



# Brand Image and CSR: Key Factors for Positive Public Perception of a Poultry Company

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**Abstract.** This study examines the public perception of the brand image and the implementation of Corporate Social Responsibility (CSR) of PT. Japfa Comfeed, a poultry company, in two villages in Sidoarjo Regency, Indonesia. The study uses a random sampling technique to collect data from 100 respondents through questionnaires and interviews. The data are analyzed using multiple linear regression based on the SPSS 20.0 program. The results indicate that the public perception of the company's brand image and CSR implementation is positive, with an average value of 80.5%. The results also reveal that brand image and CSR implementation have a significant influence on public perception, with an R<sup>2</sup> value of 74.2%. These variables have both simultaneous and partial effects on the perception of the villagers. The study suggests that the company should maintain and improve its brand image and CSR activities to enhance its reputation and social impact.

**Keywords:** brand image · corporate social responsibility · public perception · poultry company · Indonesia

## 1 Introduction

Corporate Social Responsibility has developed rapidly in Indonesia, especially after the establishment of a Central Government policy that regulates this activity through Law no. 40 of 2007, article 74 concerning Limited Liability Companies. Regulation of the Minister of the Republic of Indonesia State-Owned Enterprises (BUMN) No: PER 05/MBU/2007 dated 27 April 2007, Article 9, which states that BUMN set aside 1–2% of net profit for the implementation of the Corporate Social Responsibility program with small businesses and programs build environment.

At the regional level, Sidoarjo Regency Government has enacted Sidoarjo Regency Regional Regulation Number 2 of 2013 concerning Corporate Social and Environmental Responsibility in the Sidoarjo Regency Area. This regulation regulates the management of Corporate Social Responsibility (CSR) where the government facilitates forums for implementing corporate social and environmental responsibility by submitting priority scale programs as planning material. Even in 2018, the Sidoarjo CSR Forum was formed as a forum and exchange of experiences between companies implementing CSR. This forum has also created a website to invest in CSR activities in Sidoarjo Regency area

with the address [csr.sidoarjokab.go.id](http://csr.sidoarjokab.go.id), unfortunately this website is not active or does not update CSR implementation [1].

However, the partnership problem that is happening in Sidoarjo City today is that many industries have been established but do not understand or even do Corporate Social Responsibility. Based on data from the Central Statistics Agency (BPS) for 2018, there are  $\pm 628$  factories in Sidoarjo, which are spread across all sub-districts. Year 2019, The Chairperson of the Sidoarjo Regency CSR Forum, Mohammad Imbram, stated that only 52 companies had been observed carrying out CSR practices and in the future it will be increased, because in Sidoarjo, there are thousands of companies, and most companies channel their social responsibility in the form of goods, direct activities or scholarships for underprivileged communities. Capable, but still lacking for the greening program. ("Press Reader," Jawa Pos, Tuesday September 2018. Accessed, October 15, 2019).

PT. Japfa Comfeed Indonesia Tbk Buduran Sidoarjo Unit is one of the companies that carries out Corporate Social Responsibility activities. This company is engaged in the agri-food sector, namely the manufacture of animal feed, chicken breeding, poultry management and agricultural cultivation. This industry is located on Jl. HRM. Mangundiprojo Buduran, Sidoarjo, is the main road that connects Sidoarjo to Surabaya and is in the middle of a community village.

As a company that produces waste, both air and liquid waste which has an impact on the surrounding environment, namely society and nature, PT. Japfa Comfeed has carried out a CSR program in the form of "Japfa4Kids" since 2014 by choosing activity locations in Buduran and Wonoayu Districts. The "Japfa4Kids" program is a program from Japfa dedicated to the welfare of rural children, especially the people of Wadungasih Village and Banjarkemantren Village, as the closest villages to this company.

During the pandemic, this company collaborated with the Government to implement the Japfa Cares program to supply animal protein food to health workers (Nakes) in Sidoarjo Regency [2]. From Biqolbi's study (2020), the CSR activities of PT Japfa Comfeed Indonesia Tbk Sidoarjo branch include recruiting employees from the village community around the company, providing business permits around the company for local villagers, scholarship assistance to elementary school students around the company, skills training for the community, as well as waste treatment, greening and helping to process the waste of the surrounding community.

Research from experts explains that the implementation of Corporate Social Responsibility (CSR) or corporate social responsibility is one of the strategies and approaches to local communities who live around the company as well as to maintain the continuity of its business in the future. On the other hand, CSR has become one of the company's strategies to improve brand image which will affect financial performance. [3], CSR is a concept or commitment implemented to improve people's welfare through the practice of promoting their business and the contribution of company resources to the social or surrounding environment where the company is located.

CSR has 3 basic principles/triple bottom line as stated by Elkington in [4], namely: (1) Profit, not only talking about profits, namely the profits that companies get in carrying out their production activities. In the triple bottom line, the company does not only aim to find as much material as possible but ignores the impacts that occur as a result of the production process experienced by the surrounding environment. Another way of

thinking about profit is viewing CSR as a long-term investment, meaning that in preparing a work program plan and its implementation strategy, the company really thinks about the impact on the future and its survival. On the other hand, companies should be able to increase their profitability because the profits obtained are the basis for companies to survive and develop. (2) People or society. The company must be responsible for the people who are directly affected by the company's production process, by paying more attention to the community, especially the surrounding community, such as air pollution, noise, waste and so on, thereby creating good relations between the company and the community. (3) Planets. Every company and its activities are related to the environment because it participates in the utilization of natural resources. However, today environmental damage occurs in various places and is caused by people or companies who are irresponsible and do not care about their impact. In the triple bottom line concept, the planet or the environment is given more attention and becomes a profitable long-term investment for the company. Activities related to the planet include processing waste into zero waste, planting trees, processing both organic and an organic waste.

Zahroh and Achmad, in their research, showed that Corporate Social Responsibility has a significant effect on brand image. Corporate social responsibility activities with the aim of improving the welfare of the surrounding community through various programs that can improve the economy have an influence on the company's brand image [5]. [6] Explain brand image as a perception that lasts a long time and is formed through experience and is relatively consistent. Meanwhile [7], gives the notion of brand image is a description of associations and consumer confidence in certain brands. This is in line with the explanation from [8], that brand image can be considered as a type of association that arises in consumers' minds when remembering a particular brand. [9] Strengthen the statements of the experts above by stating that brand image is a set of beliefs held by a particular brand. It can be concluded that brand image or brand image is an association that is formed because of experience about a product or service which then gives confidence to the brand of the product or service.

There are five dimensions of forming the image of a brand: (1) Brand Identity, a physical identity related to the product so that consumers can easily recognize and differentiate it from other product brands; (2) Brand Personality, the distinctive character of a brand that forms a certain personality as befits a human being, so that consumers can easily distinguish it from other brands in the same category; (3) Brand Association, specific things that are appropriate or always associated with a brand, can arise from the unique offering of a product, repeated and consistent activities; (4) Brand Attitude & Behavior, the attitude or behavior of the brand's communication and interaction with consumers in offering the benefits and values it has; (5) Brand Benefit & Competence, the unique values and advantages offered by a brand to consumers that enable consumers to feel the benefits because their needs, desires, dreams and obsessions are realized by what is offered.

According to [10], perception is an individual process in selecting and managing stimuli that come from outside. So that the stimuli or responses captured by the senses spontaneously, the thoughts and feelings of each individual will give meaning to these stimuli. [11] The series of perception formation has four stages as quoted, namely: (1) Exposure, occurs when a person's sensory reception is stimulated; (2) Attention, is a

mental process when stimuli or a series of stimuli become prominent in consciousness when other stimuli weaken; (3) Comprehension, is a person's stage in forming meaning and understanding which represent concepts, objects, attitudes and events that are relevant in the life of a person or that individual; (4) Memory, is a highly structured system, which causes a person to be able to record facts about the world and use his knowledge to do something.

The purpose of this research is to analyze public perception of brand image and implementation of Corporate Social Responsibility PT. Japfa Comfeed; PT. Japfa Comfeed; Corporate Social Responsibility PT. Japfa Comfeed. The hypothesis of this study states that there is an influence of the implementation of Corporate Social Responsibility and brand image both partially and simultaneously on the perceptions of the people of Buduran.

## 2 Methodology

This study was designed as a quantitative study with an explanatory approach. The population is the people of Banjar Kemantren Village and Wadungasih Village, through calculations using the Slovin formula, 100 people are obtained as a sample. Sampling through proportional random sampling technique. Primary data collection was carried out by distributing questionnaires to people directly affected by the production process of PT. Japfa Comfeed Tbk Sidoarjo and became the place for implementing the company's CSR, namely Wadungasih Village and Banjarkemantren Village, Buduran District. Questions were prepared by taking into account the variables of CSR which include: profit, people, planet; brand image includes indicators of brand identity, brand personality, brand association, brand attitude & behavior, brand benefit & competence; public perception with indicators of exposure, attention, comprehension, memory. After the primary data is collected, it is then processed and analyzed using multiple regression with the help of the SPSS 20.0 application. Multiple regression analysis was used to test the effect of CSR implementation variables and the brand image of PT. Japfa Comfeed on the perceptions of the people of Wadungasih Village and Banjarkemantren Village, Buduran District.

## 3 Results and Discussion

### 3.1 Corporate Social Responsibility, Brand Image and Perception

Corporate Social Responsibility is a form of an organization's responsibility for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that takes into account the interests of stakeholders, in accordance with applicable laws and regulations and consistent with international norms, integrated in activities organizations and practiced in their relationships. In this study, the implementation of CSR includes social responsibility in profit, people and planet.

Table 1 shows that according to respondents, PT. Japfa Comfeed has implemented CSR with an average of 82.7%, which means it is in the good category, with details: *profit* get 82.6%, *people* 82.2%, and *planet* 83.4%. PT. Japfa Comfeed gets a *profit* from

**Table 1.** Corporate Social Responsibility

No.	Indicator	%
1.	<i>Profit</i>	82.6%
2.	<i>People</i>	82.2%
3.	<i>planets</i>	83.4%
	Total Average Percentage	82.7%

Source: Primary Data

**Table 2.** Brand Image

No.	<i>Brand Image Indicator</i>	%
1.	<i>Brand Identity</i>	86%
2.	<i>Brand Personalities</i>	81%
3.	<i>Brand Association</i>	80.2%
4.	<i>Brand Attitude &amp; Behavior</i>	81.4%
5.	<i>Brand Benefits &amp; Competence</i>	82.8%
	Average Total	82.28%

Source: Primary Data

its production activities, because the products it produces have quality that is recognized by the community, and local residents get a discount if they buy from this company. For *people*, CSR PT. Japfa Comfeed in the form of: accepting employees from the surrounding community, giving local residents permission to trade around the company, providing donations and scholarships, besides that, developing community capabilities with skills training and savings and loan assistance. The environment or *planet* is also the company's social responsibility through the company's waste management, greening and waste management programs in the surrounding villages.

Table 2 is the percentage of the *brand image* of PT. Japfa Comfeed, with an average of 82.28%, is in the good category. *Brand image* includes indicators: *brand identity* is the product's self-identity because it is easy to recognize and easy to remember (86%), *brand personality*, namely the distinctive character of all brands, which consists of conformity with personality and creates confidence when using the product, with a value of 81%. *Brand association* is specific things that are always associated with a brand, which includes lifestyle and expensive goods, getting a value of 80.2%. *Brand attitude & behavior* consists of consumer attitudes and product *benefits* (81.4%). *Brand benefits & competence* are the unique values and advantages offered by the brand that make consumers feel the benefits because of a need or desire, which includes brand values and brand advantages (82.8%). Villagers around the company can consume and experience the quality and superiority of animal feed, a product from PT Japfa Comfeed. This causes PT Japfa Comfeed's brand image to be well maintained.

**Table 3.** Community Perception

No.	Public Perception Indicator	%
1.	Community Perception of CSR	82.6%
2.	Public perception of <i>Brand Image</i>	82.2%
	Total average	80.5%

Source: Primary Data

**Table 4.** Multiple Regression

No	Variable	Regression Coefficient	t-count	Sig
1.	Constant	0.561	0.197	0.844
2.	<i>Corporate Social Responsibility (X1)</i>	0.325	5,655	0.000
3.	<i>Brand Images (X2)</i>	0.584	7,639	0.000

Source: Processed Results of SPSS version 20

Community perception is an individual process in selecting and managing stimuli that come from outside, with the stages of exposure (catching information), attention (attention), comprehension (understanding), and memory (memory). Table 3 is the result of processing the perception data of the people of Wadungasih Village and Banjarkemantren Village.

Public perception of CSR PT. Japfa Comfeed is in the good category (82.6%), as is the public's perception of the brand image of PT. Japfa Comfeed (82.2%), so that the average variable of the perception of the Buduran people is also in the good category, with a value of 80.5%. With the results above, it can be concluded that the community saw firsthand and agreed and were interested in participating in CSR activities of PT. Japfa Comfeed. The community also understands and always remembers these social responsibility activities.

The hypothesis of this study is that there is an influence on the implementation of corporate social responsibility and the brand image of PT. Japfa Comfeed significantly both partially and simultaneously on the perception of the Buduran people.

Table 4 Factors Influencing Public Perceptions.

Information:

N: 100 R: 0.864.

R Square: 0.747 dF: 97.

Adjusted R Square: 0.742 T table: 1.98472.

F Count: 143.088 Sig F: 0.000.

Sig: 0.05.

Data Distribution: Normal.

Durbin Watson:  $1.7152 < 1.791 < 2.2848$ .

Model Equation:  $Y = 0.561 + 0.325X1 + 0.584X2$ .

Predictors: *Corporate Social Responsibility* and *Brand Image*.

Dependent Variable: Community Perception.

### 3.2 Factors Influencing Public Perception

Public perception is thought to be influenced by the variables of brand image variables and implementation of CSR PT. Japfa Comfeed. This is stated in the research hypothesis that brand image and implementation of CSR PT. Japfa Comfeed jointly and positively influences people's perceptions.

Table 4 shows the results of statistical processing which states that the F test in the implementation of CSR and the brand image of PT. Japfa Comfeed jointly and positively influences the perception of the people of Buduran with a significant F count (0.000) less than  $\alpha$  (0.05). The coefficient of R value is 0.864, meaning that there is an influence of brand image and implementation of CSR PT. Japfa Comfeed which is very strong in public perception. Brand image contribution and implementation of CSR PT. Japfa Comfeed to the perceptions of the people of Wadungasih Village and Banjarkemantren Village, amounted to 74.2% and the remaining 25.8% was influenced by other factors outside the variables studied. This is consistent with Guzman's research which concluded that CSR activities have a positive and significant impact on both company reputation and brand image of service products made by SMEs.

Partially, PT. Japfa Comfeed influenced the perceptions of the people of Wadungasih Village and Banjarkemantren Village, with a t count of 7.639 greater than a t table of 1.98472. The brand image variable has a significance value of 0.000, less than 0.05, meaning that it has a partial influence on the perceptions of the people of Wadungasih Village and Banjarkemantren Village, Buduran District. Brand image PT. Japfa Comfeed is good, that is, the brand is easy to recognize, easy to remember, of good quality and meets the needs of the community. The results of [12] state that brand image assessment is considered good by looking at popularity and credibility, product attributes, product functions and benefits.

Variable contribution to the implementation of corporate social responsibility PT. Japfa Comfeed in influencing public perception by 32.5 percent with significance  $t_{\text{count}}$  of 5.655 is greater than  $t_{\text{table}}$  1.98472. PT Japfa Comfeed's CSR implementation can influence public perception. [13] Proves that people's perceptions of CSR implementation are good, because the programs are carried out according to community needs, both in terms of community economic development, environmental preservation and support for religious activities. The study from [14] concluded that people's perceptions changed for the better after implementing the CSR program.

The results of this study indicate that a good public perception is caused by a company that shows concern for the surrounding community who are affected by its production process by carrying out a corporate social responsibility program that is in accordance with the needs and expectations of the community, and this also ultimately has an impact on the company 's brand image. Increasing in society.

## 4 Conclusion

The research concludes that the public has a good perception of PT. Japfa Comfeed's brand image and their implementation of corporate social responsibility (CSR). These

two factors influence public perception with a determination coefficient of 74.2%. The study suggests that the company should continue to improve its CSR efforts, not only through social services but also through education and health programs. Additionally, the company could recruit workers from within the company environment to establish good relations between the company's internal and external environment, which could positively impact the company's brand image and its products. In simpler terms, the study found that people think highly of PT. Japfa Comfeed's brand and their efforts to be socially responsible. The study suggests that the company could do even better by expanding their CSR efforts and by hiring workers from within the company to improve relations.

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