

# **“A Study of Effect of Corporate Social Responsibility Awareness on Consumer Buying Patterns With Reference To FMCG Product in Pune City”**

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## **ABSTRACT:**

Corporate Social Responsibility is a type of corporate self-regulation integrated into a business model. It is also called as corporate conscience, citizenship, social performance, or sustainable responsible business. Corporate Social Responsibility (CSR) policy functions as a built-in, self regulating mechanism whereby business monitors and ensures its active compliance with the spirit of law, ethical standards, and international norms. The aim of Corporate Social Responsibility (CSR) is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere

**KEYWORDS:** *Corporate Social Responsibility, Consumer awareness.*

## **I.INTRODUCTION:**

Corporate Social Responsibility (CSR)-focused businesses would actively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Corporate Social Responsibility (CSR) is the deliberate inclusion of public interest into corporate decision-making that is the core business of the company or firm, and protecting the triple bottom line: people, planet and profit.

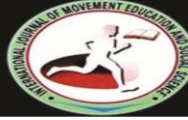
## **II.STATEMENT OF PROBLEM:**

The lack of knowledge about the phenomenon provokes the need for this study to provide more evidence on how adopting a socially-oriented business approach can enhance the company's image, and therefore enhance customer loyalty.

The purpose of the present study is to investigate the relationship between corporate social responsibility, customer loyalty and customer expectation.

## **III.OBJECTIVES OF THE STUDY:**

The main objectives of the study are:



- To study the consumer awareness about Corporate Social Responsibility (CSR)
- To study the impact of Corporate Social Responsibility (CSR) on consumers.
- To determine whether a significant positive relationship exist between Corporate Social Responsibility (CSR) and customer awareness.

#### IV.STATEMENT OF HYPOTHESIS:

Hypothesis -I The awareness of consumers towards CSR is significantly associated with different demographic factors of the consumers.

Hypothesis - II Different factors of the product influences the buying behavior of the FMCG products of the companies who devote themselves for CSR.

Hypothesis -III The age, gender, education, occupation, household size, the type of CSR activity are the independent determinants for the willingness to buy the products of companies who devote to CSR or environmental protection.

#### V.RESEARCH METHODOLOGY:

Research Design: The research design for the purpose of the study is drafted and the steps to be taken in the research were set out in a systematic manner. The present research design explains how the research process is carried out.

Method Adopted: Having known and studied advantages & disadvantages of different research methods the researcher decided to conduct a survey, as the objectives of the study were related to gathering awareness, opinions, attitudes and feelings that could not be easily observed.

#### VI.REVIEW OF LITERATURE

**Friedman (1970)** , discovered that CSR although virtually typically knowledgeable, is taken into account by some to be workplace loss, managers follow CSR for private gain, not investor profit. per him, CSR is analytic of self-seeking actions on the a part of mangers, and thus, reduces investor wealth.

**Ackerman and Bauer**, expressed that the suggestion of answerableness i.e., social responsibility is that of the method of simply forward associate degree obligation. This places stress on motivation instead of performance however, they believe, such motivation isn't enough, as a result of responding to social demands is way over deciding what to do; therefore there remains the management task of doing what one has determined to do; this can be social responsiveness.

**Jennings and Zandbergen (1995)**, determined that establishments play associate degree important task in deciding the agreement at intervals a firm relating to the institution of associate degree “ecologically sustainable” organization. McKinsey’s 2004 report “Assessing the worldwide Compacts Impact” evaluates the UNGC’s overall success in promoting company citizenship among firms.



## VILDATA ANYSIS & INTERPRETATION

**Table 1: Demographic Factors**

Factor	Responses (n = 500)	% of Respondents
Age	21-30 (Years)	73.4
Gender	368 (Male)	73.6
Education	231 (Graduate)	46.2
Occupational Status	203 (salaried)	40.6
Household Size	295 (3-6 persons)	59

**Table 2: Factors which are important for deciding which one to buy.**

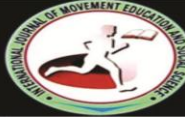
Factors	Very Important	Important	Little Important	Not Important at all
Price	281	131	37	11
Environment	226	173	53	8
Health Qualities	291	125	38	6
Product Appearance & Packaging	116	221	100	23
Reputation of the company	131	215	90	22

## VIII.TESTING OF HYPOTHESIS

**Hypothesis I - The awareness of consumers towards CSR is significantly associated with different age groups, education occupation and gender of the consumers.**

Null Hypothesis (H0): The awareness of consumers towards CSR is equally distributed across different age groups, education, occupation and gender of the consumers.

		Value of Chi-square	P-value	Decision



Awareness of consumers towards CSR	Age Group	4.577	0.206	Ho = Accept
	Education	7.059	0.070	Ho = Accept
	Occupation	7.143	0.067	Ho = Accept
	Gender	0.340	0.560	Ho = Accept

Alternative Hypothesis (H1): The awareness of consumers towards CSR is not equally distributed across different age groups, education, occupation and gender of the consumers.

**Comment:**

The awareness of consumers towards CSR is equally distributed across different age groups, education, occupation and gender of the consumers.

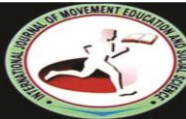
**Hypotheses II: Different factors of the product influences the customer satisfaction.**

Null Hypothesis (H0): The importance of different factors do not have higher impact in customer satisfaction.

Alternative Hypothesis (H1): The importance of different factors do have higher impact in customer satisfaction.

Factors (n=460)	Mean	SD	F-test	P-value
Price	3.48	0.75	16.411	0.001 (significant)
Environment	3.34	0.76		
Health Qualities	3.52	0.70		
Product appearance and packaging	2.89	0.84		
Reputation of the company	2.92	0.88		

Values are Mean and Standard Deviation of 5 Point Likert scale. P-values are obtained using F-test (One-way analysis of variance (ANOVA)). P-value<0.05 is considered to be statistically significant. Higher score indicate better appreciation for buying and vice-versa.



#### Comments:

Different factors of the products significantly have different impact on customer satisfaction for CSR

The price receive higher importance followed by health qualities and environmental factors in having higher purchasing willingness of the CSR related products ( $P\text{-value} < 0.001$ ). It is interesting to note that the least importance is being given to the product appearance and the packaging and also to the reputation of the company.

**Hypothesis -1II The age, gender, education, occupation, household size, the type of CSR activity are the independent determinants for the willingness to buy the products of companies who devote to CSR or environmental protection.**

Null Hypothesis ( $H_0$ ): The age, gender, education, occupation, household size, the type of CSR activity are the independent determinants for the willingness to buy the products of companies who devote to CSR or environmental protection.

Alternative Hypothesis ( $H_1$ ): The age, gender, education, occupation, household size, the type of CSR activity are not the independent determinants for the willingness to buy the products of companies who devote to CSR or environmental protection.

#### Comments:

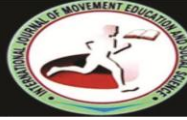
1. The variables such as education, zonal area and the type of product are the independent determinants for willingness to buy the FMCG products of those companies who devote themselves to CSR activities.

2. Of the 6 variables entered in the model (age, gender, education, occupation, zonal area and type of product) the most significant and powerful determinant is type of product (Wald's value = 37.945) followed by zonal area (Wald's value = 5.166) and the education (Wald's value = 3.969) ( $P\text{-value} < 0.05$  for all these variables).

## IX. SUMMARY OF FINDINGS AND CONCLUSIONS

### Summary of Findings

1. The study reveals that out of 500 respondents surveyed, (73.4%) of the respondents are in the age group of 21-30, 21.3% of respondents are in the age group of 31-40, 4.4% of respondents are in the age group of 41-50 and 0.4% of respondents are in the age group of 51 & above. It is apparent that majority of respondents belong to the age group of 21-30 years.
2. From the study, it has been observed that out of 500 respondents, the large majority of respondents (73.6%) were males. The percentage of female respondents was only 26.4%.
3. The study shows that out of 500 respondents, the large majority of respondents 231 (46.2%) had completed their graduation, only 13 (2.6%) respondents had education upto SSC level. The level of education of the respondents has become major determinant in knowing the literacy rate of the customers.



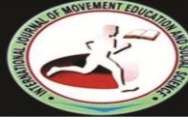
4. From the study, it has been observed that the large majority of the respondents 158 (31.6%) had their income below 1.0 Lakh. 149 (29.8%) had their income between 1.0 -2.5 Lakh, only 27 (5.4%) respondents had their income above 5.0 Lakh.
5. The study shows the distribution of occupational status of the respondents which reveals that the large majority of the respondents 203 (40.6%) had their occupational status as salaried employees. Only 67 (13.4%) respondents had business as their occupational status.
6. From the study, it is observed that the awareness regarding Corporate Social responsibility is not significantly associated with the age groups of the consumer.
7. The study shows the distribution of awareness regarding the Corporate Social Responsibility across different education groups of the consumers and it is observed that the awareness regarding corporate social responsibility is equally distributed across different education groups of the consumers.
8. From the study, it has been observed that the awareness regarding corporate social responsibility is equally distributed across different occupation groups of the consumers.

#### **Summary of Conclusions:**

1. It can be concluded that age is one of the important factor for consumers in buying FMCG products.
2. It can be concluded that Gender and Education are important demographic factors in influencing consumers in usage of FMCG products.
3. It can be concluded that Corporate Social Responsibility activities related to education plays a major role and have a higher impact on purchasing decisions of FMCG products.
4. It can be concluded that Corporate Social Responsibility activities related to women empowerment and child development do not have higher impact on purchasing decisions of the FMCG products.

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