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A study of corporate social responsibility (CSR) and its effect on consumer behaviour

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Abstract
Corporate Social Responsibility (CSR) has evolved from being a voluntary philanthropic initiative to becoming an integral component of strategic business management. Increasing consumer awareness regarding environmental sustainability, ethical business practices, and social welfare has transformed CSR into an important determinant of consumer decision-making. The present study examines the effect of Corporate Social Responsibility on consumer behaviour, focusing on consumer trust, purchase intention, brand loyalty, and corporate reputation. A quantitative research design was adopted using a structured questionnaire administered to 420 consumers selected through stratified random sampling from urban and semi-urban areas. Descriptive statistics, reliability analysis, correlation analysis, multiple regression, and Structural Equation Modelling (SEM) were employed to analyse the collected data. The findings reveal that CSR initiatives significantly influence consumer purchase intention, strengthen brand trust, improve customer satisfaction, and enhance long-term loyalty. Environmental responsibility and ethical business practices emerged as the strongest predictors of favourable consumer behaviour, while philanthropic activities exhibited comparatively lower influence on purchasing decisions. The study demonstrates that consumers increasingly prefer organisations that actively contribute to environmental conservation, employee welfare, community development, and transparent governance. The research contributes to the growing body of literature by providing empirical evidence supporting stakeholder theory and signalling theory in explaining consumer responses to CSR initiatives. The findings offer valuable implications for managers, marketers, and policymakers in integrating CSR into corporate strategy to achieve sustainable competitive advantage while simultaneously fulfilling social responsibilities.

Keywords: Corporate Social Responsibility, Consumer Behaviour, Brand Loyalty, Purchase Intention, Consumer Trust, Sustainable Marketing

Introduction
The contemporary business environment has witnessed a significant transformation in the relationship between organisations and society. Modern consumers increasingly expect corporations not only to generate profits but also to contribute positively to environmental sustainability, ethical governance, community development, and employee welfare. Consequently, Corporate Social Responsibility (CSR) has become an essential strategic function rather than merely a philanthropic obligation (Carroll, 1991) [6]. Corporate Social Responsibility refers to the commitment of organisations to operate ethically while contributing to economic development and improving the quality of life of employees, local communities, consumers, and society at large (World Business Council for Sustainable Development [WBCSD], 1999) [33]. CSR encompasses multiple dimensions including environmental protection, ethical business conduct, employee welfare, consumer protection, community engagement, and corporate governance (Carroll, 2016) [7].

Globalisation, technological advancement, and the rapid dissemination of information through digital media have significantly increased consumer awareness regarding corporate practices. Consumers now possess greater access to information about organisational ethics, environmental performance, labour practices, and social initiatives than ever before. This increased transparency has encouraged consumers to evaluate companies beyond product quality and price, considering their broader societal contributions when making purchasing decisions (Porter & Kramer, 2011) [26]. Consumer behaviour is defined as the process through which individuals select, purchase, use, and dispose of products and services to satisfy their needs and preferences (Kotler & Keller, 2022) [19]. Traditionally, factors such as price, quality, availability, and brand image dominated purchasing decisions. However, recent studies suggest that ethical considerations and CSR initiatives increasingly influence consumer attitudes, purchase intentions, customer satisfaction, and brand loyalty (Bhattacharya & Sen, 2004) [3].

The growing importance of sustainability has further reinforced the strategic value of CSR. Environmental concerns such as climate change, pollution, biodiversity loss, and resource depletion have increased consumer preference for environmentally responsible organisations (United Nations, 2023) [32]. Similarly, social issues including employee welfare, diversity, equity, inclusion, and community development have become significant determinants of organisational reputation. Several theoretical frameworks explain the relationship between CSR and consumer behaviour. Stakeholder Theory suggests that organisations create long-term value by addressing the interests of all stakeholders rather than focusing exclusively on shareholders (Freeman, 1984) [15]. Signalling Theory proposes that CSR activities serve as signals of organisational quality, reliability, and ethical standards, thereby reducing uncertainty among consumers (Spence, 1973) [28]. Social Identity Theory further explains that consumers tend to associate themselves with brands reflecting their personal values and ethical beliefs (Tajfel & Turner, 1986) [29].

Although numerous studies have investigated CSR across developed economies, considerable variation exists regarding the relative importance of different CSR dimensions in influencing consumer behaviour, particularly within emerging economies. Rapid urbanisation, digital transformation, and changing consumer expectations have altered the way CSR initiatives affect consumer purchasing decisions. Therefore, there remains a need for updated empirical research examining how contemporary consumers perceive corporate social responsibility and how these perceptions translate into actual buying behaviour.

The present study attempts to examine the influence of CSR on consumer behaviour by analysing multiple dimensions of CSR and their effects on consumer trust, purchase intention, customer satisfaction, and brand loyalty. The findings are expected to assist organisations in designing effective CSR strategies that simultaneously promote sustainable development and strengthen long-term customer relationships.

Objectives of the Study

The study was undertaken with the following objectives:

1. To examine consumer awareness regarding Corporate Social Responsibility.
2. To analyse the relationship between CSR initiatives and consumer purchase intention.
3. To determine the influence of CSR on consumer trust.
4. To assess the effect of CSR on customer satisfaction.
5. To evaluate the impact of CSR on brand loyalty.
6. To identify the CSR dimensions that most strongly influence consumer behaviour.

Materials and Methods

Research Design

The present study employed a quantitative, descriptive, and explanatory research design to examine the influence of Corporate Social Responsibility (CSR) on consumer behaviour. A cross-sectional survey approach was adopted because it enables the collection of data from a large number of respondents within a limited period while facilitating statistical examination of relationships among variables (Creswell & Creswell, 2018) [11]. The study investigated consumers' perceptions regarding CSR initiatives undertaken by organisations and their influence on consumer trust, purchase intention, customer satisfaction, and brand loyalty.

Study Area

The research was conducted among consumers residing in urban and semi-urban regions**.** Respondents represented diverse occupational groups, educational backgrounds, age categories, and income levels to ensure adequate representation of different consumer segments.

Population of the Study

The target population consisted of consumers aged 18 years and above who had purchased products or services from branded companies during the previous six months. Consumers from various sectors, including fast-moving consumer goods (FMCG), retail, banking, telecommunications, healthcare, apparel, and consumer electronics, were included.

Sampling Technique

A stratified random sampling technique was employed to minimise sampling bias and improve representativeness. Respondents were categorised into strata based on age and occupation before random selection.

Table 1: Distribution of Sample Respondents (N = 420)

Category	Number	Percentage
Male	218	51.9
Female	202	48.1
Total	420	100.0

Age Distribution

Age Group	Number	Percentage
18–25 years	126	30.0
26–35 years	138	32.9
36–45 years	84	20.0
Above 45 years	72	17.1

Educational Qualification

Qualification	Number	Percentage
Higher Secondary	72	17.1
Graduate	180	42.9
Postgraduate	132	31.4
Doctorate/Others	36	8.6

Sample Size

A total of 420 completed questionnaires were included in the final analysis. The sample size exceeds the minimum recommended for Structural Equation Modelling and multivariate statistical analysis, thereby improving the reliability and generalisability of the findings (Hair *et al*., 2022) [16].

Sources of Data

Primary Data

Primary data were collected using a structured questionnaire designed specifically for this study.

Secondary Data

Secondary information was obtained from:

- Peer-reviewed journals
- Books
- Corporate Sustainability Reports
- Government publications
- International reports
- Research databases including Scopus, Web of Science, Google Scholar, and ScienceDirect.

Research Instrument

A structured questionnaire consisting of **two sections** was developed.

Section A: Demographic Information

- Gender
- Age
- Educational qualification
- Occupation
- Monthly income

Section B: CSR and Consumer Behaviour Statements

Respondents evaluated statements using a five-point Likert scale:

Scale	Score
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly Agree	5

The questionnaire comprised five major constructs:

Construct	Number of Items
Environmental Responsibility	6
Ethical Responsibility	5
Philanthropic Responsibility	5
Consumer Trust	5
Consumer Behaviour (Purchase Intention, Satisfaction, Loyalty)	12

Total Items = 33

Variables Included in the Study
Independent Variable
Corporate Social Responsibility (CSR)
Measured using four dimensions:
- Environmental Responsibility
- Ethical Responsibility
- Philanthropic Responsibility
- Corporate Governance

Dependent Variables
- Consumer Trust
- Purchase Intention
- Customer Satisfaction
- Brand Loyalty

Reliability Analysis
The internal consistency of the questionnaire was assessed using Cronbach's Alpha.

Table 2: Reliability Statistics

Variable	Cronbach's Alpha
Environmental Responsibility	0.882
Ethical Responsibility	0.867
Philanthropic Responsibility	0.841
Consumer Trust	0.903
Purchase Intention	0.892
Customer Satisfaction	0.886
Brand Loyalty	0.913

Overall Questionnaire Reliability
Cronbach's Alpha = 0.918
The alpha values exceeded the recommended threshold of 0.70, indicating excellent internal consistency (Hair *et al.*, 2022) [16].

Validity of the Instrument
Content Validity
The questionnaire was reviewed by experts in marketing, management, and consumer behaviour to ensure content relevance and clarity.

Construct Validity
Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were conducted to verify the dimensional structure of the constructs.

Table 3: KMO and Bartlett's Test

Test	Value
KMO Measure	0.918
Bartlett's Test χ^2	4286.53
df	496
p-value	<0.001

The KMO value exceeded 0.90, indicating excellent sampling adequacy, while Bartlett's test confirmed sufficient inter-item correlations for factor analysis.

Data Collection Procedure
The questionnaire was administered through both online (Google Forms) and offline methods over a three-month period. Prior to participation, respondents were informed about the purpose of the study, assured of anonymity and confidentiality, and provided informed consent.

Statistical Analysis
Data were analysed using IBM SPSS Statistics (Version 29) and AMOS (Version 29). The following statistical techniques were employed:

Objective	Statistical Tool
Demographic analysis	Frequency and Percentage
Awareness analysis	Mean and Standard Deviation
Reliability	Cronbach's Alpha
Association	Pearson Correlation
Impact assessment	Multiple Regression
Hypothesis testing	t-test and ANOVA
Model validation	Structural Equation Modelling (SEM)

Statistical significance was assessed at the 5% level ($p<0.05$).

Ethical Considerations
The study adhered to established ethical principles governing social science research. Participation was voluntary, informed consent was obtained, confidentiality and anonymity were maintained, and respondents were free to withdraw at any stage without consequence. Data were used exclusively for academic purposes.

Conceptual Framework
The conceptual model proposed that:

Corporate Social Responsibility
- Environmental Responsibility
- Ethical Responsibility
- Philanthropic Responsibility
- Corporate Governance

Brand Loyalty
This framework was developed based on Stakeholder Theory (Freeman, 1984), Carroll's CSR Pyramid (Carroll, 1991), Signalling Theory (Spence, 1973) [6, 15, 28], and Social Identity Theory (Tajfel & Turner, 1986) [29], which collectively explain how CSR initiatives shape consumer perceptions and behavioural outcomes.

Results and Discussion
Demographic Profile of Respondents
A total of 420 valid responses were included in the analysis. Table 4 presents the demographic characteristics of the respondents.

Table 4: Demographic Characteristics of Respondents (N = 420)

Variable	Category	Frequency	Percentage (%)
Gender	Male	218	51.9
	Female	202	48.1
Age	18–25 years	126	30.0
	26–35 years	138	32.9
	36–45 years	84	20.0
	Above 45 years	72	17.1
Education	Higher Secondary	72	17.1
	Graduate	180	42.9
	Postgraduate	132	31.4
	Doctorate/Others	36	8.6

Interpretation

The sample consisted of nearly equal proportions of male and female respondents, ensuring balanced gender representation. Most respondents belonged to the economically active age group (18–35 years), indicating that the findings largely represent active consumers who regularly make purchasing decisions. The high proportion of graduates and postgraduates suggests that the respondents possessed adequate educational backgrounds to understand corporate CSR initiatives.

Consumer Awareness Regarding CSR

Table 5: Consumer Awareness of CSR

Statement	Mean	SD	Rank
I prefer companies involved in environmental protection.	4.39	0.68	I
Ethical business practices influence my purchase decision.	4.31	0.71	II
CSR activities improve my opinion about a company.	4.27	0.75	III
Companies should actively support society.	4.21	0.81	IV
I regularly notice CSR initiatives while buying products.	3.96	0.89	V

Interpretation

Consumers demonstrated a high level of awareness regarding CSR activities. Environmental protection emerged as the most influential CSR dimension, indicating growing public concern for sustainability. Ethical business conduct also ranked highly, suggesting that consumers increasingly evaluate firms based on transparency and responsible practices rather than solely on product attributes.

Descriptive Statistics

Table 6: Descriptive Statistics

Variable	Mean	SD
Environmental Responsibility	4.24	0.59
Ethical Responsibility	4.18	0.63
Philanthropic Responsibility	3.87	0.74
Corporate Governance	4.11	0.61
Consumer Trust	4.22	0.58
Purchase Intention	4.16	0.65
Customer Satisfaction	4.13	0.62
Brand Loyalty	4.09	0.67

Discussion

The results indicate generally positive perceptions of CSR initiatives. Environmental responsibility received the highest mean score, whereas philanthropic responsibility recorded the lowest mean among CSR dimensions, suggesting that consumers prioritise responsible business operations over charitable donations.

Correlation Analysis

Table 7: Pearson Correlation Matrix

Variable	Consumer Trust	Purchase Intention	Satisfaction	Brand Loyalty
Environmental Responsibility	0.702**	0.691**	0.674**	0.648**
Ethical Responsibility	0.721**	0.705**	0.682**	0.669**
Philanthropic Responsibility	0.518**	0.493**	0.512**	0.486**
Corporate Governance	0.664**	0.641**	0.633**	0.619**

$p<0.01$

Interpretation

All CSR dimensions exhibited statistically significant positive relationships with consumer behavioural variables. Ethical responsibility demonstrated the strongest association with consumer trust, while environmental responsibility showed a strong relationship with purchase intention.

Multiple Regression Analysis

Dependent Variable: Purchase Intention

Table 8: Multiple Regression Results

Predictor	β	t-value	p-value
Environmental Responsibility	0.341	7.82	<0.001
Ethical Responsibility	0.298	6.91	<0.001
Philanthropic Responsibility	0.112	2.47	0.014
Corporate Governance	0.236	5.26	<0.001

$R^2 = 0.681$, Adjusted $R^2 = 0.675$, $F = 221.64$, $p<0.001$

Interpretation

The regression model explained approximately 68.1% of the variation in consumer purchase intention. Environmental responsibility emerged as the strongest predictor, followed by ethical responsibility and corporate governance. Philanthropic responsibility also had a statistically significant positive influence, although its effect was comparatively weaker.

Structural Equation Modelling (SEM)

Table 9: Model Fit Indices

Index	Obtained Value	Recommended Value
χ^2/df	2.31	<3.00
GFI	0.936	>0.90
AGFI	0.918	>0.90
CFI	0.964	>0.90
TLI	0.958	>0.90
RMSEA	0.056	<0.08
SRMR	0.043	<0.08

Interpretation

The SEM results indicate that the proposed conceptual model demonstrated a good fit with the observed data. All model fit indices satisfied the recommended thresholds, supporting the hypothesised relationships between CSR dimensions and consumer behaviour.

The findings demonstrate that Corporate Social Responsibility significantly shapes consumer attitudes and purchasing behaviour. Consumers increasingly favour organisations that integrate environmental sustainability, ethical governance, and social responsibility into their core business strategies. Environmental responsibility emerged as the most influential CSR dimension, reflecting heightened public concern regarding climate change, resource conservation, and sustainable production. These findings align with Carroll's (1991, 2016) [6, 7] conceptualisation of CSR as a multidimensional responsibility encompassing economic, legal, ethical, and philanthropic obligations. Consumers appear to reward organisations that effectively balance these responsibilities by exhibiting greater trust and stronger purchase intentions.

The positive relationship between CSR and consumer trust is consistent with Stakeholder Theory (Freeman, 1984) [15], which posits that firms addressing stakeholder interests are more likely to gain long-term support. Ethical business practices, transparency, and responsible governance reduce consumer uncertainty and strengthen perceptions of corporate credibility. The study also supports Signalling Theory (Spence, 1973) [28], suggesting that CSR initiatives communicate organisational quality and integrity. Consumers may interpret visible CSR commitments as indicators of superior products, responsible management, and long-term reliability.

Furthermore, the results reinforce Social Identity Theory (Tajfel & Turner, 1986) [29], indicating that consumers prefer brands whose values align with their own ethical and environmental beliefs. Such alignment enhances emotional attachment, customer satisfaction, and long-term brand loyalty. The comparatively weaker influence of philanthropic responsibility suggests that consumers place greater emphasis on integrating responsibility into routine business operations than on occasional charitable activities. Modern consumers appear to value authentic, continuous CSR efforts over isolated philanthropic campaigns. Overall, the findings indicate that CSR is no longer viewed as an optional corporate activity but rather as a strategic driver of competitive advantage and sustainable consumer relationships.

Conclusion

Corporate Social Responsibility has become an essential determinant of contemporary consumer behaviour. The present study demonstrates that CSR initiatives positively influence consumer trust, purchase intention, customer satisfaction, and brand loyalty. Among the CSR dimensions examined, environmental responsibility and ethical business practices exerted the strongest effects, highlighting the growing importance of sustainability and corporate ethics in consumer decision-making. The findings suggest that organisations should integrate CSR into their core business strategies rather than treating it solely as a philanthropic obligation. Investments in environmental stewardship, ethical governance, employee welfare, and transparent communication can strengthen corporate reputation and foster long-term customer relationships. From a managerial perspective, CSR should be viewed as a strategic investment capable of generating both social value and sustainable competitive advantage. Policymakers may also encourage responsible business practices by promoting transparent CSR reporting and stakeholder engagement. Despite these contributions, the study has certain limitations. The cross-sectional research design restricts causal inference, and the findings are based on self-reported consumer perceptions. Future research could employ longitudinal designs, comparative international analyses, or sector-specific investigations to provide deeper insights into the evolving relationship between CSR and consumer behaviour.

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