

A STUDY ON CONSUMER AWARENESS ON CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

Corporate social responsibility (CSR) is an organizational strategy that, when effectively implemented, may be utilized to cultivate brand loyalty. The societal advantages of corporate social responsibility (CSR) have been extensively demonstrated. Nevertheless, there is a scarcity of information regarding the advantages it brings to the actual firms that implement it. The absence of knowledge is the driving force behind the study upon which this article is founded. The primary aims of the study were to ascertain consumer perceptions towards particular corporate social responsibility (CSR) initiatives, evaluate the influence of CSR on brand reputation and customer loyalty, and identify the types of CSR programs that consumers deem sufficient to be regarded as socially responsible. A quantitative survey was conducted among consumers of Vodacom, a mobile phone service provider in South Africa. The primary data gathering instrument utilized was a self-administered questionnaire. The primary conclusions of the study revealed that while the majority of consumers lacked awareness of the idea of Corporate Social Responsibility (CSR), they believed that corporations have a moral duty to engage in socially responsible behavior. Significantly, it was established that awareness of a company's CSR endeavors might result in improved business reputation and customer loyalty. Based on the results, this article suggests that firms should adopt a proactive stance towards societal and environmental challenges, rather than a reactive one. Additionally, it suggests that corporations should enhance their transparency regarding their corporate social responsibility (CSR) actions towards consumers, resulting in heightened stakeholder participation.

KEY WORDS: Corporate Social Responsibility (CSR), World Business Council for Sustainable Development.

INTRODUCTION

India is a nation full of contrasts. Even though India's economy has expanded to become one of the largest in the world and a major player in the new global order, the country still maintains the highest percentage of undernourished children and adults living in absolute poverty. The image that emerges shows how growth's advantages are not distributed fairly, which is the underlying source of social instability. Those who are disturbed by this uneven development have also turned their attention towards companies (Confederation of Indian Industry, Handbook on Corporate Social Responsibility in India). Traditionally, businesses have been seen as the engines that propel an entity's economic performance; their success is gauged by their strong returns on equity and their ability to foster societal advancement and the economic expansion of the country. Businesses rely on society for everything in order to survive, thus it is their duty to give back to the community by fostering positive attitudes. Should it fall short of societal norms, the community will penalise the company by means of its purchasing habits. Therefore, an organization's ability to succeed depends mostly on how ethically it conducts itself in relation to society. Global business firms modify their social responsiveness in accordance with the evolving social expectations of society to foster goodwill and a positive reputation for their businesses.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility refers to a company's moral conduct towards the community. It explains the business endeavours that go beyond generating profits. CSR entails a comprehensive commitment on the part of businesses to social welfare, the common good, and the laws that uphold these goals. It encompasses not only the goods that a business produces but also acting as a responsible employer towards its workforce. In addition, it involves preserving the environment, participating in the neighbourhood and larger society where the company conducts business. Other names for corporate social responsibility (CSR) include corporate citizenship, corporate duty, corporate philanthropy, corporate community involvement, corporate social marketing, and community relations and social responsibility.

"Corporate (social) responsibility is the ongoing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and

their families as well as of the local community and society at large," according to the World Business Council for Sustainable Development.

Similar to this, CSR is promoted by the European Commission as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

CSR IS SERVICE TO THE SOCIETY

Due to the reciprocal dependence between the business and society, it is the responsibility of the corporation to engage in CSR operations. The company cares about the well-being, security, and prosperity of the local communities. The corporate world has evolved beyond those financially autonomous organisations designed only to maximise profits at the expense of society at large. It is not acceptable for corporations to function as separate economic entities with no regard for society. Since businesses are a part of society and cannot survive in isolation, it is a widely acknowledged reality that successful company empires are established by contributions from society in the age of globalisation, liberalisation, and privatisation. It cannot flourish in a culture where social unrest is caused by issues with social fairness, injustice, and economic disparities. To ensure that there is no social unrest and that there are sufficient resources for health, education, literacy, and other areas, businesses should give back to society a portion of their gains.

CSR - INDIAN PERSPECTIVE

Companies have been engaging in corporate social responsibility in India for many years. The pioneer of CSR in India is the Tata Group, an indigenous global company with roots in India and a remarkable 140-year history of community service. Since the mid-1990s, a number of significant corporations have been actively involved in corporate social responsibility initiatives. These days, CSR has gained popularity thanks to such wonderful, inspiring instances; in India, CSR is still growing. Businesses that engage in corporate social responsibility initiatives in areas such as education, health, livelihood creation, skill development, and the empowerment of marginalised communities include Infosys, Bharti Enterprises, ITC Welcome Group, Indian Oil Corporation, and others. Four Indians are listed among Forbes Asia's "48 Heroes of

Philanthropy" in 2010. One of the top Asian nations giving corporate social responsibility disclosure standards more weight is India.

SOCIAL RESPONSIBILITY

Social responsibility, or corporate social responsibility, or CSR, is the idea that decision-makers have a duty to balance their personal interests with the protection and advancement of society as a whole. A businessperson has social responsibility with every choice they make and every action they consider. The society is impacted in one way or another by decisions for diversification, expansion, creating new branches, closing existing ones, and replacing humans with machines. Even commonplace issues like working overtime and at night, outsourcing, subcontracting, and firing workers because of a decline in demand have an effect on society. Before taking any action, the manager should consider their social responsibilities, regardless of how important the matter is. As a result, CSR holds businesses responsible for any of their decisions that have an impact on the environment, communities, and individuals.

CSR encompasses more than just its legally compliant routine operations. A company's CSR-related social initiatives take place "beyond the factory gate" and will improve society at large. A thriving society is necessary for successful businesses. A productive workforce requires fair opportunity, access to healthcare, and education. Safe workplaces and goods draw clients and cut down on accident expenses. Businesses are more productive when they use land, water, energy, and other natural resources efficiently. In the end, as more human needs are satisfied and aspirations rise, a healthy society generates more demand for businesses. Any company that seeks to further its goals at the expense of the community in which it operates will only experience fleeting success.

Successful companies are necessary for a healthy society. When it comes to generating jobs, income, and innovation that raise living standards and enhance social conditions, no social initiative can compete with business.

RESEARCH METHODOLOGY

The survey approach is the foundation of this study. Survey instruments are now a well-accepted and utilised research approach across the globe. It entails posing structured questions to a sample

of the population at one particular moment in time. Studies in the social and behavioural sciences typically benefit from surveys. It is an illustration of a field study. Either sample surveys or census data may be used. Regardless of the kind, questionnaire approaches, interviews, or observation are the methods used to acquire data.

POPULATION IDENTIFIED

The demographic for this research, from whom the sample was taken, is the customers of FMCG companies in Jharkhand, and as the research is restricted to the FMCG Sector, the customers should be aware of CSR.

NATURE OF DATA

The primary and secondary data needed for this investigation were gathered. In addition to information gathered from several books, newspapers, journals, theses, and dissertations, among other sources, secondary data were gathered from the internet. A carefully designed questionnaire was created to gather primary data from FMCG consumers in order to investigate the impact of corporate social responsibility on consumer behaviour in the industry.

PILOT STUDY

To verify the validity and dependability of the research tools on consumer behaviour and corporate social responsibility, a preliminary analysis was conducted. In order to do this, the researcher gathered 100 responses, which were spread across the cities of Ramgarh, Dhanbad, and Ranchi, with percentages of 30, 30, and 40, respectively. The following outcomes were obtained by applying Cronbach's Alpha value to the CSR and consumer behaviour components.

TABLE – 1. RELIABILITY RESULT

Label	No. of Items	Cronbach's Alpha value
Importance for choosing FMCG products	13	.781
Awareness on CSR	8	.704

Response towards Mandatory Provision of CSR	5	.755
Importance to CSR practices	8	.562
Perception on Companies' Responsibility	25	.898
Consumer perception towards CSR	18	.855
Buycott	18	.855
Boycott	10	.826
Satisfaction	7	.802
Trust	6	.744
Loyalty	7	.791

The aforementioned data indicates that the CSR Practices Cronbach's Alpha value was a lower. As a result, the researcher completed the primary study and revised the procedures listed in the questionnaire. At the 5% level, all other Cronbach's Alpha values are statistically significant. This suggests that the primary study does not require any modifications.

SAMPLING DESIGN

The study's respondents are those who are aware of corporate social responsibility (CSR) and who buy FMCG goods or brands. Given that the population is limited and FMCG users in Jharkhand numerous, the respondents were chosen using the convenience sampling technique.

TABLE NO.2 SAMPLING

S. No.	Name of the Corporation	No. of Questionnaires				
		Issued	Received	Not Received	Rejected	Valid Responses
1.	Ranchi	150	149	1	4	145
2.	Dhanbad	150	143	7	13	130
3.	Ramgarh	150	130	20	7	123
4.	Deoghar	150	120	30	18	102
5.	Hazaribagh	150	135	15	35	100
Total		750	677	73	77	600

The sample is made up of 600 replies that were gathered from each of Jharkhand's five corporations: Ranchi, Dhanbad, Ramgarh, Deoghar, and Hazaribagh. The first 150 surveys were distributed to each of the five corporations listed above. 677 questionnaires were received out of the total, 73 were not received, 77 were rejected because the data were deemed invalid, and 600 were ultimately determined to be valid for analysis. Based on population and origin, the study's corporations were chosen into three categories: highest, middle, and lowest.

MEASURES

There were four sections on the survey questionnaire. The effect that CSR practices have on consumer behaviour in the FMCG sector was outlined in Section D. The questionnaire was composed of five-point Likert scales with anchors at "5 = Very Important" to "1 = Not at all Important" and "5 = Strongly Agree" to "1 = Strongly Disagree," in addition to optional type items.

RESULTS AND DISCUSSION

CONSUMER PERCEPTION ON CSR DEFINITION

The idea of corporate social responsibility is new. Regarding the idea of CSR, there are differing viewpoints. Additionally, the definition of CSR varies throughout publications. As a result, it matters what customers believe and are aware of regarding corporate social responsibility. In order to ascertain the consumer's impression of the definition of CSR, the researcher employed eight items. The T-test was used for this, and the outcomes were based on it.

TABLE NO. 1: ONE-SAMPLE STATISTICS FOR THE DEFINITION OF CSR

Particulars	N	Mean	Std. Deviation	Std. Error Mean
CSR is a set of philanthropic activities of the company.	300	4.0715	1.08367	.04422
It is commitment of the company to abide to national labour and environmental laws.	300	3.9850	.93073	.03800
CSR is about promoting corporate fairness,	300	3.7500	1.16754	.04763

transparency and accountability.				
CSR is a decision-making process based on ethical values.	300	3.6700	1.11494	.04554
It is the ethical responsibility of the company towards society.	300	3.8565	1.15977	.04733
It is a formal process of relationship management through which companies engage with its stakeholders.	300	3.6965	1.07074	.04373
It is a comprehensive set of policies, practices and programs.	300	3.5515	1.01932	.04163
It is a marketing strategy of company designed to increase its profits.	300	3.5750	1.19305	.04873

The aforementioned table showed that the standard deviation varied from 0.93 to 1.19 and the mean values of the variables linked to opinion on the Definition of CSR ranged from 3.55 to 4.07, respectively. The one-sample t-test computation is shown in the following table.

TABLE NO. 2: ONE-SAMPLE T-TEST FOR THE DEFINITION OF CSR

Particulars	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% confidence interval of the difference	
	Lower	Upper	Lower	Upper	Lower	Upper
CSR is a set of philanthropic activities of the company.	23.774	300	.000	1.05167	.9648	1.1386
It is commitment of the company to abide to national labour and environmental laws.	25.926	300	.000	.98500	.9104	1.0596
CSR is about promoting corporate fairness, transparency		300				

and accountability.	15.737		.000	.75000	.6564	.8436
CSR is a decision-making process based on ethical values.	14.717	300	.000	.67000	.5806	.7594
It is the ethical responsibility of the company towards society.	18.096	300	.000	.85667	.7637	.9497
It is a formal process of relationship management through which companies engage with its stakeholders.	15.935	300	.000	.69667	.6108	.7825
It is a comprehensive set of policies, practices and programs.	13.255	300	.000	.55167	.4699	.6334
It is a marketing strategy of company designed to increase its profits.	11.807	300	.000	.57500	.4793	.6707

The aforementioned table indicates that eight t-test values of opinion regarding the following topics are statistically significant at the five percent level: definition of corporate social responsibility (CSR), philanthropic activities (t=23.774, p=0.000), adhering to national labour and environmental laws (t=25.926, p=0.000), promoting corporate fairness, transparency, and accountability (t=15.737, p=0.000), decision-making process (t=14.717, p=0.000), ethical responsibility towards society (t=18.096, p=0.000), relationship management process (t=15.935, p=0.000), comprehensive set of policies, practices, and programmes (t=13.255, p=0.000), and company marketing strategy (t=11.807, p=0.000). The data suggests that the respondents strongly concur with the CSR definition of philanthropic activity; they also gave moderate agreement to follow federal labour and environmental laws; they also support corporate justice, transparency, and accountability; the decision-making process; the process of managing relationships; a comprehensive set of policies, practices, and programmes; and the company's marketing strategy. Thus, it can be said that although consumers only somewhat agreed with all other definitions of CSR, they firmly agreed that it is philanthropic acts.

CONCLUSION

Social responsibility (CSR) has become more significant in recent years due to mismanagement and public scandals. The need for corporate social responsibility (CSR) has grown due to business frauds and failures that have occurred not just globally but also in developing nations like India. Investor and stakeholder faith in the integrity of individuals tasked with overseeing and managing huge corporations has been badly damaged by the abuses at Enron, Global Crossing, Adelphia, and World.com in the US, as well as by corporate scams in several other nations. Furthermore, businesses are forced to act in a socially responsible manner by the public's increased knowledge and need for openness. The public favours and chooses the socially conscious businesses for their products and services. When a corporation disregards the ethical and social expectations of its stakeholders in favour of profit maximisation for its shareholders, the stakeholders become unsatisfied, which in turn intensifies the demand for and acceptance of corporate social responsibility. India is the only nation with legislative provisions pertaining to corporate social responsibility. In India, CSR is now required. A large number of businesses, both public and private, actively participate in CSR initiatives now that the idea of CSR is generally acknowledged by the general public. All of the company's stakeholders—consumers, workers, regulatory agencies, and the general public—are putting more and more pressure on businesses to provide comprehensive information regarding their compliance with acceptable corporate social responsibility (CSR) requirements. Therefore, it is imperative to ascertain whether it has had any effect on the many stakeholders within society, particularly the crucial stakeholder known as "the consumer."

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