Exploring Consumer’s Perception and Their Purchasing Decision For The Companies Involved In CSR Activities

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INTRODUCTION

Corporate social responsibility (CSR) has been considered as an important aspect in business practices across many industries (Al Kahtani, Navab, & Allam, 2016). Businesses who are involved in CSR activities are not only compiled with legal rules or regulation but also aware of customers’ evaluation on their performance concerning their CSR activities (Asad, Asif, Allam, & Sheikh, 2021). In this competitive environment, companies strive for getting a distinctive position in the market (Amir & Asad, 2018; Bashir & Asad, 2018).

In this context, CSR strategies allow a company to be identified as a distinctive brand with unique ethical values (Ta’Amnha, Magableh, Asad, & Al-Qudah, 2023). Today customers not only evaluate a company’s performance by its products’ attributes but also consider their socially responsible strategies (Khan A., Asad, Khan, Asif, & Aftab, 2021). In this way, acting socially responsible is not only an expenditure of company but also can be a financial increase as consumers are rewarding those companies (Riphah, Ali, Danish, & Sulaiman, 2022).

In recent years, the idiosyncrasies of corporate social responsibility (CSR) have accumulated attention in emerging markets (Fatima & Asad, 2018). In those countries where CSR has not been common in companies’ business practices and/or not examined yet attempts have been made to document developments in those areas (Asad, et al., 2021).

In many academic journals through hypothetical debates and practitioner discussions CSR got high ranking on analysis schemas (Asad & Kashif, 2021). One argues of a practitioner about CSR is, “to do better instead of only doing the right things” (Asad, Asif, Sulaiman, Satar, & Alarifi, 2023). From this argument, CSR has stimulated from ideas to natural environment and concerns about moral, communal, permissible, and accountable standards in their business practices to consider itself a social accountable entity (Asad & Abid, 2018; Damer, Al-Znaimat, Asad, &...
Latest studies on moral consumer behavior propose that consumers are highly concerned with product ethical dimensions as well as with product price, quality, brand name etc. so companies can enhance their financial position if they can handle it well (Haq, Asad, Natarajan, Sankar, & Asif, 2021). On the other hand, the results from most of these studies just asked respondents to rank the importance of different moral statements or how much they care about if the companies are socially responsible (Alkhuzaie & Asad, 2018). Such questions do not explore whether consumer’s purchase behavior is influenced by company’s CSR activities or not (Allam Z., Asad, Ali, & Ali, 2021).

In addition, even though teachers and business managements have participated in numerous sorts of dialogue concerning the social responsibilities of business, there has been very little examination on what the overall public’s angle towards those social problems (Allam Z., Asad, Ali, & Malik, 2022). As a result, those that manage the corporate can lack a transparent understanding of what the overall public expects from them and the way they're alleged to go towards serving to their societies (Almansour, Asad, & Shahzad, 2016).

Hence a gap in our information relating to which explicit socially accountable activity is probably going to be most cogent with customers is found (Salem, Alanadoly, & Sulaiman, 2023). Consumer is considered as one of the significant roles in CSR especially for all consumer-oriented retailing businesses (Vedamanikam & Chethiyar, 2023; Vedamanikam, Chethiyar, & Awan, 2022).

Karpatkin (1998) in her own periodical, Consumer Reports, wrote "companies follow rules and regulations because of the pressure of consumers, and it can motivate better standards, inspections and labeling (Asad, Muhammad, Rasheed, Chethiyar, & Ali, 2020). Customers become the eventual arbiters of human decorum in the marketplace, when consumers exercise their right to choose."

Despite this increasing stress of the company on CSR within the business market, very little is understood concerning the consequences of CSR actions on customers (Asad, Chethiyar, & Ali, 2020). This paper critically analyses and explores the pragmatic and academic literature concerning Company Social Responsibility (CSR) programs of a selected variety of trade, the consumers.

**Literature Review**

This chapter explores the concepts of Corporate Social Responsibility (CSR) and purchase behavior; different definitions of CSR are analyzed. Then different sections of CSR activities that fast food sector usually participate in are explained in detail with the support of cases and examples. Finally, it also discusses how consumer’s perception and attitudes toward the retailers CSR would influence their purchase behavior.

**Corporate Social Responsibility (CSR)**

CSR concept has been explored by many researchers over the past years. Many dimensions and new ideas have emerged along with CSR in every decade. When revising CSR in literature, it has been extended with different versions.

Bowen (1953) in his literature on CSR questioned about what social responsibilities companies may be anticipated to presuppose by the public. Through this question he finally came up with the following definition of CSR: as “the commitment of business management to carry out such policies and strategic decisions or to follow such kinds of action which are desirable in terms of the objective and values of our society”.

Carroll commented that the definition given by Bowen considered as the commencement of the modern period of literature on CSR and described Bowen as the Father of Corporate Social Responsibility (Carroll, 1999; Asad, Muhammad, Rasheed, Chethiyar, & Ali, 2020; Asad, Chethiyar, & Ali, 2020).

Bowen (1953) defined four stages of CSR: they are monetary, permissible, moral, and humanitarian responsibilities. When the company anticipates maximizing shareholders’ wealth to maximize its profits is counted as monetary accountability according to the author. When the company obeys laws and conventions defined by regulatory power it is legally accountable. If the company is acting morally and according to set principles it is considered as ethically accountable,
whereas if a company is doing charitable or generous work for society it is said to be humanitarian accountable. A company who is involving in charities and ethical work and following all defined rules and regulation it is considered as social accountable entity according to the four stages of CSR mentioned above. Carroll’s description emphasizes the prospect of society. In addition, many conceptual deliberations and pragmatic studies have drawn from this conceptualization (Swanson, 1999).

There are discussions about what activities or what domains are included as components of CSR. Mohr, (2001) defined CSR as a firm’s dedication to reduce or eradicate the detrimental effects on society and to maximize its long-term valuable impact and it is generally approved by the public. If you behave morally, sustain the program of nonprofit organizations, treat employees evenly and minimize irretraceable harm to the environment it means your behaviors are considered as socially accountable behaviors resulted by the author. In other words, a company who considered itself a socially liable company would also be concerned about the effects of its behavior towards anyone in thee society that are directly or indirectly influenced by the organization.

CSR was defined in Green Paper presented by Commission in July 2001 and that CSR is an idea that organization integrates the strategies related to social concerns and environmental subject in their business practices and their interaction with stakeholders, as they are sure that such responsible behavior will leads to sustainable business achievement (Commission, 2002)

In 2011 European Commission redefined CSR as “the responsibility of enterprises for their impacts on society, a process integrates social, environmental, ethical, human rights and consumer concerns into business operations and core strategy in close collaboration with stakeholders, maximizing the creation of shared value for shareholders and other.

Stakeholders and society at large; identifying, preventing, and mitigating their possible adverse impacts.”

An additional definition from the business view is the dedication of corporation contributing in order to sustain the monetary development, to work with employees and their families, the local group of people and society to advance their quality of living (Chethiyar, Asad, Kamaluddin, Ali, & Sulaiman, 2019).

From the above definitions, CSR can be concluded as a procedure which a company willingly assumes their responsibility across its whole supply chain, for the society, environmental and economic consequences of the organization actions. It should focus on the consequences of those activities and constructively interact with stakeholders, even if profitability is reduced. The stakeholders include customers, employees, suppliers, the surroundings, and society.

**Factor Affected by CSR**

When we revise the literature of earlier studies it comes to know that CSR has been marked as significant vicinity (Asad, Haider, & Fatima, 2018). Numerous journals and articles on corporate social responsibility demonstrate that CSR is gaining esteem among several stakeholders (Asad, Asif, Bakar, & Altaf, 2021).

As CSR has been explored since 1990’s so while revising CSR in literatures it has been found that several attributes influenced by company social responsibility like CSR has an effect on organization performance, company governance and ethics, health and safety, environmental position, human rights (including core labor rights), HRM, community involvement, development and investment, involvement of and respect for Aboriginal peoples, company financial aid and worker volunteering, client satisfaction and adherence to principles of truthful competition, anti-bribery and anti-corruption measures, answerability, transparency and performance coverage, provider relations, for each domestic and international offer chains (Haq, Asad, Natarajan, Sankar, & Asif,
2021; Khan A., Asad, Khan, Asif, & Aftab, 2021; Qalati, Qureshi, Otic, & Sulaiman, 2022; Ripah, Ali, Danish, & Sulaiman, 2022; Ta’Amnha, Magableh, Asad, & Al-Qudah, 2023). Along with these all-attributes consumers’ intentions in purchasing is also affected by CSR. In the decade of 1990s and in the current decade consumer is considered as the main stakeholder when we consider the CSR implications (Dacin, 1997; CB, 2001; Asif, Asad, Bhutta, & Khan, 2021; Bilal & Sulaiman, 2021). Even though, many studies emphasize the importance of CSR practices when we consider the purchasing decision of customers.

CSR Development
When we consider the development of CSR it is found that concept of CSR is expanded by the influence of several conjectures including organization conjecture, institutional assumption, and CSR is also affected by the firm view about its resources, stakeholder premise, stewardship presumption, and numerous concepts of CSR which results the premise of the corporation (Pinkston, 1996).

CSR Activities
CSR is found as a board notion in the academic journalism, which encircling many aspects of a retail company and its environment (Asad, Majali, Aledeinat, & Almajali, 2023; Kashif, et al., 2020). To examine the different effectiveness between CSR activities and purchase behavior, classifying the categories of CSR activities is needed in advance (Asad, Aledeinat, Majali, Almajali, & Shrafat, 2024). CSR activities can take diverse shapes in fast food retailing; they include Employee support, Environmental protection (Menon, 1997; Asad, Asif, Khan, Allam, & Satar, 2022). Cause-related marketing (Barone, 2000; Asif, Asad, Kashif, & Haq, 2021; Khalil, Asad, & Khan, 2018; Khan S. N., Asad, Fatima, Anjum, & Akhtar, 2020), Advertising with social dimensions, and Corporate philanthropy by donating money or products to charitable organizations and slot in community service (Herpen E., 2003; Xie, S. A., L., Sulaiman, & Qureshi, 2023). A supervisor from a major US vend company says: “we don’t know whether we get anything out of this but we perform all good actions, we do charity, we do work for the welfare of the society” (Dacin, 1997; Zuhaib , Wenyuan, Sulaiman, Siddiqui, & Qalati, 2022). Consequently, it is imperative to know which activity performed by the fast-food retailer would be measured as socially responsible by the consumers and how the consumers purchase behavior be influenced by the CSR activities (Tariq, Ehsan, Badir, Memon, & Sumbal, 2022).

All things being equal, CSR does not generally influence customer conduct. (Boulstridge, 2000; Sulaiman & Asad, 2023) found that the respondents trusted social mindful organizations could acquire a decent notoriety however it couldn't influence buyer buy conduct or basic leadership by any means (Sulaiman, Asad, Ismail, & Shabbir, 2023; Sulaiman, Asad, Shabbir, & Ismail, 2023). Customers buy conduct is fairly affected by item value, cost/esteem, outline/quality, and brand cognizance, while social concerns are at sensibly essential (Farrukh & Asad, 2017; Israr, Asad, Altatf, & Victor, 2021). In like manner, it is contended that low inclusion of customers in social themes did not affect their buy conduct (Carrigan, 2001; Victor, ul Haq, Sankar, Akram, & Asad, 2021). A few

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respondents just thought about specific sorts of social points which if the issue influenced them enough to impact their buy expectation, they would be very intrigued to pay a top notch cost and look for a reasonable item energetically, so it empowers investigation of whether CSR organization activities matter to purchasers; regardless of whether buyers are socially dependable; and when compelled to make tradeoffs, a higher cost for instance, whether buyers will even now purchase the item (Ullah, et al., 2021; Tariq A., Badir, Tariq, & Bhutta, 2017; Tariq, Badir, & Chonglerthham, 2019; Majali, Alkaraki, Asad, Aladwan, & Aledeinat, 2022).

My postulation depends on this characteristic on the grounds that in Pakistan the effect of CSR exercises of organizations on buy choices of shoppers has not been investigated yet; however, this subject has been examined in a few option nations (Shaker, Asad, & Zulfiqar, 2018; Sattar, Alarifi, & Asad, 2021).

But the contradictory consumer responses found in the literature ascertains that closer exploration on consumer purchase behavior is needed. So, this study is conducted on this subject to cover the gap (Qalati, Ostic, Sulaiman, Gopang, & Khan, 2022).

METHODS

Almost 500 potential participants were initially selected. But the best 30 participants were eventually interviewed by telephone. The individuals include of 18 men and 12 females, from ten diverse regions in Pakistan. The most important group of individuals who participated are living within the Punjab region. The interviews involved ten salary persons, 9 retirees, 6 businesspersons, two students and two welfare beneficiaries (Zikmund, 2012).

RESULTS AND DISCUSSION

Prior to interviews, a set of general questions pertaining to corporate social responsibility, consumer perception and buying behavior have been organized (Zahra, Majeed, Mahmood, & Asad, 2012). The interviews have been recorded and transcribed.

A step-by-step thematic analysis was then completed at the transcribed records. Results indicated that a few individuals had a well-known idea of corporate social responsibility, however not much on the details of the CSR activities. The following are examples of the feedback received: “From the consumer’s perspective, corporations have a responsibility to society that they work for the benefit of the society as they are doing business, so they have some corporate social responsibilities to fulfil” (Participant 1, male, self-employed)

“Corporations are seen as having a responsibility to society and the nature of that corporate social responsibility is that they work for education in the society, make some parks where people can have a good time with family as due to terrorist activities people of Pakistan suffer from great depression and these healthy activities are necessary” (Participant 8, male, engineer)

Most of the participants explicitly claimed the importance of CSR activities in the context of consumer buying behavior. Corporate social responsibility (CSR) is a broad term used to describe a company’s efforts to improve society in some way. One participant said that: “These efforts can range from donating money to nonprofits to implementing environmentally friendly policies in the workplace. CSR is important for companies, nonprofits, and employees alike.” (Participant 13, male, retired Deputy Governor)

Corporate social responsibility (CSR) can be defined as the "economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (Carroll and Buchholtz 2003). The concept of corporate social responsibility means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law (Participant 5, female, retired).

“Consumers really care about a corporation’s level of social responsibility and their purchase and investment decisions affected by this factor as this is very important factor and people local community employees all give very importance to this” (Participant 20, female, office manager)

From the interviews, most participants mentioned their knowledge of the corporate social responsibility and its aspects. This could be since
they had much of its importance and or they did find it to be an important aspect of corporate social responsibility to discuss. From the findings, we can infer that the most important type of corporate social responsibility to consumers is technical knowledge. This can be drawn from their responds while being interviewed where most interviewees were discussing these type of CSR activities. This is followed by general knowledge and the least important is the knowledge of CSR activities. Notwithstanding the importance of technical knowledge, some of the interviewees admitted having limited knowledge on this aspect but they have some idea due to media and advertisements.

What motives do consumers attribute to corporations that take action to help society? Do they believe firms are acting out of altruism, self-interest, or both? Does this make a difference to them? The following is a sample of views from participants:

“It is [complex] for me like me to understand, like I read about it and I just get lost. Some companies are involved in CSR activities just for publicity purpose or to get fame so, that people appreciate them” (Participant 15, female, factory worker)

“It is a complex question. While I think most of the companies are involved in CSR activities so that people purchase a lot of their products. It will ultimately result in huge sales and companies’ profits will be increased. There are very few companies which are doing CSR activities based on Altruism” (Participant 3, female, full-time student).

These findings seemed to be consistent with the project that CSR activities are in the minds of the customers, and it is important for the customers during purchasing and its effects the consumer buying behavior. Either these activities are done for altruism, self-interest, publicity or marketing but it is a very important factor for consumers while purchasing.

Key Findings

From the analysis of data, we congregate these findings:

1. If companies provide good working conditions to its employees and give them incentives based on their performance, it will boost up the morale of employees then they will better serve the customers which will positively influence the purchase decision of customers.
2. If companies adopt any good ethical marketing, then it will gain reliability among its customers. Customers would like to purchase the products of these companies by considering them to be part of ethical marketing advertisement.
3. If a company is fully committed to ethical rules and rules defined by the regulatory system, it creates good image of its brand in the society.
4. If the company is involved in activities which are related to the general ethical principles will create its brand equity and reliability in consumer’s minds which will influence the purchase decision of customers. And it will reflect that the company is ethically responsible.
5. If companies define different promotional strategies regarding gender, it will influence the purchase decision of customers.
6. If companies define different promotional strategies regarding age and income it can influence their purchase decision.
7. Educated people are concerned with companies’ involvement in business ethical practice. So, by adopting ethical principles companies can positively influence the purchase decision of educated people.
8. If companies make strategies considering business ethics concept they can enhance the purchase decision of customers. As the significant relationship between purchase experience and purchase decision shows that people consider ethical practice while purchasing.

CONCLUSION

Based on results and findings it is concluded that there is a positive effect of perceived ethical principles followed by fashion industry on consumer behavior which indicates that if company more involves themselves in business ethical practice, it will enhance the purchase decision of customers as ethical principles is gaining attention towards customers. Business ethical principles can be considered as a competitive advantage of companies as they affect customer’s behavior and attitude in a positive manner which is proved by this research. So, the analysis provides enough evidence that by implementing business ethical principles or
by involving in ethical practice can positively affect the purchase behavior of customers.

REFERENCES


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