** | 309 | 1.00 | 7.00 | 4.986 | 1.41621 |
| **Valid N (list wise)** | 309 | | | | |

**Correlations Matrix**

The association greater than.01 in the current research was significant at p <.05. Based on this value, the bivariate correlation reveals a substantial positive relationship between CSR and Brand Trust (r=.70, p<.01). CSR and Brand Equity have an important optimistic linkage (r=.61, p<.01). CSR have substantial beneficial connection with Competitive Advantage (r=.78, p<.01). Meanwhile, Brand Trust have substantial beneficial connection with Brand Equity (r=, 64, p<.01) and Brand Trust have strong positive correlation with Competitive Advantage (r=.72, p<.01). Likewise, Brand Equity and Competitive Advantage have a significant beneficial relationship (r=.61, p<.01).

**Table 3: Correlation Examination**

| Variable | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| **CSR** | 1 | | | |
| **BT** | .709[**] | 1 | | |
| **BE** | .610** | .642** | 1 | |
| **CA** | .789[**] | .727[**] | .619[**] | 1 |

**Structural path model for CSR with BT**

Hypothesis 1 was suggested that there's is a substantial impact of corporate social responsibility on brand trust. Corporate social responsibility was significantly

completely correlated with brand trust, model fit indexes are $\chi^2$ = 68.947, DF = 40, p < .000, ($\chi^2$/df) = 1.724, CFI = .982, GFI = .961, AGFI = .936, TLI = .975, NFI =.959, RMSEA =.048.

The computed parameter values also revealed and validated the structural model's appropriateness and demonstrated a strong positive correlation between CSR and BT ($\beta$ =.59; p <.000). Additionally, there was a variation of 21% in the multiple correlation between CSR and BT ($R^2$ =.21; p <.000). Thus, H1 received full support from all indices and projected values.
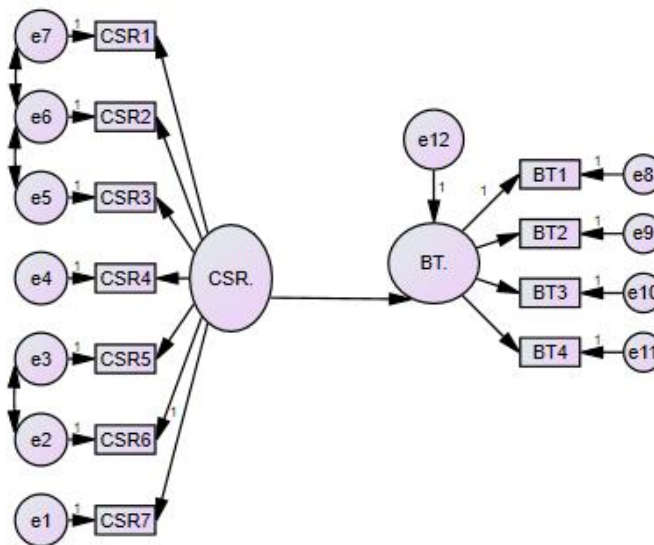


**Figure 2: Structural path model for CSR with BT**

**Structural path model for CSR with BE**

The second hypothesis put out was that brand equity is significantly impacted by CSR. According to the overall SEM findings, brand equity and CSR were significantly positively correlated, model fit indexes are $\chi^2$ = 36.55, DF = 30, p < .000, ($\chi^2$/df) = 1.21, CFI = .99, GFI = .97, AGFI =. 958, TLI = .99, NFI =.97, RMSEA =.027.

Additionally, the calculated coefficients demonstrated the applicability of the structural model and showed a strong positive correlation between brand equity and CSR ($\beta$ =.15; p <.000). As well squared multiple correlation among corporate social responsibility and brand equity ($R^2$ = .72; p < .000) with variance 72% brand equity. Therefore, H2 received full support from all indices and projected values.
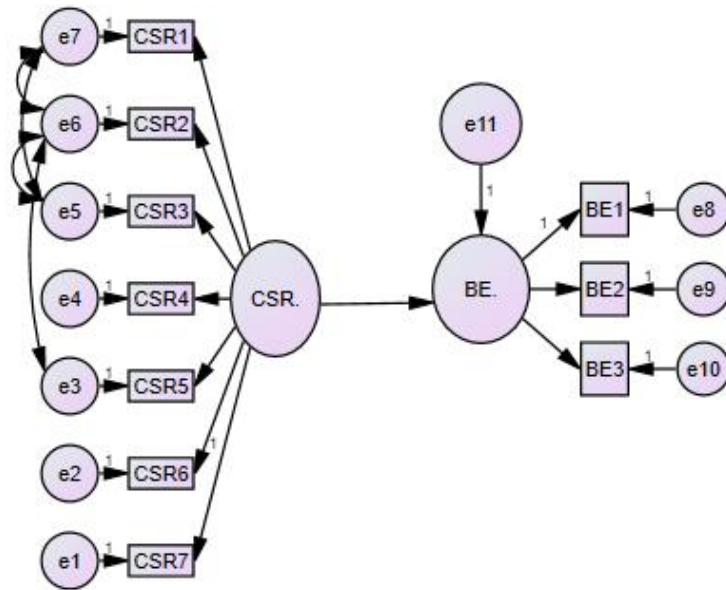
**Figure 3: Structural path model for CSR with BE**

**Structural path model for CSR with CA**

According to Hypothesis 3, CSR has a major impact on competitive advantage. According to the overall SEM findings, competitive advantage and CSR were favorably associated, model fit indexes are $\chi2 = 83.65$, DF = 49, p < .000, ($\chi2$/df) = 1.70, CFI = .98, GFI = .95, AGFI = .93, TLI = .97, NFI =.95, RMSEA =.048.

Additionally, the calculated coefficients demonstrated the applicability of the structural model and showed a strong positive correlation between competitive advantage and CSR ($\beta$ =.03; p <.000). Additionally, there was a 66% variation in competitive advantage and a well-squared multiple correlation between CSR and competitive advantage ($R2$ =.66; p <.000). Therefore, H3 received full support from all indices and projected values.

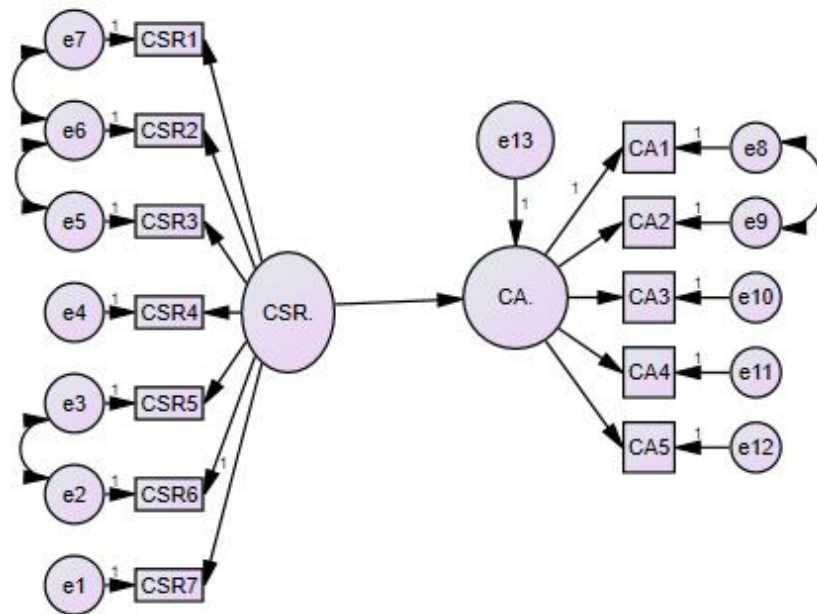**Figure 4: Structural path model for CSR with CA**

**Structural path model for BT with CA**

According to Hypothesis 4, brand trust has a major impact on competitive advantage. According to the overall SEM findings, competitive advantage and brand trust were favorably important, model fit indexes are $\chi2$ = 34.94, DF = 24, p < .000, ($\chi2/df$) = 1.45, CFI = .99, GFI = .97, AGFI = .95, TLI = .98, NFI =.97, RMSEA =.038.

Additionally, the calculated parameters demonstrated the applicability of the structural model and showed a strong positive correlation between competitive advantage and brand trust ($\beta$ =.32; p <.000). Additionally, there was a 79% variation in competitive advantage and a well-squared multiple correlation between brand trust and competitive advantage ($R2$ =.79; p <.000). Therefore, H4 received full support from all indices and projected values.

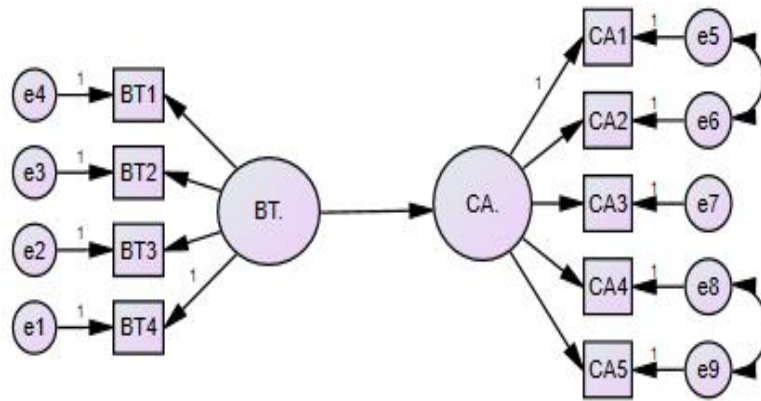**Figure 5: Structural path model for BT with CA**

**Structural path model for BE with CA**

According to Hypothesis 5, brand equity has a major impact on competitive advantage. According to the overall SEM findings, competitive advantage and brand equity were favorably important, model fit indexes are $\chi^2$ = 27.41, DF = 18, p < .000, ($\chi^2$/df) = 1.52, CFI = .99, GFI = .97, AGFI = .95, TLI = .98, NFI =.97, RMSEA =.041.

Additionally, the calculated parameters demonstrated the applicability of the structural model and showed a strong positive correlation between competitive advantage and brand equity ($\beta$ =.49; p <.000). Additionally, there was a 58% variation in competitive advantage and a well-squared multiple correlation between brand equity and competitive advantage ($R^2$ =.58; p <.000). Therefore, H5 received full support from all indices and projected values.
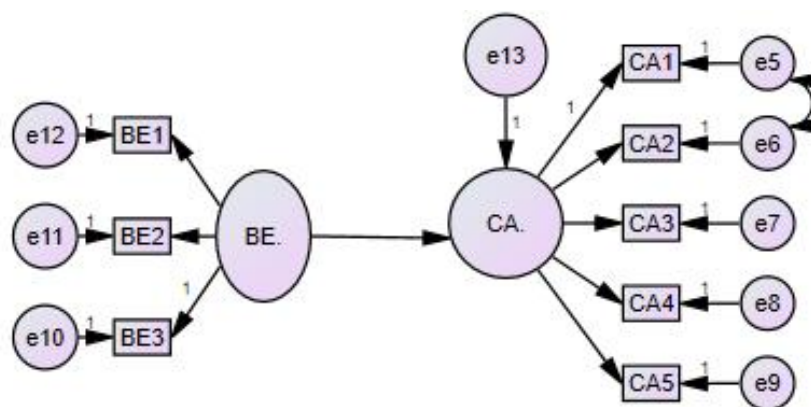
.

**Figure 6: Structural path model for BE with CA**

**Full Measurement Model (CFA)**

Six builds are included in the confirmatory factor analysis that is currently being utilized to support and validate the whole estimate model, which were SNS, SMR, SNSSI, E-WOM, BC and BL. A appropriate model fit is validated when the RMSEA is less than 0.08 and the fit records of evaluations reports (CFI, GFI, TLI, and NFI) have values more remarkable than 0.9 (Bentler and Bonett, 1980).

Additionally, the whole measurement model fits information well, according to the model fit indices in this research ($\chi$2 = 201.38; DF = 131; p < .000; CFI = .97; GFI=.93; NFI=.93; TLI=.96 and RMSEA=.042) this validated the entire factor analytical model and demonstrated a suitable model fit. Figure 7 provides a complete measuring model that shows full CFA loading.
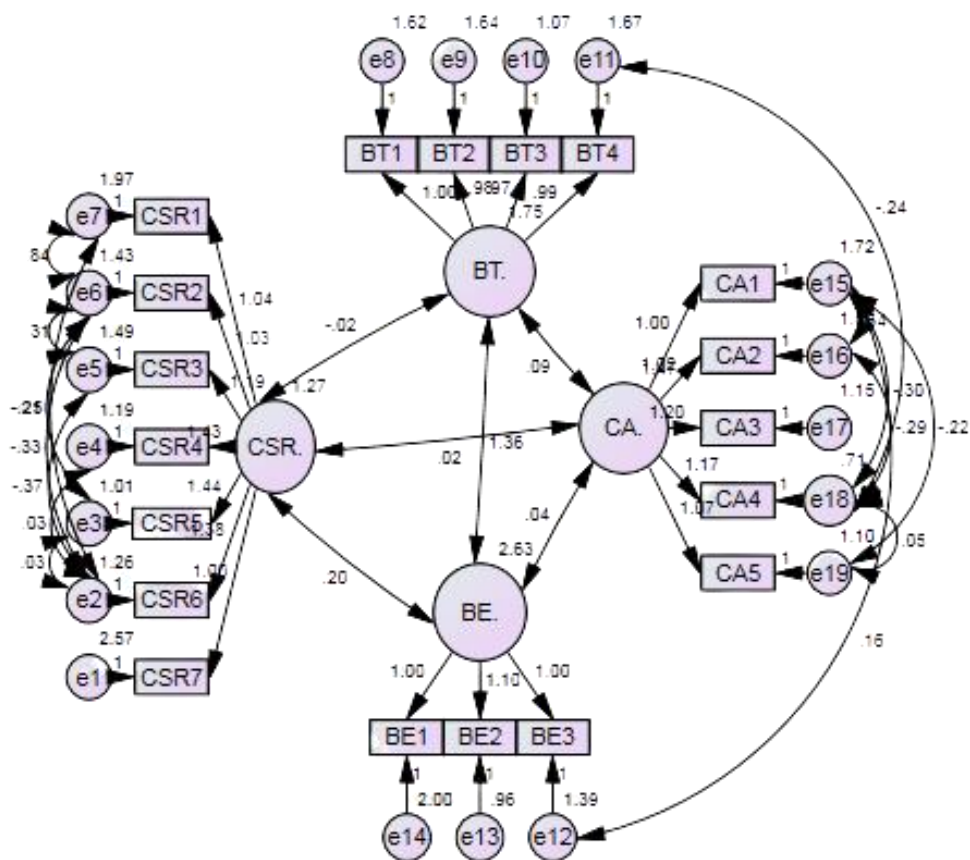
**Figure 7: Full Measurement Model (CFA)**

**Discussions and Conclusions**

According to the results of the present study the outcomes of our study show that CSR had optimistic impression on Brand Trust. Through the structural equation modeling we have proved that CSR has strong encouraging consequence on Brand Trust. Previous study of Khan and Fatima (2019) confirms that there is a relation of CSR with brand trust. Previous findings of Barnes (2011) show that CSR has helpful consequence on brand trust. According to the consequences of the present investigation the outcomes of our study show that CSR had confident bearing on Brand Equity. Through the structural equation modeling we have proved that CSR has strong constructive outcome on Brand Equity. Previous study of Hur et al., (2014) confirms that there is a relation of CSR with brand equity and CSR leads corporate brand equity.

Results of previous study of Singh et al., (2017) shows that CSR activities have constructive consequence on BE. According to the results of the present study the outcomes of our study show that CSR had constructive impression on CA. Through the structural equation modeling we have proved that CSR has strong constructive consequence on CA. Earlier research of Yu et al., (2017) confirms that there is a relation of CSR disclosure with competitive advantage. Previous findings of Cegliński and Wiśniewska (2016) show that CSR is a source of CA. Previous findings of Saeidi et al., (2015) shows the constructive consequence of CSR on firm performance due to the positive impact of CSR on competitive advantage. According to the results of the present study the outcomes of our study show that brand trust had constructive impression on CA. Through the structural equation modeling we have proved that brand trust has strong helpful consequence on CA. Previous study of Warrington and Caldwell (2000) confirms that building trust in business can create competitive advantage. Earlier investigation of Ismail et al., (2017) support that trust create competitive advantage by mediating role of commitment.

According to the results of the present study the outcomes of our study show that brand equity had constructive impression on CA. Through the structural equation modeling we have proved that BE has strong positive effect on competitive advantage. Previous study of Amini et al., (2012) confirms that brand equity has

optimistic effect on sustainable competitive advantage. Results of the investigation of Nurittamont and Ussahawanitchakit (2008) indicate that BE has important impact on competitive advantage and performance.

**Theoretical Contributions**

Above all, this study aids in the development of the theoretical framework. Therefore, this research aids in educational advancement by empirically evaluating the theoretical framework employing SEM. **Second**, this research theoretically connects to Pakistani banks by examining competitive advantage in the country's economy. **Third**, the investigation demonstrates that there is a solid association in the Pakistani context between CSR, BT, BE, on CA.

**Managerial Implications**

Our study's conclusions add significantly to the body of knowledge about banks by uncovering the effects of the corporate social responsibility on competitive advantage through mediating effects of brand trust and brand equity. Therefore, we have some suggestions for managers and practitioners. **First,** the research demonstrates that brand trust is favorably impacted by CSR initiatives. By participating in CSR initiatives, executives may increase brand trust. It has recognized CSR as a key idea in building brand trust and could offer some direction on the most crucial elements of CSR, such as alignment among the business and its purpose. The managers of the company carry out and authorize the creation of CSR initiatives. The degree to which CSR is integrated into the company's long-range plan is also decided by managers.

Since CSR had a little but important impact on brand confidence, executives may start by funding socially conscious initiatives both internally and outside. Instead of depending only on goods or services to establish trust, managers who decide to become involved in social problems might start to speed up the growth of brand trust. **Second,** the research authorizes that the corporate social responsibility completely impacts on brand equity. **Third,** the study confirms that the corporate social responsibility positively impacts on competitive advantage. Managers use corporate social responsibility programs to make their customers loyal and creating competitive advantage for their bank. By this activity customer are impressed by the banks and come to this bank for transactions and this will lead to competitive

advantage for the bank. **Fourth,** the study confirms that the brand trust positively impacts on competitive advantage. Managers use safety tools in banks and make their customer secure and feels relaxed. when customers feel safe in transactions and minor threats of accounts hacking then they are happy with the bank and make their transactions with this bank so the profit of the bank maximize and this will lead to competitive advantage. **Fifth,** the study confirms that the brand equity positively impacts on competitive advantage.

**Conclusion**

We analyze the link of corporate social responsibility on competitive advantage through the mediating variable of brand trust and brand equity. The goal of this study was to determine the relationship between SNS, SMR, SNSSI, EWOM, BC, and BL. The investigation, on the other hand, looks on the influence of corporate social responsibility on competitive advantage through brand trust and brand equity.  A questionnaire was used to gather data from brank account holders in Pakistan for this persistence quantitative research design was admitted.

In order to fill the gap in the ongoing study of CSR and CA, the current study was conducted. The findings of the study revealed a significant and strong positive relationship between the variables, as well as the function of CSR in the development of BT, BE and CA in Pakistan. To clean and screen the information, as well as perform reliability analysis, frequency tables, and descriptive statistics, the Statistical Package for the Social Sciences (SPSS) was first employed (Mean, Median, Mode, Variance, Standard Deviation, and Range). The validity and model fitness were then checked using Confirmatory Factor Analysis (CFA) via AMOS. For the postulated model, structural equation modelling was used.

**Limitations**

This study has a number of drawbacks that restrict the applicability of its findings and provide fresh avenues for further research. Although the sample size was enormous, it was insufficient to be representative of the remaining demographic groups worldwide. The research's sample size is another major flaw. The poll has 309 respondents. On the contrary hand, suggested studies with a larger, randomly chosen sample may provide more trustworthy results. In addition, regardless whether they are elements, results, or causes, additional factors might require to be

included in the suggested experiments. Additionally, even though this experimental study is restricted to Pakistan, it should be helpful in figuring out if the findings are applicable in other countries. We hope that this investigation will provide a foundation for further investigations on the subject. Additionally, the districts included in this study are limited; future researchers may gather data from additional Pakistani districts and cities.

**References**

Adusei, M. (2016). Determinants of bank technical efficiency: Evidence from rural and community banks in Ghana. *Cogent Business and Management*, 3(1), 1199519.

Ahn, J., & Kwon, J. (2020). CSR perception and revisit intention: the roles of trust and commitment. Journal of Hospitality and Tourism Insights, 3(5), 607-623.

Al-Ababneh, M. (2020). Linking ontology, epistemology and research methodology [P]. *Science and Philosophy*, 8(1): 75-91.

Alakkas, A. A., Vivek, Paul, M., Nabi, M. K., & Khan, M. A. (2022). Corporate social responsibility and firm-based brand equity: the moderating effect of marketing communication and brand identity. *Sustainability*, 14(10), 6033.

Ali, S. S., and Kaur, R. (2021). Effectiveness of corporate social responsibility (CSR) in implementation of social sustainability in warehousing of developing countries: A hybrid approach. *Journal of Cleaner Production*, 324, 129154.

ALi, T. Y., Iqbal, S., Ali, R., & Khan, S. S. (2023). Big Data Analytics' Influence on Competitive Advantage: Mediating Green Creativity and Green Commitment, Moderated by Individual Green Values and Green Psychological Climate. *THE ASIAN BULLETIN OF GREEN MANAGEMENT AND CIRCULAR ECONOMY,* 3(1), 71-92.

Almeida, M. da G. M. C., and Coelho, A. F. M. (2019). The antecedents of corporate reputation and image and their impacts on employee commitment and performance: The moderating role of CSR. *Corporate Reputation Review*, 22(1), 10–25.

Amini, A., Darani, M., Afshani, M., and Amini, Z. (2012). Effectiveness of marketing strategies and corporate image on brand equity as a sustainable competitive advantage. *Interdisciplinary Journal of Contemporary Research in Business,* 4(2), 192-205.

Anwar, K. (2017). Leading Construction Project Teams: The Effectiveness of Transformational Leadership in Dynamic Work Environments in

Kurdistan. *International Journal of Advanced Engineering, Management and Science*, 3(10), 239925.

Anwar, M. (2018). Business model innovation and SMEs performance—Does competitive advantage mediate? *International Journal of Innovation Management*, 22(07), 1850057.

Banerjee, C. S., Farooq, A., and Upadhyaya, S. (2018). The relationship between dynamic capabilities, competitive advantage and organizational performance. *International Journal of Interdisciplinary Research and Innovations*, 6(3), 603–610.

Barnes, A. J. (2011). Corporate social responsibility and its effects on brand trust (Doctoral dissertation, Auckland University of Technology).

Ben Amor, N., and Ben Yahia, I. (2021). Investigating Blockchain technology effects on online platforms transactions: Do risk aversion and Technophilia matter? *Journal of Internet Commerce*, 1–26.

Bhattacharya, A., Good, V., & Sardashti, H. (2020). Doing good when times are bad: the impact of CSR on brands during recessions. *European Journal of Marketing*, 54(9), 2049-2077.

Carroll, A. B.: 1979, A Three-Dimensional Conceptual Model of Corporate Performance, *The Academy of Management Review* 4(4), 497–505.

Cegliński, P., and Wiśniewska, A. (2016). CSR as a source of competitive advantage: The case study of Polpharma group. *Journal of Corporate Responsibility and Leadership*, 3(4), 9-25.

Chahal, H., & Rani, A. (2017). How trust moderates social media engagement and brand equity. *Journal of Research in Interactive Marketing*, 11(3), 312-335.

Chang, C. H. (2011). The influence of corporate environmental ethics on competitive advantage: The mediation role of green innovation. *Journal of Business Ethics*, 104(3), 361-370.

Chaudhuri, A., and Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of Marketing*, 65(2), 81-93.

Ciampi, F., Demi, S., Magrini, A., Marzi, G., and Papa, A. (2021). Exploring the impact of big data analytics capabilities on business model innovation: The mediating role of entrepreneurial orientation. *Journal of Business Research*, 123, 1-13.

Davcik, N. S., Vinhas da Silva, R., & Hair, J. F. (2015). Towards a unified theory of brand equity: Conceptualizations, taxonomy and avenues for future research. *Journal of Product & Brand Management*, 24(1), 3-17.

Dzupina, M., Koprda, T., & Veselei, A. (2019). The Influence of Corporate Social Responsibility (Csr) on Brand Equity. *Economic and Social Development: Book of Proceedings*, 164-174.

El-Garaihy, W. H., Mobarak, A. K. M., and Albahussain, S. A. (2014). Measuring the impact of corporate social responsibility practices on competitive advantage: A mediation role of reputation and customer satisfaction. *International Journal of Business and Management*, 9(5), 109–124

Fandos-Roig, J. C., Sánchez-García, J., Tena-Monferrer, S., & Callarisa-Fiol, L. J. (2020). Does CSR help to retain customers in a service company?. *Sustainability*, 13(1), 300.

Fathabadi, H., Nejad, M. R. O., & Alizadeh, H. (2017). An investigation of the factors affecting tourism destination brand equity. *Asian Journal of Social Sciences & Humanities*, 6(1), 101-113.

Fatima, J.K., Razzaque, M.A. and Di Mascio, R. (2015), "Modelling roles of commitment on rapport and satisfaction", *International Journal of Bank Marketing*, 33 (3): 261-275.

Gardiner, L., Rubbens, C., and Bonfiglioli, E. (2003). Research: Big business, big responsibilities. Corporate Governance: *The International Journal of Business in Society*, 3(3), 67–77.

Gugler, P., and Shi, J. Y. (2009). Corporate Social Responsibility for Developing Country Multinational Corporations: Lost War in Pertaining Global Competitiveness? *Journal of Business Ethics*, 87(S1), 3–24

Han, H., Yu, J., and Kim, W. (2019). Environmental corporate social responsibility and the strategy to boost the airline's image and customer loyalty intentions. *Journal of Travel and Tourism Marketing,* 36(3), 371–383.

Hill, A. S., Foot, N. J., Chaplin, T. L., and Young, B. D. (2000). The most frequent constitutional translocation in humans, the t (11; 22) (q23; q11) is due to a highly specific Alu-mediated recombination [J]. *Human Molecular Genetics*, 9(10): 1525-1532.

Hur, W. M., Kim, H., and Woo, J. (2014). How CSR leads to corporate brand equity: Mediating mechanisms of corporate brand credibility and reputation. *Journal of Business Ethics*, 125(1), 75-86.

Hussain, I., Mu, S., Mohiuddin, M., Danish, R. Q., & Sair, S. A. (2020). Effects of sustainable brand equity and marketing innovation on market performance in hospitality industry: Mediating effects of sustainable competitive advantage. *Sustainability*, 12(7), 2939.

Iqbal, S., Kumar, N., & Khan, F. A. (2023). Corporate social responsibility and brand loyalty in punjab's banking sector: exploring the mediating role of corporate branding. *Pakistan Journal of Humanities and Social Sciences*, 11(2), 853-863.

Ismail, D., Alam, S. S., and Hamid, R. B. A. (2017). Trust, commitment, and competitive advantage in export performance of SMEs. *Gadjah Mada International Journal of Business*, 19(1), 1-18.

Kataria, S., Saini, V. K., Sharma, A. K., Yadav, R., and Kohli, H. (2021). An integrative approach to the nexus of brand loyalty and corporate social responsibility. *International Review on Public and Nonprofit Marketing*, 18(3), 361–385.

Lema, T. Z. (2017). Determinants of bank technical efficiency: Evidence from commercial banks in Ethiopia. *Cogent Business and Management*, 4(1), 1268356.

Lim, J. S., and Greenwood, C. A. (2017). Communicating corporate social responsibility (CSR): Stakeholder responsiveness and engagement strategy to achieve CSR goals. *Public Relations Review,* 43(4), 768–776

Lin, M. S., & Chung, Y. K. (2019). Understanding the impacts of corporate social responsibility and brand attributes on brand equity in the restaurant industry. *Tourism Economics*, 25(4), 639-658.

Lu, J., Ren, L., Yao, S., Qiao, J., Mikalauskiene, A., and Streimikis, J. (2020). Exploring the relationship between corporate social responsibility and firm competitiveness. *Economic Research-Ekonomska Istraživanja*, 33(1), 1621–1646

Mahjoub, L. B. (2019). Disclosure about corporate social responsibility through ISO 26000 implementation made by Saudi listed companies*. Cogent Business and Management*, 6(1), 1609188

Maletic, M., Maletic, D., and Gomiscek, B. (2018). The role of contingency factors on the relationship between sustainability practices and organizational performance. *Journal of Cleaner Production*, 171, 423–433.

Maqbool, S., and Zameer, M. N. (2018). Corporate social responsibility and financial performance: An empirical analysis of Indian banks. *Future Business Journal*, 4(1), 84-93.

Marshall, G.W.; Johnston, M.W. (2015). *Marketing Management*, 2nd ed.; McGraw-Hill Education: New York, NY, USA.

Massaro, M., Dumay, J., and Bagnoli, C. (2019). Transparency and the rhetorical use of citations to Robert Yin in case study research [J]. *Meditari Accountancy Research*. 27(1): 44-71.

Moon, B. J., Lee, L. W., & Oh, C. H. (2015). The impact of CSR on consumer-corporate connection and brand loyalty: A cross cultural investigation. *International Marketing Review*, 32(5), 518-539.

Nadanyiova, M. (2021). The perception of corporate social responsibility and its impact on consumer buying behaviour in the process of globalization. SHS Web of Conferences, 92.

Nelling, E., and Webb, E. (2009). Corporate social responsibility and financial performance: The "virtuous circle" revisited. *Review of Quantitative Finance and Accounting*, 32(2), 197–209.

Nurittamont, W., and Ussahawanitchakit, P. (2008). THE INFLUENCES OF BRAND EQUITY IN COMPETITIVE ADVANTAGE AND PERFORMANCE OF SPA BUSINESS IN THAILAND. *Journal of International Business Strategy*, 8(2).

Nyamrunda, F. C., and Freeman, S. (2021). Strategic agility, dynamic relational capability and trust among SMEs in transitional economies. *Journal of World Business*, 56(3), 101175.

Nyuur, R. B., Ofori, D. F., and Amponsah, M. M. (2019). Corporate social responsibility and competitive advantage: A developing country perspective. *Thunderbird International Business Review*, 61(4), 551–564.

Panwar, R., Nybakk, E., Hansen, E., and Pinkse, J. (2016). The Effect of Small Firms' Competitive Strategies on Their Community and Environmental Engagement. *Journal of Cleaner Production*, 129(15), 578–585.

Porter, M. E., and Kramer, M. R. (2006). Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility'. *Harvard Business Review*, 1680, 1-15.

Raza-Ullah, T. (2021). When does (not) a competitive relationship matter to performance? An empirical investigation of the role of multidimensional trust and distrust. *Industrial Marketing Management*, 96, 86–99.4

Reham Ebrahim, R. S. (2020). The role of trust in understanding the impact of social media marketing on brand equity and brand loyalty. *Journal of Relationship Marketing*, 19(4), 287-308

Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., and Saaeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, 68(2), 341-350.

Saunders, P. T., Sharpe, R. M., Williams, K., Macpherson, S., Urquart, H., Irvine, D. S., and Millar, M. R. (2001). Differential expression of estrogen receptor α and β proteins in the testes and male reproductive system of human and non-human primates [J]. *Molecular Human Reproduction*, 7(3): 227-236.

Shafiq, M. A., & Khan, M. S. (2024). Assessment of Corporate Social Responsibility on Customer loyalty through moderating role of Servant Leadership and Customer Commitment: Evidence from Telecommunication Industry. *Journal of Tourism, Hospitality, and Services Industries Research* (JTHS), 4(01), 22-43.

Shafique, I., Kalyar, M. N., and Mehwish, N. (2021). Organizational ambidexterity, green entrepreneurial orientation, and environmental performance in SMEs context: Examining the moderating role of perceived CSR. *Corporate Social Responsibility and Environmental Management*, 28(1), 446–456.

Shahid, M. N., & Ahmad, B. (2024). *Influence of Corporate Social Responsibility on Competitive Advantage Through the Mediating Role of Green Brand Image and Green Brand Love*. In Corporate Governance and CSR Strategies for Sustainability (pp. 20-44). IGI Global.

Singh, A., and Verma, P. (2017). How CSR affects brand equity of Indian firms? *Global Business Review*, 18(3_suppl), S52-S69.

Smagina, S. (2017). Improving Market Analysis in Biogas and Biodiesel for BioGTS Ltd.: [OL]. Development and Testing an Analytical Tool in Latvia and Lithuania.

Suoniemi, S., Meyer-Waarden, L., Munzel, A., Zablah, A. R., and Straub, D. (2020). Big data and firm performance: The roles of market-directed capabilities and business strategy. *Information and Management*, 57(7), 103365.

Tabachnick, B. G., and Fidel, L. S. (2001). *Using Multivariate Statistics* . MA: Allyn ve Bacon.

Thanh, T., Le, Huan, N. Q., and Hong, T. T. T. (2021). Effects of corporate social responsibility on SMEs' performance in emerging market. *Cogent Business and Management*, 8(1), 1878978.

Valdiansyah, R. H., and Augustine, Y. (2021). Modelling of beyond budgeting, competitor accounting, transparency, competitive advantage, and organizational performance: The case of Indonesia SMEs. *Technium Social Sciences Journal*, 22, 334–349.

Vilanova, M., Lozano, J. M., and Arenas, D. (2009). Exploring the nature of the relationship between CSR and competitiveness. *Journal of Business Ethics*, 87(S1), 57–69.

Wang, S., Liao, Y. K., Wu, W. Y., & Le, K. B. H. (2021). The role of corporate social responsibility perceptions in brand equity, brand credibility, brand reputation, and purchase intentions. *Sustainability*, 13(21), 11975.

Warrington, T. B., and Caldwell, H. M. (2000). Building trust to develop competitive advantage in e-business relationships. *Competitiveness Review*: *An International Business Journal*.

Wikipedia.org/wiki/Banking_in_Pakistan#:~:text=In%202018%2C%20there%20were%2050. 565,machines%20active%20in%20the%20country.

Worcester, R., & Balmer, J. M. T. (2009). Reflections on corporate reputations [J]. *Management Decision*, 47(4), 573– 589.

Yu, H. C., Kuo, L., and Kao, M. F. (2017). The relationship between CSR disclosure and competitive advantage. Sustainability Accounting. *Management and Policy Journal*, 8(5), 547–570

Zhao, Y., Abbas, M., Samma, M., Ozkut, T., Munir, M., & Rasool, S. F. (2021). Exploring the relationship between corporate social responsibility, trust, corporate reputation, and brand equity. *Frontiers in Psychology*, 12, 766422.