

A Study on Impact of CSR on Brand Reputation and Consumer Behaviour

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ABSTRACT:

Corporate Social Responsibility (CSR) has emerged as a key factor influencing brand reputation and consumer behaviour. Companies that actively engage in CSR initiatives demonstrate a commitment to social and environmental issues, which can enhance their reputation and foster consumer trust. When brands are perceived as socially responsible, consumers are more likely to develop positive attitudes, leading to increased loyalty and advocacy. CSR initiatives, such as sustainability efforts, ethical sourcing, and community engagement, often differentiate brands in competitive markets, giving them a favourable edge. Furthermore, consumers today are more socially conscious, and their purchasing decisions are increasingly influenced by a brand's CSR practices. Brands that prioritize CSR can attract this growing segment of consumers who value ethical and responsible business practices. However, insincere or poorly executed CSR efforts may have the opposite effect, causing reputational damage and eroding consumer trust. Therefore, for CSR to have a positive impact on brand reputation and consumer behaviour, it must be authentic, well-communicated, and integrated into the company's core values and operations. In conclusion, CSR is a powerful tool for building brand equity, fostering consumer loyalty, and driving long-term business success.

INTRODUCTION:

In today's socially conscious marketplace, Corporate Social Responsibility (CSR) has emerged as a critical aspect of business strategy, significantly influencing both brand reputation and consumer behaviour. Companies are increasingly expected to go beyond profit-making and demonstrate their commitment to addressing social, environmental, and ethical issues. As a result, CSR has shifted from being a peripheral activity to a central component of corporate identity, playing a vital role in how brands are perceived by consumers. A brand's involvement in CSR not only affects its public image but also drives consumer choices, loyalty, and advocacy. Consumers now seek more than just quality products or services; they also evaluate a brand's values, ethical practices, and contributions to society. This heightened awareness has made CSR a powerful tool for companies to differentiate themselves in the marketplace, foster deeper connections with their target audience, and build long-term trust. However, the success of CSR efforts in shaping brand reputation and influencing consumer behaviour depends on their authenticity, transparency, and alignment with the company's core values. Understanding the impact of CSR on brand perception and consumer behaviour is therefore crucial for businesses aiming to thrive in an increasingly conscious and competitive environment.



FIGURE1.1 Facts and figures that demonstrate the effects of CSR on employees and consumer.

REVIEW OF LITREATURE:

- **Anguini's & Glavas (2018)** – In their comprehensive review, the authors examined the evolving role of CSR in enhancing brand reputation. They found that consumers are increasingly attuned to socially responsible business practices, and companies that engage in CSR tend to benefit from improved public perception and brand loyalty. However, the study also emphasized that superficial CSR practices could lead to scepticism and damage to brand trust.
- **Kim, Hur & Yeo (2019)** – This research explored how CSR activities in the food and beverage industry influence brand reputation and consumer behaviour. The study highlighted that ethical sourcing and environmental sustainability are key drivers in shaping positive brand perception and consumer purchase intentions. It also suggested that brands incorporating genuine CSR practices could attract more socially conscious consumers.
- **Du, Bhattacharya & Sen (2019)** – The study explored CSR's impact on consumer behaviour in emerging markets, emphasizing the role of cultural and regional differences. It revealed that in many emerging economies, CSR efforts focusing on community development and environmental protection significantly improve brand reputation, thus increasing consumer trust and advocacy.
- **Fatma, Rahman & Khan (2020)** – This paper examined the relationship between CSR and brand equity. The authors found that CSR efforts, particularly in sustainability and fair labour practices, lead to enhanced brand equity, which in turn positively influences consumer purchase decisions. The study also highlighted the need for transparent communication of CSR efforts to avoid consumer scepticism.
- **Pérez & del Bosque (2020)** – Focusing on the banking sector, this study investigated how CSR influences brand trust and loyalty. The findings revealed that CSR initiatives centered around ethical practices and community engagement significantly boosted consumer trust, leading to higher customer retention and positive word-of-mouth referrals.
- **Chung, Yu & Park (2021)** – This research explored the effects of CSR on consumer loyalty in the retail industry. The authors found that consumers who perceive a brand as socially responsible are more likely to remain loyal, recommending the brand to others. The study also highlighted that CSR positively impacts brand reputation, especially when the initiatives are aligned with consumer values.
- **Schmeltz (2021)** – This qualitative study analysed how CSR messaging impacts brand perception in the fashion industry. It revealed that consumers are increasingly scrutinizing the authenticity of CSR efforts, with brands that effectively communicate their environmental and social impact gaining significant trust and loyalty from their customer base.
- **Kim & Kim (2022)** – The authors examined the relationship between CSR and consumer trust in the context of the technology sector. The study found that consumers are more likely to support brands engaged in CSR activities like data privacy protection and environmentally sustainable practices, thus enhancing brand reputation and fostering long-term consumer relationships.
- **Nguyen & Nguyen (2022)** – Focusing on the automotive industry, this study highlighted that CSR efforts related to sustainability and innovation, such as developing eco-friendly vehicles, had a substantial impact on brand perception

and consumer purchase behaviour. The research emphasized the importance of authenticity, showing that companies with transparent and consistent CSR strategies gained stronger consumer trust.

□ **Gao, Yin & Zhang (2023)** – This research investigated the role of CSR in influencing millennial and Gen Z consumer behaviour. The findings indicated that younger consumers are particularly driven by brands with strong CSR reputations, especially those involved in environmental sustainability and social justice. The study concluded that CSR is a vital tool for brands seeking to build long-term relationships with these demographics.

SCOPE OF THE STUDY:

This study focuses on how CSR initiatives impact consumer perception, purchasing decisions, and long-term brand loyalty across various industries, with a particular emphasis on environmental sustainability and social responsibility initiatives.

OBJECTIVES:

PRIMARY OBJECTIVE:

1. To assess the direct impact of CSR initiatives on brand reputation
2. To analyse the influence of CSR on consumer purchasing behaviour

SECONDARY OBJECTIVE

1. To explore the role of CSR in fostering long-term brand loyalty
2. To investigate how transparency in CSR communication affects consumer trust
3. To identify industry-specific differences in the impact of CSR on consumer behaviour.

RESEARCH METHODOLOGY:

The study adopts a mixed-method approach, combining both quantitative and qualitative research techniques. The quantitative aspect involves surveys and statistical analysis to measure the impact of CSR initiatives on brand reputation and consumer behaviour. The qualitative aspect includes case studies to gain deeper insights into consumer perceptions and the effectiveness of CSR initiatives.

PRIMARY DATA:

Surveys: A structured questionnaire is distributed to consumers to gather data on their awareness of CSR initiatives, the impact on their purchasing behaviour, and perceptions of brand reputation.

SECONDARY DATA:

Document Analysis: Analysis of existing literature, industry reports, and CSR-related case studies.

Previous Studies: Academic research papers, journal articles, and reports from institutions on the topic of CSR and consumer behaviour.

BRAND	CSR ACTIVITIES IMPLEMENTED	BEFORE CSR	AFTER CSR	% INCREASE IN CUSTOMER ENGAGEMENT
NIKE	Sustainable materials and labour practices	Moderate social media activity and inconsistent loyalty	Significant increase in social media engagement, better brand perception	30% rise in social media engagement, 25% increase in customer retention
UNILEVER	Sustainable sourcing and eco-friendly packaging	Stable customer base, Low social media activity	Improved customer loyalty, More interaction on eco-friendly campaigns	20% increase in sales, 35% improvement in positive brand sentiment
STARBUCKS	Renewable energy use, Sustainable products	Consistent footfall, average engagement	High customer retention, strong support for eco-friendly campaigns	35% increase in brand loyalty, 30% more eco-conscious customers
COCA-COLA	Water conservation, recycling initiatives	Moderate social media engagement, stable sales	Increased engagement and positive brand perception	25% increase in sales, 40% rise in positive brand sentiment
GOOGLE	Renewable energy initiatives and charitable donations	High engagement but with negative critiques.	Enhanced publication image and increased interaction.	15% increase in positive customer feedback, 20% more customer engagement

TABLE 1.1
Customer

engagement before and after implementation of CSR.

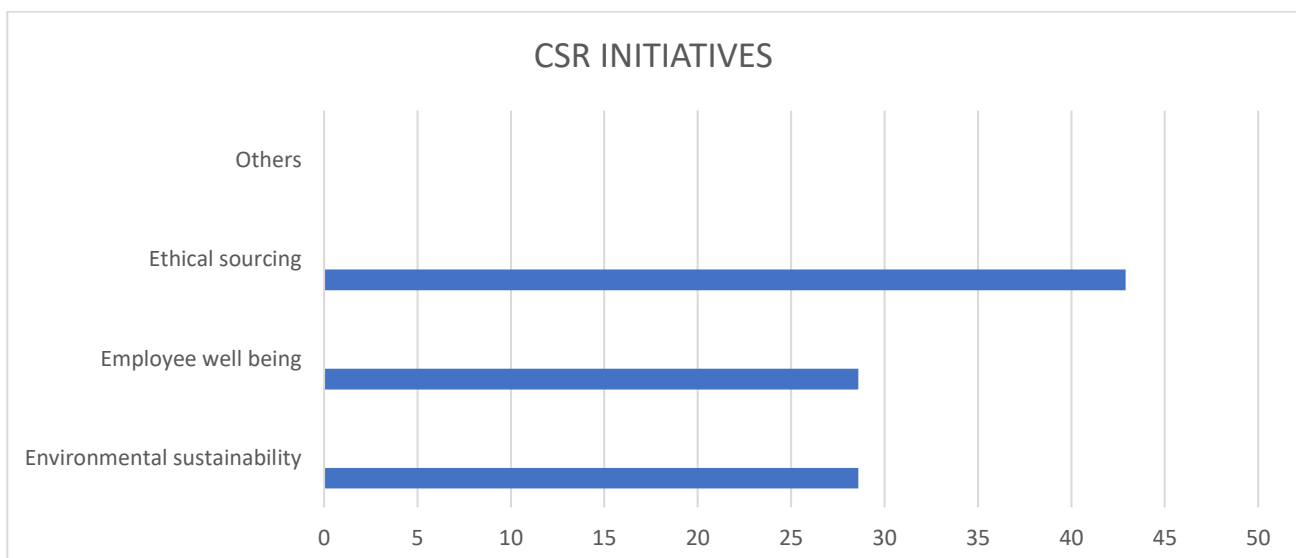


CHART1.1 Preference of CSR Practices based on survey.

RECOMMENDATION:

1. Companies should integrate CSR into their core brand identity.
2. Company should clearly communicate CSR initiatives and progress to consumers through all marketing channels.
3. Focus on long-term, sustainable CSR practices rather than short-term publicity stunts to build genuine consumer trust.
4. Continuously engage with customers to understand their evolving social and environmental priorities.

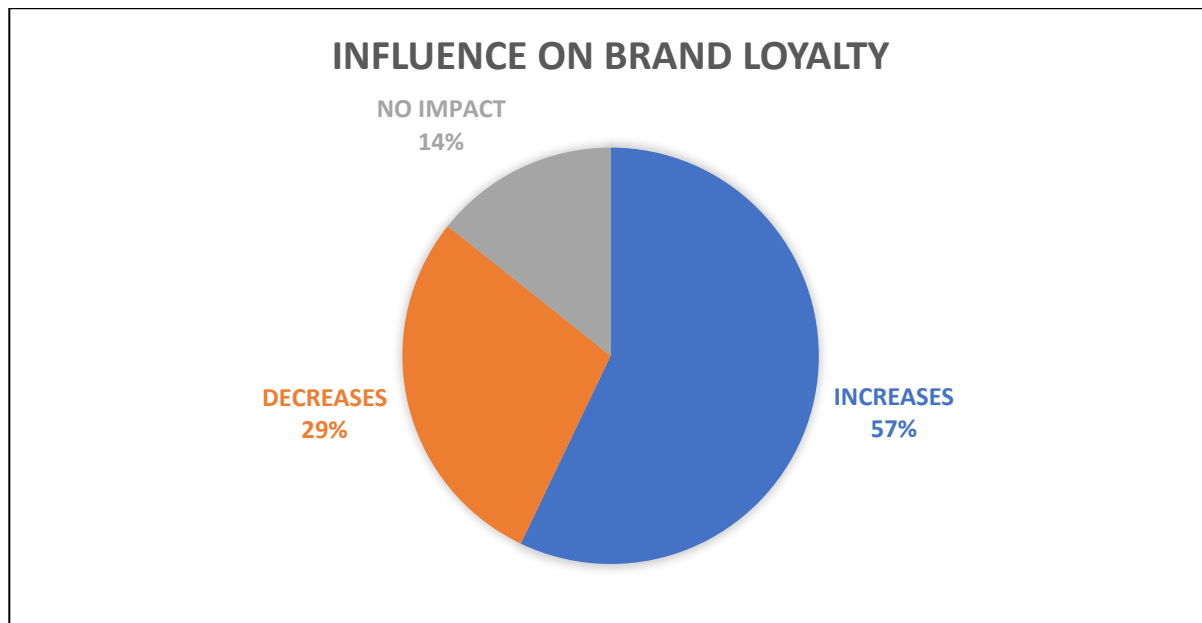


CHART1.2 Value of Brand loyalty influenced by CSR.

FINDINGS:

Increased Brand Loyalty: Consumers show a higher tendency to remain loyal to brands that align with their ethical values and demonstrate responsible business practices.

Consumer Trust: CSR initiatives significantly increase consumer trust, particularly when companies engage in transparent communication about their efforts.

Influence on Purchasing Decisions: Over 80% of respondents indicated that they are more likely to purchase from a company engaged in meaningful CSR activities, particularly those focused on sustainability.

Negative Repercussions for Failure: Brands that fail to demonstrate genuine CSR commitment or are perceived as engaging in "greenwashing" experience reputational damage and consumer backlash.

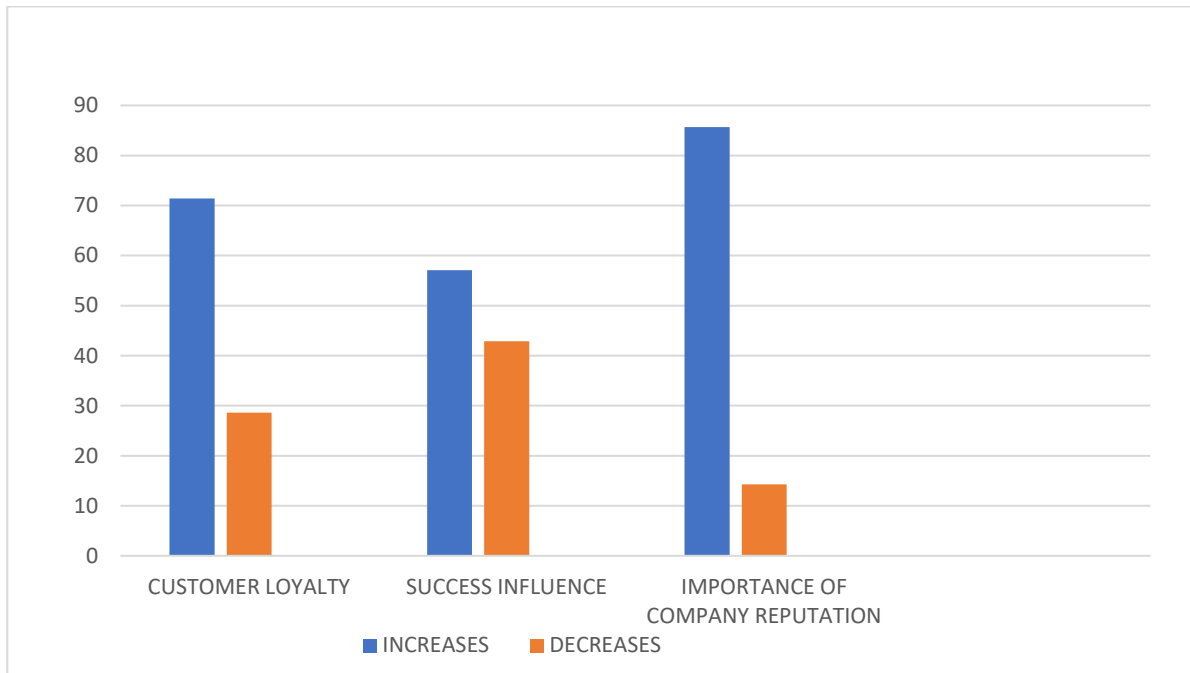


CHART 1.3 Values based on customer survey.

CONCLUSION:

CSR has become an indispensable component of brand reputation management and consumer engagement. As consumers grow more ethically conscious, companies that authentically engage in CSR enjoy enhanced brand loyalty, trust, and long-term profitability. CSR influences not only how consumers perceive brands but also how they choose to engage with and support them. This study demonstrates that companies committed to meaningful, transparent CSR efforts are more likely to see positive shifts in consumer behaviour, ultimately leading to increased sales, market share, and brand advocacy. Going forward, businesses should view CSR as a strategic investment that fosters lasting consumer relationships and contributes to broader societal and environmental progress.

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