

UNDERSTANDING THE LINK BETWEEN CSR INITIATIVES AND CONSUMER PERCEPTION: A STUDY ON AWARENESS AND IMPACT

Dr. Bipin Bhogekar ¹✉

¹ Assistant Professor, Sau. Leena Kishor Mamidwar Institute of Management Studies And Research Kosara, Chandrapur



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ABSTRACT

This study is based on the relationship between customers perceptions and Corporate Social Responsibility (CSR) programs and with a major emphasis on CSR awareness and its effects on brand loyalties, acquisition preferences and consumer trust. A standard questionnaire to 250 customers were developed to gather information on awareness of CSR initiatives and the related practices. The theories were tested on the basis of the following statistical methods: ANOVA, chi-square and Pearson correlation. The results indicate that there is a high correlation between consumers' trust and CSR awareness, CSR and brand loyalty and purchasing decision. In addition, it was revealed that CSR awareness had demographic variables of age and education in its influence. According to reports, to build trust and loyalty, companies should focus on increasing CSR knowledge, particularly in the case of younger and better-educated consumers, who are of extra importance when it comes to CSR initiatives that have to shape consumer attitudes.

Keywords: Corporate Social Responsibility, Consumer Perception, Brand Loyalty, CSR Awareness, CSR Impact, Ethical Marketing, Consumer Behavior

1. INTRODUCTION

Customers, stakeholders, and society overall expect a very different set of things in today's world society. And while goods and services are being produced, businesses are being measured on more than that; Social welfare, environmental stewardship and ethical conduct so to speak have become new evaluation parameters. Corporate social responsibility or CSR has progressed from a charity mind out to a core element of systematic company operations. Firms have increased how much CSR they invest not merely to meet their moral and statutory obligations but to enhance the name of their brand, attract and retain customers and stand out in cutthroat business environments.

Awareness of the principles and corporate responsibilities of the companies one supports, however, has since increased because of public enlightenment on social and environmental concerns such as community development, worker rights and climate change (Response trend 96). CSR links business conduct to customer's expectations with this. enterprises that are engaged in major CSR programs show their responsibility, ethics and commitment to the general welfare. This may over time impact customers' trust and loyalty also their emotional relationship with the company.

However, perception and awareness will have a significant role to play in determining the extent in which CSR will influence the customer behaviour. Even if the CSR initiative is very important, then there is a risk of forgetting it if there

has been no proper communication of the same. Research has it that a customer who is aware of the CSR activities of the firm will definitely have a better view of the business to the point of promoting the firm to the point of increasing brand advocacy, developing good word of mouth and customer loyalty. On the contrary, absence of knowledge or mistrust on the basis for corporate social responsibility (CSR) may reduce its desired impact leading to aversion or hostility.

It is even more important to understand how CSR appears in emerging economies, different marketplaces where consumer awareness and availability of information are significantly different. Consumer perceptions and interpretations on CSR programs can be very different across the group of consumers due to some demographic factors such as age, income level, education level, and area of residence. For instance, younger, better educated consumers will be more aware of such issues as business ethics or social impact; while others will rank convenience or price ahead of social impact.

Also, how authentic the CSR projects are draw in which way the consumers see them. Those companies that join CSR just as a marketing gimmick or as a face (a technique called "greenwashing") are in danger of losing customers and spoiling their reputation. While the probability of winning the customers trust and establishing long term brand equity is higher for those companies which incorporate social responsibility as part of their business models and correspond the strategy to their basic beliefs.

In this context, the present study is set to ascertain how much the consumer knows about the corporate social responsibility (CSR), the level of its impact on the consumer's attitudes and the moderating variables in this relation. The study examines how CSR programs impact customer loyalty, trust, and purchase as it seeks useful information that companies can use in creating more authentic and effective CSR strategies that will resonate with their target markets. Our research intends to highlight the importance of transparent and frank CSR communication and the requirement of including approaches applicable to the different concerns of the different consumption segments.

2. LITERATURE REVIEW

Issues related to product such as recalls or faults which affect the image of a brand has been studied by Dawar and Pillutla(2000). They discovered that the issues of the product will have a much more significant impact of the image of the brand if customers have high expectations to the brand. It is something that will demonstrate just how important it is to control consumer expectations in order to protect a brands reputation during a crisis. The relationship between consumer behavior and corporate social responsibility, CSR, was the subject of Becker-Olsen, Cudmore, and Hill (2006).

To their researched, consumers tend to believe and buy from firms that practice social responsibility, which explains how the positive effect of CSR influences the consumers purchasing decision. The concept that businesses in some ways act in specific ways for only purposes of public good while such behaviours are not improving their performance was first outlined by Meyer and Rowan (1977). This is why the companies are using CSR as a try to attract people by showing them concern for the community.

A reputation is a necessity for long term customer relationship, MacMillan, Money, Downing and Hillenbrand (2005) say. A good reputation that CSR can earn will help to get the customers to be loyal. The topic coverage of how the CRM was used as an advertising tool was imputed by Maignan & Ferrell (2001). They found out that companies which focus on CSR are viewed as moral and responsible, attract clients whose ideology is similar to that. Rayne, Leckie and McDonald (2020) explored how businesses may join other groups and create awareness among consumers about the concept of corporate social responsibility. Even though this awareness raising is expanded, they also found out that conversion into actual customer sales is impossible.

Meyer, Huber and Huber (2019) investigated the customer response to the businesses that are experiencing hard times like the scandals. What they found is that customers are more inclined to forgive if a business appears to be trying to address the problem, assuming that it is being truthful. This reveals how CSR can help businesses get over pitfalls and preserve its credibility. Evidently, Suchman (1995) says according to societal expectations businesses should act in ways that will make people accept them as legitimate.

This enables business to align their activities with what customers are expecting which is important for corporate social responsibility. The interaction between CSR and the wider picture of business sustainability is investigated by as a result of Ashrafi, Adams, Walker, and Magnan (2018). They proved that CSR, merged with long-term sustainability goals, allows companies to maintain equity between social and environmental responsibility, and commercial success.

Last but not least, the research involved in this study aimed at exploring CSR's influence on the customers' behavior – their willingness to make a contribution to the nonprofit initiatives that are initiated by businesses. They found that CSR has a tendency to increase donations; hence, CSR attracts more funds apart from reputation benefits to the firm. Taking everything into account, these studies show how CSR affects customer attitudes i.e. trust and behaviour of customers and why CSR is really important for companies in today's world.

3. OBJECTIVES OF THE STUDY

- 1) To determine how much customers are aware of CSR activities by businesses.
- 2) To examine the ways in which people's loyalty and trust of a specific brand as well as in general are influenced by the awareness of a CSR.
- 3) To find out whether consumers' perceptions on CSR can influence purchase decisions.
- 4) To determine how the relationship between CSR knowledge and demographic factors stands.

4. HYPOTHESIS OF THE STUDY

Hypothesis 1: CSR Awareness and Consumer Trust

- H_0 (Null Hypothesis): There are no relations of a close correlation between the CSR awareness and the trust of the consumers.
- H_1 (Alternative Hypothesis): CSR awareness and consumer trust are positively correlated and to a significant extent.

Hypothesis 2: CSR Awareness and Purchase Decision

- H_0 (Null Hypothesis): The level of CSR-awareness has little impact on consumer purchase decisions.
- H_1 (Alternative Hypothesis): Consumer purchase decisions are greatly affected by knowledge of CSR.

Hypothesis 3: CSR Awareness and Brand Loyalty

- H_0 (Null Hypothesis): Consumer loyalty for brands is not affected significantly by awareness of CSR.
- H_1 (Alternative Hypothesis): The CSR awareness has great influence on consumers brand loyalty.

Hypothesis 4: Demographic Influence on CSR Awareness

- H_0 (Null Hypothesis): The demographic factors (age, education, income) have no great impact on CSR awareness.
- H_1 (Alternative Hypothesis): Demographic factors have great impact on CSR awareness.

5. RESEARCH METHODOLOGY

This research aimed to explore the customer perceptions, such as trust, purchase decisions and brand loyalty and CSR awareness, by use of quantitative research methods to 250 customers left to complete a structured questionnaire for the data. Brand loyalty, consumer trust, buying behavior and CSR awareness were all measured. Before distribution the survey was pre-tested to ensure reliability.

Descriptive statistics (mean, SD and so on) were used to run the data while inferential statistics included ANOVA to determine the effect of demographic factors (age, income and education) on CSR awareness, Pearson correlation to determine the relationship between CSR awareness and consumer trust and chi-square to determine the relationship between CSR awareness and purchase decisions. These approaches gave an insight about the effect that CSR has on customer behavior.

6. ANALYSIS OF THE STUDY

Table: Descriptive Statistics for CSR

Variable	N	Mean	Standard Deviation	Minimum	Maximum
CSR Awareness Score	250	3.9	0.78	2.0	5.0
Consumer Trust Score	250	4.1	0.65	2.5	5.0
Purchase Decision Score	250	3.8	0.82	2.0	5.0
Brand Loyalty Score	250	3.7	0.89	1.0	5.0
Age (in years)	250	32.4	8.5	18	56
Education Level (1 = Low, 5 = High)	250	4.0	0.74	2.0	5.0
Income Level (1 = Low, 5 = High)	250	3.2	0.91	1.0	5.0

7. ANALYSIS OF DESCRIPTIVE STATISTICS

The descriptive analysis of the 250 respondents collected data throw light on how consumers understand corporate social responsibility (CSR). and how it is linked to their loyalty, trust and buying behavior. Based on a 5-point scale, the average CSR awareness score is 3.9, therefore many respondents reckon with CSR programs. The 0.78 standard deviation this suggests that most respondents had similar levels of awareness thus, the response given is consistent, and they did not differ significantly.

Customer trust is even higher, given standard deviation of 0.65 and the mean score of 4.1. This implies that businesses' customers' trust is favourably correlated with CSR initiatives. The majority of respondents agreed that they have more confidence in businesses which are socially responsible. The mean of purchasing decision score of 3.8 tells us that corporate social responsibility influence customers' decisions to buy from a firm. Again, the moderate standard deviation (0.82) demonstrates subtle growth of the variations of views, but is still differentiated.

With a higher variability (standard deviation) of 0.89, and slightly lower mean of 3.7, brand loyalty score demonstrates more inconsistent answers. Compared with trust and purchasing behavior, the views on this subject matter differ widely even though lots of customers may be faithful towards socially conscious business entities.

The average age of 32.4 years and ages 18 to 56 (a wide range) which are also in the demographic data show that most of the survey participants were young to middle-aged adults. It is relevant because the younger generation is better aware of and worried about corporate social responsibility.

On a scale from 1 to 5 the education level has a high average of 4.0, meaning that the most participants have good education. This may also explain the raised understanding and knowledge of CSR. Finally, but no less important, respondents usually belong to middle class families as evidenced by the average of 3.2 coming maximum income and the moderate scope of income (standard deviation of 0.91).

As per the descriptive data, the sample population is largely youthful and moderately educated and also tend to be hopefully aware of corporate social responsibility. It is therefore of essence of CSR to the formation of modern consumer behavior is also convincingly illustrated by high levels of consumer trust and purchasing decisions. These results form a basis for further hypothesis testing in the research.

Pearson's Correlation Coefficient Table

Test	Variables Involved	Test Statistic	p-value	Result	Interpretation
Pearson Correlation	CSR Awareness Score & Consumer Trust Score	$r = 0.63$	< 0.01	Significant Positive Correlation	Higher CSR awareness is associated with higher consumer trust.
Chi-Square Test	CSR Awareness Level & Purchase Decision Preference	$\chi^2 = 18.6$	< 0.05	Significant Association	Consumers with higher CSR awareness are more likely to choose responsible companies.

8. ANALYSIS OF HYPOTHESIS TESTING

In this study, we looked at various hypotheses in trying to determine what the effects of consumer behavior, including trust, purchasing decisions and brand loyalty, are as regards CSR (Corporate Social Responsibility) awareness. We also tested if age, income, and education influence CSR awareness. Investigation of these hypotheses was done through use of ANOVA, chi-square and Pearson correlation.

First hypothesis examined CSR awareness effect on consumer trust. Based on the Pearsons correlation test results ($r=0.63$, $p<0.01$), CSR consciousness and trust emerged to be strongly positively correlated. Customers tend to have a bias toward trust of firms if they are better informed of their CSR initiatives. CS-based knowledge and consumer trust are highly correlated since the null hypothesis has been rejected because p-value is less than 0.01.

We proceeded to determine whether indeed purchasing decisions are determined by CSR knowledge. Having used the Chi-square test we found a strong correlation between the knowledge of CSR on the one hand side and on the other hand the question whether customers preferred to buy from socially conscious businesses (Chi-square = 18.6, $p < 0.05$). This initiative means that customers who are familiar Corporate Social Responsibility (CSR) is something that is of great concern for many business consumers ie. those with corporate social responsibility (CSR) tend to buy from those businesses that have strong CSR programs. The results yielded a p-value that was less than 0.05 while null hypothesis was also rejected for this case.

We also took into account the relation between the CSR awareness and loyalty to a brand. A moderate relationship is set between brand loyalty and CSR awareness by Pearson correlation that is, those consumers who are aware of CSR, are brand loyal. We rejected the null hypothesis due to the fact that the association was even statistically significant even if less powerful as compared to that between trust and purchasing decisions.

Finally we checked the potential effects of demographic variables as an indicator of CSR awareness (age, income, education). The results showed there was significant influence of education and age in terms of CSR awareness ($p < 0.05$); Younger and better educated people are more likely to know about CSR initiatives. But income had no major effect ($p > 0.05$), thereby, we partially rejected the null hypothesis.

The testing reveals brands loyalty; purchase choices and trust of the customer are all marked by high impact of CSR know-hows. The Age and Educational attainment of people are also upon consciousness about CSR initiative. From these findings, the businesses need to focus on promotion of their CSR initiatives to improve client loyalty and confidence.

9. OVERALL CONCLUSION OF THE STUDY

The purpose of this research is to understand the relation between customer perceptions and CSR initiatives and more explicitly brand loyalty, purchase decisions, consumer confidence and CSR awareness. The results demonstrate a strong positive relationship between consumer trust and the familiarity with CSR. Aware customers will trust the corporation more if more aware of a corporation's CSR initiatives. This is indicative of the importance of corporate social responsibility (CSR) in planning for credibility and closer links with customers. Moreover, the study revealed that the consumer buying decision is greatly shaped by CSR knowledge.

The conscious consumers are more likely to purchase the merchandise of the socially conscious businesses if they become better informed of the corporate social responsibility (CSR) programs, which could mean that CSR schemes can be an excellent way to boost the turnover and attract the consumers. There was some, albeit low, positive correlation between brand loyalty and CSR awareness. Other components may also be helpful in creating long-term client loyalty even as CSR increases this as well. The survey further revealed that there were evident factorial variables, such as age and academic qualification, which were responsible for marked impact on the CSR awareness amounting to the awareness of younger and well-educated consumers of CSR actions.

Nevertheless, there was no detectable effect of income on CSR awareness. Based on these results, it is recommended that business focus their advertising efforts on younger, more well-educated, purchasers of these programs. CSR programs, all things considered, are quite relevant in shaping the consumers' thoughts and behaviours. Businesses are in a position of increasing sales, encourage loyalty and build trust; by putting up their CSR initiatives in the open especially for customers that respect social responsibilities.

CONFLICT OF INTERESTS

None.

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