

IMPACT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON CONSUMER SATISFACTION: WITH SPECIAL REFERENCE TO P&G

Dr. Poonam Madan*
Ms. Himani Sharma**

ABSTRACT

Corporate Social Responsibility means the responsibility of companies being a corporate citizen towards society and all its stakeholders. CSR has no single meaning or definition; it holds a different meaning in a different context. This research attempts to understand the consumers' perspective on CSR, the study principally focuses on the fundamentals of CSR. The main reason to carry out the study was to find out the outlook and understanding level of the consumers about CSR and figure out how individual perception affects their purchasing decisions or buying behavior, with special reference to Proctor & Gamble (P&G). The key finding of the report deals with the level of awareness among people, their intention & how CSR affects their buying behavior, the results indicated that CSR practices of the company have an effect on buying behavior of consumers.

KEYWORDS: *Corporate Social Responsibility, Consumer Behavior, Consumer Satisfaction, P&G.*

Introduction

Corporate social responsibility is the way through which a company achieves a balance of economic, environmental and social responsibility. The purpose of CSR is to align a company's social and environmental activities with its business purpose and value. Corporate social responsibility refers to a company's commitment to run in an economically, socially and environmentally sustainable manner, which is transparent and increasingly satisfying to its stakeholders; Stakeholders include investors, employees, customers, business partners, environment and society. Business dictionary defines CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programs and (3) by earning adequate returns on the employed resources." CSR is the responsibility of every corporate body towards the society, the consumers and the environment. Earlier it was voluntary for all the corporates to take steps for betterment of the society except government rules and regulation related to protection of environment. But, now CSR has gained importance in New Companies Act, 2013 [Clause 135]

Consumer behavior can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. Consumer behavior is not limited to buying of goods/services but, the process starts much before the goods have been acquired or bought. The study of consumer behavior helps in identifying the manner in which individuals make decisions to spend their time, effort, money etc. on consumption of related item. It includes the study of what they buy, where they buy, how often they buy and how often they use. It ultimately deals with satisfaction or contentment of consumers.

* Associate Professor, Department of Management, IIS Deemed to be University, Jaipur, Rajasthan, India.

** Research Scholar, IIS Deemed to be University, Jaipur, Rajasthan, India.

Proctor and Gamble (P&G) was founded by William Proctor & James Gamble in 1837. The company laid its foundation in India in 1964; P&G is serving millions of customers in many countries. All brands of the company are quite popular and quality reliant. The CSR strategy of the company emphasizes on providing value to consumers in the form of high quality and services. The company focuses on improving lives of its customers by engaging in CSR programmes.

Review of Literature

Eshra & Beshir (2017) Impact of Corporate Social Responsibility on Consumer Buying Behavior in Egypt this study digs deep into the relevance of CSR & the importance of corporates to understand why they should not stray away from their responsibility towards stakeholders, society and community. One main point which is highlighted in the research is that, despite being aware of CSR & its importance, the consumers do not give it much importance while making their purchase decisions.

Butt (2016) Corporate Social Responsibility and Consumer Buying Behavior in Emerging Market: A Mixed Method Study. The rationale of the study was to inspect consumer responses to CSR and to determine a link between CSR activity and consumers' responses to such actions. According to the results more marketing effort and awareness is needed to ensure that consumers are able to associate CSR campaign with respective products as consumers are not thinking much about CSR before purchasing products, its observed that trust played a crucial role in establishing a link between CSR and purchase intention.

Shwu-Ing Wu & Hsin-Feng Lin (2014) The Correlation of CSR & Consumer Behavior: A study of Convenience Store, The study explore influence of consumer's perception of CSR on their purchasing attitude, their trust, satisfaction & attachment to brand & how this influence their future buying behavior with respect to generation X & Y, hence this study gives us an insight into how perception of CSR differs with difference in age group & how this influence the purchasing behavior of consumers.

Porter & Kramer (2006) shared their views about a relatively new trend within CSR which developed in the 21st century. In 2006, the marketing and strategy guru Michael Porter wrote an article together with Mark R. Kramer, in which they introduced a framework that organizations can use to identify the impact they have on society, determine which effects to address and then suggest effective ways to do so. The authors propose that when looking at CSR from a strategically perspective it can become a source of remarkable social progress, since corporations apply their resources, expertise, and insights to activities that benefit society as a whole.

Purpose of the Study

The purpose of the study is to understand the concept of CSR and getting an insight in CSR initiatives undertaken by Proctor & Gamble [P&G], and comprehend how it impacts the satisfaction of consumers.

Research Methodology

The study is descriptive as well as empirical in nature, data is collected with the help of a structured questionnaire, results are analyzed using SPSS software and tables & charts are drawn on to depict and compare the results. Also, methodical literature review related to the topic and co referent concepts has been done. Secondary data collected from various sources is also used for the study.

Objectives & Hypothesis

The main objective of the study is to identify the awareness level of consumers towards CSR practices of Proctor & Gamble, and how do they perceive CSR and the manner in which these practices impact satisfaction level among the consumers. For this purpose the questionnaire was divided into the following categories- knowledge, intent, actions. The objectives of the research also revolve around the above mentioned factors.

- To ascertain the level of awareness & knowledge of the consumers about CSR & CSR practices of P&G.
 - Ha: (Alternative hypothesis)-consumers are well aware about CSR & CSR practices of P&G.
- To determine the intent of consumers towards socially responsible firms, (here P&G) and their agreeability to pay more for the same.
 - Ha: Consumers have more favored approach towards P&G & are willing to pay premium price.

Population

Population for this research includes consumers who have attained the age of 18 or above.

Sampling Frame

- SAMPLING PROCEDURE- convenience sampling
- SAMPLE SIZE- 100

Data Collection

- **Primary Data:** Questionnaires were used to collect data from the respondents; the questionnaire consists of questions with five-point Likert Scale.
- **Secondary Data:** Reports, research papers, and publications were thoroughly read.

Tools for Data Analysis

- To study the objectives, Descriptive Statistics like mean and standard deviation have been used. Data compiled is presented in the form of Tables, Graphs & Charts.
- SPSS Software is used to analyze primary data; one sample T- test has been employed.

Analysis

The purpose of posing the following questions was to be acquainted with the level of awareness among the masses about CSR. For testing the hypothesis the **One Sample T-Test** was applied. The test value was taken as 3-(neutral).

Table 1

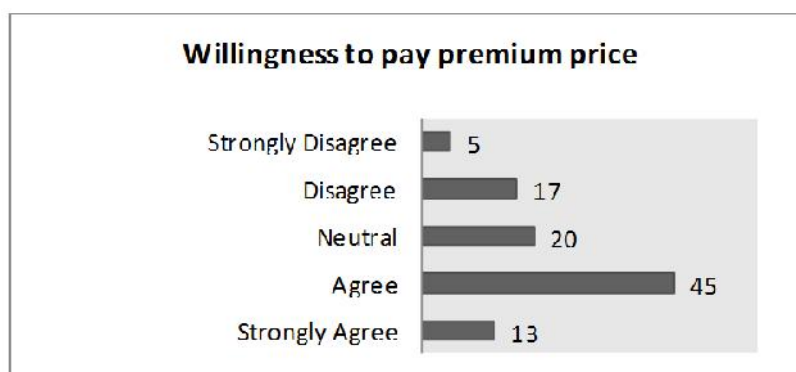
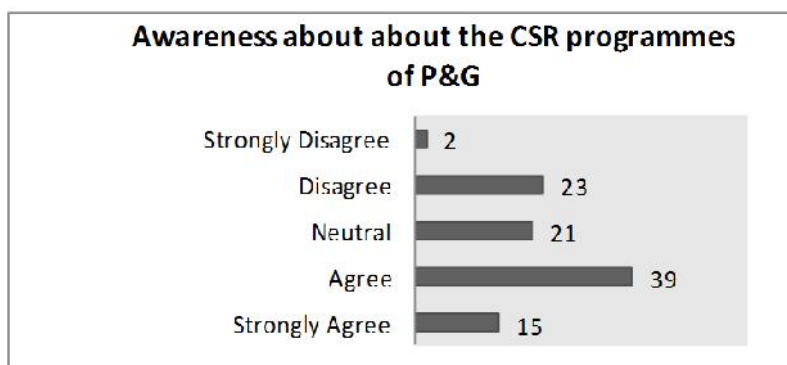
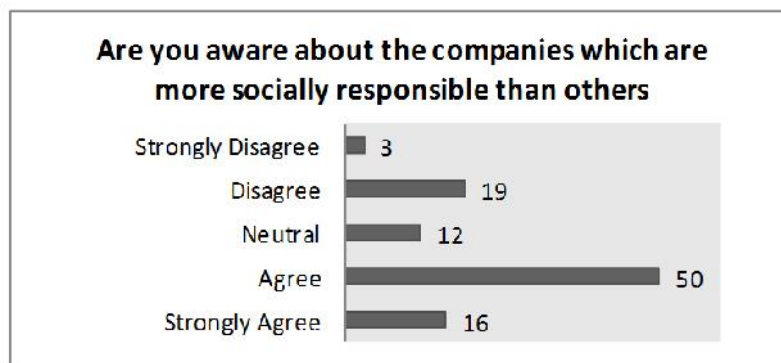
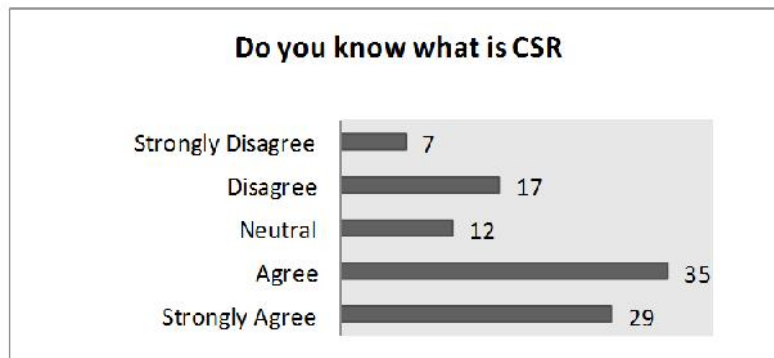
Questions	Mean Response	Sig. (2-tailed)	Interpretation
Q1. Do you know what is CSR?	2.281	.000	Consumers are aware about CSR.
Q2. Are you aware about the companies that are more socially responsible than others.	2.463	.000	Consumers are aware about socially responsible companies.
Q3. Do you know about the CSR programmes of P&G.	2.590	.000	Consumers are aware about the CSR programmes of P&G.

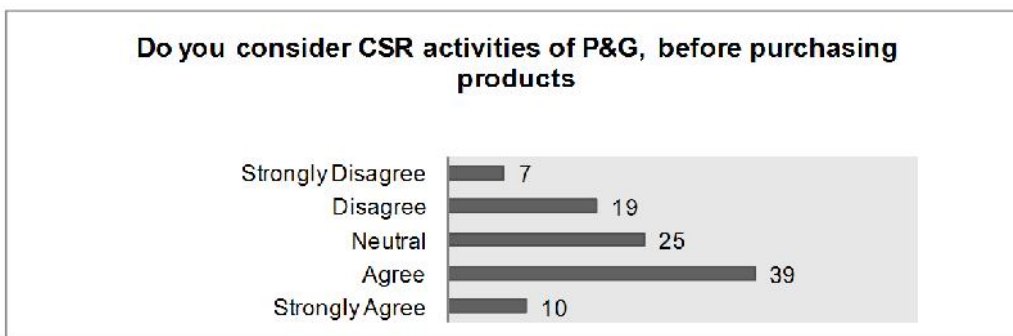
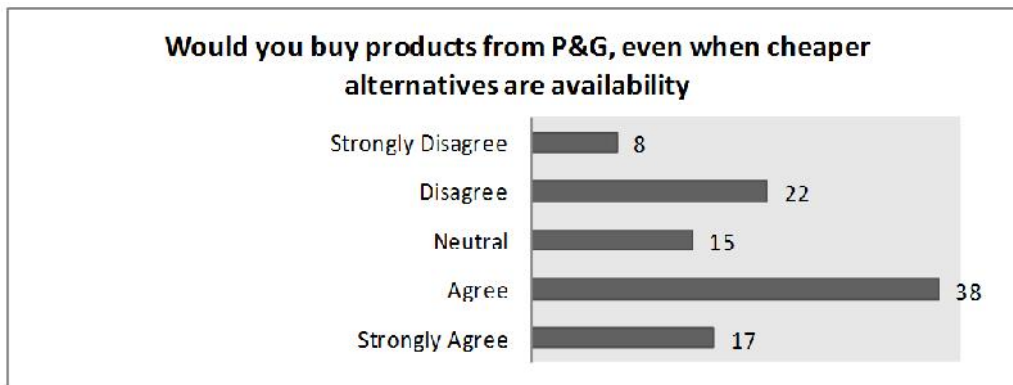
In Table 1 the value of $p = .000$ i.e. [$p < .05$], which implies that there is a statistically significant difference between the sample mean & the population mean. Therefore the null hypothesis will not be accepted & the alternative hypothesis will be accepted that 'consumers are well aware about CSR & CSR practices of P&G'

Table 2

Questions	Mean Response	Sig. (2-tailed)	Interpretation
Q4. Are you willing to pay a premium price for a product/service from a company like P&G that is socially responsible.	2.490	.000	Consumers agreed to pay premium price.
Q5. Would you choose to buy a products P&G even when there are cheaper alternatives available from less socially responsible or socially irresponsible companies.	2.612	.001	Consumers agreed to choose to buy products from P&G.
Q6. Do you consider CSR activities of the company (P&G) when deciding whether to buy product/services from it.	2.690	.005	Consumers agreed that they consider CSR activities as an important factor.

In table 2 the value of p is .000, .001 & .005 for Q4, Q5 & Q6 respectively. Which is less than and equal to .05 [$p < .05$], which implies that there is a statistically significant difference between the sample mean & the population mean. Therefore the null hypothesis will not be accepted & the alternative hypothesis will be accepted i.e. 'Consumers have more favored approach towards P&G and are willing to pay premium price.'





Findings

- Majority of respondents are aware about the concept of CSR.
- Consumers are willing to pay higher prices for a company like P&G, which is abiding by its social responsibility.
- Majority of consumers consider the CSR activities and programmes of the company while purchasing P&G products.
- According to the respondents, contribution done by P&G Shiksha in the area of education motivates them to switch to P&G products.

Suggestions

- The government can take more measures to make consumers aware about the CSR and CSR practices.
- Consumers should appreciate the companies taking CSR initiatives & fulfilling their social responsibilities in order to encourage other companies to take such initiatives.

Conclusion

This paper aims to provide a brief overview of the CSR practices and initiatives undertaken by P&G (a leading FMCG company), and how the socially responsible behavior of the company impacts consumer behavior & satisfaction level. Today's consumers are highly aware about the CSR initiatives of companies, but as it is said there is always a scope for improvement, the companies along with the government must take more measures to make consumers aware and responsive towards CSR, as the role of consumers is imperative in making CSR a success.

Limitations

- A sample size of 100 is not sufficient to cover the opinion of the entire population.
- Respondents might have taken a casual approach while answering.

Possibilities of Future Research

- Impact of CSR practices, initiatives & programmes on any of the following dimensions- workplace, community, environment etc. can be measured.
- Comparative studies can be carried out in which CSR practices of different companies or organizations can be evaluated side by side.

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