Corporate Social Responsibility and Consumer Behaviour: 
A Review to Establish a Conceptual Model

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Abstract- 

Over the past decades, concern about the environment has become not only a significant public issue but also a crucial topic in academic research. A sharp rise in environmentalism has emerged. Despite an increase in consumer expectations for business to do more for society than deliver on economic conditions and many firms' increasingly adopting socially-responsible stances, marketplace behaviour highlights a gap between what consumers report they expect from firms and what they are prepared to reward. This paper discusses the review of past papers to identify the gaps and to frame a conceptual model as per the consumer and firm's expectation from CSR policies.

Keywords- Corporate Social Responsibility, Consumer Awareness, Consumer Attitude, Consumer Buying Behaviour

I. INTRODUCTION

Corporate social responsibility (CSR) has become mainstream (Franklin 2008). While CSR provides support to worthy causes, companies practice it as much to increase visibility as to create social impact, and invest heavily not only in good actions but also in communicating them (Luo and Bhattacharya 2006). Research studies have focused on different topics, such as social responsibility among marketing professionals (Singhapakdi, 1999), consumer reactions and responses to CSR (Sen and Bhattacharya, 2001), CSR practices, and corporate identity and purchase intention (David et al., 2005). Marketing scholars have also been interested in developing a conceptual framework to integrate CSR and marketing with the aim of overcoming the previous tendency to focus on limited dimensions of CSR (Maignan and Ferrell, 2004; Maignan et al., 2005). Thus, CSR has become a relatively visible phenomenon in the marketing literature, shifting the narrow notion of consumer-based marketing to a broader corporate-level marketing concept (Maignan and Ferrell, 2004). CSR activities have been used to address consumers' social concerns, create a favorable corporate image, and develop a positive relationship with consumers and other stakeholders.

Many scholars argued that consumers are willing to give incentives to socially responsible corporations (Brown & Dacin, 1997; Creyer & Ross, 1997; Ellen, Mohr, & Webb, 2000; Muny & Vogel, 1997; Nelson, 2004; Sen & Bhattacharya, 2001). For example, consumers are willing to pay higher prices for products made by an ethical company (Creyer & Ross, 1997), to switch brands to support companies that make donations to non-profit organizations, and to buy products from a company simply because it supports charitable causes (Smith & Alcorn, 1991). The idea that socially responsible behaviour is good market practice and that it generates positive consequences for the business is increasingly accepted, but there is still a lack of research on the potential impacts of social responsibility from the marketing perspective (Maignan et al., 1999).

However, understanding of how and when consumer suspiciousness, as captured by negative perceptions of corporate motives, affects consumer evaluation variables is still limited.

Taking these ideas into account, the current work aims to advance the scientific study of the influence of social responsibility on customer behaviour. With this in mind, we argue that CSR improves consumer's attitude and perception through several routes. First, CSR should obviously improve corporate image, which is a primary antecedent of perception by creating awareness. In addition, we will argue, CSR may encourage the customer to believe that the firm is benevolent towards him or her, increasing trust, which is an antecedent of attitude. After all, one explanation for the extra effort involved in CSR is the attribution of motives to the firm. Finally, we will argue for a direct effect of CSR on consumer behaviour, arising from sources such as the tendency of consumers to view CSR as difficult to replace with another provider. Hence, CSR should improve the perception and attitude of the consumer's which will result in increase in purchase of goods associated with CSR strategies. This study investigates the gaps in past papers to show the consumer responses to CSR. A conceptual model with identified Gaps have been made proposing that CSR-induced suspiciousness influences on consumer behaviour.

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II. THEORETICAL FRAMEWORK

CSR includes corporate social acts that satisfy social needs beyond the legal obligations of a firm (Angelidis and Ibrahim 1993; Enderle and Tavis 1998). CSR is thus a key component of a firm’s marketing toolbox because it responds to consumer expectations, improves corporate performance and reputation, and at the same time, helps worthy causes (Sen and Bhattacharya 2001; Nan and Heo 2007).

- **CSR as social obligation**: This first perspective was launched by Bowen (1953), who defined CSR as the obligation “to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. The view of CSR as a social obligation has been advocated in later conceptualizations (e.g., Carroll 1979) and contemporary marketing studies (e.g., Brown and Dacin 1997; Sen and Bhattacharya 2001). As emphasized by Carroll (1979), different types of social obligations can be distinguished: (a) economic obligations (be productive and economically viable), (b) legal and ethical obligations (follow the law and acknowledged values and norms), and (c) philanthropic obligations (proactively give back to society).

- **CSR as stakeholder obligation**: Starting in the mid-1990s, a number of scholars have contended that the notion of social obligation is too broad to facilitate the effective management of CSR. In particular, as stated by Clarkson (1995), society is at “a level of analysis that is both more inclusive, more ambiguous and further the ladder of abstraction than a corporation itself” (p. 102). Clarkson (1995) and other scholars (e.g., Donaldson and Preston 1995; Jones 1995; Wood and Jones 1995) argue that businesses are not responsible toward society as a whole but only toward those who directly or indirectly affect or are affected by the firm’s activities. These different actors are called stakeholders and can be regrouped in four main categories (Henriques and Sadorsky 1999): (a) organizational (e.g., employees, customers, shareholders, suppliers), (b) community (e.g., local residents, special interest groups), (c) regulatory (e.g., municipalities, regulatory systems), and (d) media stakeholders.

- **CSR as ethics driven**: The views of CSR as either a social or a stakeholder obligation imply that CSR practices are motivated by self-interest: they enable businesses to gain legitimacy among their constituents. Swanson (1995) regrets that such approaches fail to account for a “positive commitment to society that disregards self-interest and consequences” (p. 48). In addition, the view of CSR as an obligation fails to provide normative criteria to evaluate the extent to which actual business practices can or cannot be considered as socially responsible (Jones 1995). With philanthropic donations or employee-friendly policies, a firm may just conform to social norms; yet, these initiatives may also be “a paternalistic expression of corporate power” (Swanson 1995:50). Based on these criticisms, some scholars advocate an ethics-driven view of CSR that asserts the rightness or wrongness of specific corporate activities independently of any social or stakeholder obligation (e.g., Donaldson and Preston 1995; Swanson 1995). For example, following justice-based ethics, a company could attempt to systematically favor decisions and procedures that stimulate equality, liberty, and fairness of opportunity for its various partners and associates.

- **CSR as managerial processes**: The three perspectives introduced thus far essentially characterize the factors inducing businesses to commit to CSR. In contrast, a number of authors have depicted CSR in terms of concrete organizational processes often analyzed under the label of corporate social responsiveness. For example, Ackerman (1975) outlined three main activities representative of corporate social responsiveness: (a) monitoring and assessing environmental conditions, (b) attending to stakeholder demands, and (c) designing plans and policies aimed at enhancing the firm’s positive impacts. Similarly, Wartick and Cochran (1985), along with Wood (1991), suggested that issues management and environmental assessment constitute two sets of managerial processes useful to achieve a proactive social responsibility stance. Given the variety of the viewpoints outlined above, it is evident that no single conceptualization of CSR has dominated past research. The comparison and integration of past definitions is especially difficult because scholars have considered the social responsibilities of different conceptual entities, including (a) businesses in general, (b) the individual firm, and (c) the decision maker (Wood 1991).

III. CSR INITIATIVES AND DIFFERENT ASPECTS OF CONSUMER BEHAVIOUR

- **CSR and Consumer Loyalty**: Consumer loyalty is defined as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future. This indicates loyalty consumers prefer a company to other companies, and they will keep on re-purchasing from this company in the future. In this situation consumer’s loyalty can be a repeated purchasing behaviour. Consumer’s repeated purchasing behaviour could be a top target for each company. Therefore to attract consumer to do repeated purchasing behaviour become one of the most important challenges for every company. If a consumer purchasing a company’s product it means that the consumer has convinced of and identify with the company’s CSR performance. A lot of researches explored how brand loyalty is related to the following variables: loyalty-proneness (Cunningham, 1956a; Frank et al., 1969), consumer knowledge
about available brands (Tucker, 1964) etc. Dick and Basu (1994) conceptualize customer loyalty as the strength of the relationship between the relative attitude towards a brand and patronage behavior. In the marketing literature, loyalty has been widely recognized as being of the utmost importance (Oliver, 1999; Samuelsen and Sandvik, 1997; Howard and Sheth, 1969). Reichheld (1996) studied the positive effect on profits of having a loyal customer base. Aaker (1991) discussed the role of loyalty in the brand equity process – specifically noting that brand loyalty reduced marketing costs. Fornell and Wernerfelt (1987) noted that the costs of customer retention are substantially less than those of customer acquisition. In addition, brand loyalty produces positive word-of-mouth recommendation, and greater resistance among loyal consumers to competitive strategies from rival suppliers (Arndt, 1967; Oliver, 1999; Dick and Basu, 1994). Oliver (1999) defined loyalty as a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour. It is known that corporate image (Nguyen and Leblanc, 2001), customer switching costs (Jones et al., 2002) and trust (Lau and Lee, 1999) have significant effects on customer loyalty. Thus, we propose the following proposition:

P1: CSR is positively related with consumer’s loyalty towards the brand.

- **CSR and Consumer Brand Trust** - According to Swain & Chumpitaz (2008), CSR is regarded as a signal of trustworthiness that clarifies the effort of a company in terms of enhancing the welfare of customers. CSR programs have positive influence on customer’s trust. Regarding a theory proposed by Spence (1974), customer purchase intention can be weighted by a company’s CSR activities as it reduces the inherent uncertainty in any transaction. Morgan and Hunt (1994) claimed that the effect of customers’ trust is derived from existing values that customers and the company share with each other. Thus, customers’ trust can be defined as joint beliefs, regarding whether certain kinds of behaviors, goals and policies are significant, appropriate or good. A company can gain benefits from CSR activities through customer loyalty, positive brand attitude, customer trust, increased profits. In addition, there is much research supporting the idea that CSR activities increase re purchase intention, customer loyalty and trust (Yoon, 2006). Hence,

P2: CSR have a positive effect on Consumer brand trust which leads to brand loyalty.

- **Consumers’ Perception of CSR on Brand Satisfaction** - Esch et al. (2006) believes that satisfaction is a consumer’s overall assessment of a product or service purchase experience. An overall positive image of a company in the consumer’s eyes leads to higher satisfaction levels and a more positive attitude toward the company on the part of the consumer. A commitment to CSR, on the other hand, is a major factor in the creation of a more positive corporate image (Mohr & Webb, 2005) If an enterprise fulfils its social responsibility, a positive effect on the value perception by consumers is generated, which in turn leads to higher consumer satisfaction (Marin et al., 2009). Besides striving for profit maximization and pursuing shareholder interests, enterprises also have to satisfy the demands of consumers, the social environment, and other involved parties (Carvalho, Sen, Oliveira Mota, & Lima, 2010). In addition, brand identification as a result of the fulfillment of CSR has a direct effect on customer satisfaction levels, which clearly shows that CSR has a direct positive correlation with customer satisfaction levels (Baron & Kenny, 1986). Based on the above discussion, we postulate the following proposition:

P3a: The consumers’ perception of a company’s fulfilment of its economic responsibility has positive effect on brand satisfaction.

P3b: The consumers’ perception of a company’s fulfilment of its legal responsibility has positive effect on brand satisfaction.

P3c: The consumers’ perception of a company’s fulfilment of its ethical responsibility has positive effect on brand satisfaction.

- **CSR and Consumer Attitudes** - Attitude is defined as “a person’s favourable or unfavourable feelings towards an object”. Consumer attitudes can be influenced by a company’s ethical behaviour, and consumer attitude can influence the consumer estimate of the company and its product. A company’s ethical behaviour can be viewed as an important factor which influences consumer buying decision. When a product’s attribute is excellent, consumers appear to be more willing to choose an ethically behaving company than chose an unethical behaving company. The growing number of market survey show, there is a positive relationship between the effects of CSR on consumer behaviour (David, 1990). Some of evidences indicate that the companies are supporting CSR initiatives like philanthropy, relationship-based marketing, and plan for the protection of minorities, employment and production of social responsibility over the past few years (Sen et al., 2006). Researchers show a positive relationship between CSR initiatives and consumer attitudes toward company (Brown Tom
and Peter, 1997). Customers have a negative attitude toward companies which use child labour and in turn, they have a positive attitude toward companies that employ survivors of natural disasters, this is a fact which is completely confirmed (Wong Szeki, 2012). Therefore, according to the discussion, the following proposition can be expressed as:

P4: CSR initiatives have positive and significant impacts on consumer attitudes.

- **CSR and Consumer’s Purchase Intention** - According to Espejel et al. (2008) buying intention is a prediction of consumer attitude or behaviour towards a future purchase decision. In other words, buying or purchase intention is a pattern of consumers’ attitudes or beliefs, regarding their future purchases. The positive attitudes of consumers towards the company’s reputation, image, and product evaluation can be influenced by CSR activities (Dacin & Brown, 1997). A number of studies have showed that there is a positive relationship between a business’s CSR program and consumers' attitudes towards that organization and its products (Brown & Dacin, 1997; Ellen, Webb, & Mohr, 2000; Creyer Ross, 1997). Mohr, Harris and Webb (2001) examined and their finding indicated a important relationship between CSR and consumer responses. Sen and Bhattacharya (2001) research on reaction of consumers to CSR shows that CSR will directly affect consumers' intentions to purchase corporation's products. By supporting CSR activities, consumers are labelled ethical consumers (Auger et al., 2010). Accordingly, ethical consumption is be defined as the conscious and deliberate choice to make certain consumption choices due to personal and moral beliefs. This can be as simple as buying a product at an Oxfam store or as complex as boycotting goods consumption (Crane, 2001). Research suggests that consumers in the developing or emerging economies cannot afford to be socially conscious, thus suggesting that social consciousness at the checkout counter is a luxury (Auger et al., 2010). In contrast, consumers in developed countries are thought to be more socially conscious due to product availability, and to possess greater willingness to pay for the “luxury” of social consciousness (Auger et al., 2010; Pelsmacker, Driesen and Rayd, 2005). It seems clear that there are certain trends in ethical consumption. However, it is important to note that the majority of published empirical research on this topic emanates from developed countries (e.g., Becker-Olsen, Cudmore and Hill, 2005; Brown and Dacin, 1997; Creyer and Ross, 1997; Maignan, 2001; Maignan and Ferrell, 2000; Mohr and Webb, 2005; Sen, Bhattacharya and Daniel, 2006; Sen and Bhattacharya, 2001; Maignan, 2001; Matten and Moon, 2004; Freestone and McGolrick, 2007). Yet, a number of studies have shown that consumer attitudes towards CSR tend to vary between cultures (Srnka, 2004; Vitell, 2003; Auger et al., 2008) currently, we know very little about ethical consumption in developing countries. Hence,

P5: There is a relationship between Purchase Intention and Trust of the Consumer resulted from effective CSR initiatives.

- **CSR and Customer Satisfaction** - Customer satisfaction is defined as an overall evaluation based on the customer's total purchase and consumption experience with a good or service over time (Anderson, Fornell, and Mazvancheryl 2004; Fornell 1992). In the marketing literature, customer satisfaction has been recognized as an important part of corporate strategy (Fornell et al. 2006) and a key driver of firm long-term profitability and market value (Gruca and Rego 2005). Why should a firm's CSR initiatives lead to greater customer satisfaction? At least three research streams point to such a link: First, both institutional theory (Scott 1987) and stakeholder theory (Maignan, Ferrell, and Ferrell 2005) suggest that a company's actions appeal to the multidimensionality of the consumer as not only an economic being but also a member of a family, community, and country (Han- delman and Arnold 1999). Building on this, Daub and Ergenzinger (2005) propose the term "generalized customer" to denote people who are not only customers who care about the consumption experience but also actual or
potential members of various stakeholder groups that companies need to consider. Viewed in this way, such generalized customers are likely to be more satisfied by products and services that socially responsible firms (versus socially irresponsible counterparts) offer. Second, a strong record of CSR creates a favorable con-text that positively boosts consumers’ evaluations of and attitude toward the firm (Brown and Dacin 1997; Girihiann- Canli and Batra 2004; Sen and Bhattacharyya 2001). Specifically, recent works on customer-company identification (Bhattacharyya and Sen 2003, 2004) suggest that CSR initiatives constitute a key element of corporate identity that can induce customers to identify (i.e., develop a sense of connection) with the company. Indeed, Lichtenstein, Drumwright, and Bridgette (2004, p. 17) note that “a way that CSR initiatives create benefits for companies appears to be by increasing consumers’ identification with the corporation and support for the company.” Furthermore, engaging in CSR may allow firms to understand their generalized customers better and thus improve their customer-specific knowledge (Sen and Bhattacharyya 2001). Because improving customer knowledge represents another antecedent that has been found to enhance customer satisfaction (Jayachandran et al. 2005; Mithas, Krishnan, and Fornell 2005a), we believe that CSR initiatives may help promote customer satisfaction. Thus, the following proposition is proposed as:

P6: Customers likely derive better perceived value and, consequently, higher satisfaction from a product that is made by a socially responsible company.

- **Customer Brand Satisfaction, Brand Attachment and Future Purchase Intention** - Esch et al. (2006) point out that brand satisfaction and brand attachment are the result of exchanges and interactions. After a certain response time, brand satisfaction will affect brand attachment as an end result. For instance, consumers use their preferred brand to establish a connection with the brand or exhibit their own personality through the brand (Fournier, 1998) Kotler and Keller (2009) discovered that consumers will experience satisfaction or dissatisfaction with a product or service after purchasing it. This mental change affects the future behavior of consumers. Many studies reveal that brand satisfaction is positively correlated with repurchase intention (Huber et al., 2010). The more satisfied customers are with a certain company, the more likely are they to do business with it again or to repurchase the products they offer (Oliver, 1980). Therefore, the following proposition can be suggested:

P7: Consumer brand satisfaction has positive effect on future purchase intention.

### IV. CONCLUSION AND SUGGESTION FOR FUTURE RESEARCH

The conceptualization of CSR in its different facets is an important contribution. This conceptualization offers researchers and managers a way of highlighting potential gaps between what consumers expect and perceive in Managers’ expectations of consumers’ expectations Managers’ perceptions of consumers’ attitudes and behaviors toward the responsible company Social activities and social issues proposed by companies Case studies Focus groups with consumers Consumers’ expectations Consumers’ attitudes and intentions to behave toward that company Criteria used by consumers to evaluate the degree of CSR of a company CSR activities and what companies propose and communicate. Then, it becomes possible to suggest potential sources of improvements of actual CSR strategies in order to fit CSR activities with consumers’ ideals, desires and needs and benefit from their support. Indeed, consumers are probably more concerned by certain social activities or social issues than others and it is better to invest in CSR issues that interest consumers. Girod and Michael (2003) have stressed that CSR can be a key tool to create, develop and sustain differentiated brand names”. CSR activities have been adopted based on growing evidence that consumers are willing to give incentives to socially responsible corporations (Brown & Dacin, 1997; Creyer & Ross, 1997; Ellen, Mohr, & Webb, 2000; Muny & Vogel, 1997; Nelson, 2004; Sen & Bhattacharyya, 2001). It should be clear that as CSR becomes more important, the relationship between CSR and customer loyalty is a topic that deserves the attention of consumer behaviour researchers. This paper presents a framework from which future research on customer behaviour with regard to CSR can be based. The framework is patterned largely from Ball, et al.’s (2004) model of customer loyalty. This should help researchers create a good theory on customer loyalty and advance the present practice in marketing. Figure 1 shows the revised model. The propositions introduced in this study make up a principal limitation. Empirical work is likely to provide a complementary on the proposed model herein. It is hoped that the conceptual framework presented in this paper will spawn research on this.

### REFERENCES


