CHAPTER – V

RESULTS AND DISCUSSION

The present research is carried out with the purpose of understanding the respondents’ Awareness, Attitude, Attribution and Buying decision towards Corporate Social Responsibility. The survey was carried out among the college teachers working in Arts and Science colleges affiliated to Bharathiar University. Among the Bharathiar University affiliated colleges Government Colleges, Aided Colleges and Self-financing colleges were selected as the respective strata’s for the study. Among the 100 colleges which fall in the above category the researcher has chosen 32 colleges which are situated in and around Coimbatore due to time and resource constraints. The survey had 438 respondents distributed among the 32 colleges.

This chapter deals with the results of the study and their discussion.

5.1 Respondents Awareness about CSR

The results of the study revealed that 41.55 and 9.13 % of the respondents have moderate and high awareness about CSR respectively and the rest have shown poor awareness about CSR. The awareness levels of the respondents showed a positive association with their educational qualifications.

Prior research in this area indicates that Consumer Awareness levels of CSR initiatives are not very high. Dawkins (2004) concludes that consumers are in fact quite interested in learning more about CSR initiatives and, consequently CSR related marketing communications present an opportunity to shape organizational image and brand beliefs.

Auger et.al., (2003) also highlights a lack of consumer awareness of firms CSR records, they go further noting that ethical awareness levels –that is the knowledge of ethical and social issues around which firms are framing their CSR initiatives are surprisingly low.
Regardless of consumer support for particular CSR domains and perceived trade-offs with functional attributes such as price and quality, prior work suggests that the lack of consumer response to firms’ CSR initiatives has two primary sources. Companies have not strongly communicated their CSR initiatives (Carrigan, 1997; Dawkins, 2004; Work Foundation, 2004) or companies have communicated their CSR initiatives, yet consumers are unaware of them, which could be due to a multitude of reasons, including bad communication campaigns, lack of context etc.

In this present study, despite the fact that respondents belong to the teaching community, their awareness levels with regards to the CSR initiatives of an organization and their understanding on how it impacts them as consumers are found to be relatively less. One possibility to overcome this lack of awareness is cause-related marketing, meaning that companies promote that a certain percentage of profits will be spent on a specific social cause or given to a non-profit organization (Varadajan and Menon, 1988).

5.2 Respondents Attitude towards CSR

The study showed that out of the total number of respondents selected for this study, 54.34% of respondents are having negative attitude towards buying from companies practising CSR. On the other hand, 45.66% of respondents are having positive attitude towards buying from companies practising CSR.

A positive relationship between CSR programs and attitudes toward buying from the companies is hypothesized. The previous studies also had ample evidence to this hypothesis. CSR increases positive attitudes towards the company and/or the brand (Brown & Dacin, 1997 Lichtenstein, Drumwright & Braig, 2004 Murray & Vogel, 1997). Changing attitudes of customers have driven marketers to find new ways to make marketing relevant to society, dialogue seeking, responsive and involving (Ptacek and Salazar, 1997).

The findings indicate that the attitudes towards buying from CSR practicing companies are relatively positive. Therefore, the CSR practices have a positive influence on respondents’ attitudes toward buying from those companies. The findings of this research support earlier empirical studies (Davis 1994; Morton 1999; Madrigal 2000;

A positive impact of age on attitudes toward buying from CSR practicing companies is hypothesized. Consumer's age is shown to have an impact on consumer attitude towards corporate image (Cone Inc. 2000; Cone/Roper communications 1997; Goldberg 1999; Kaplan 2002; Straughan & Roberts 1999). However, the impact of age on corporate image remains controversial. The findings from the US survey showed that teens value companies implementing societal marketing more than adults (Cone Inc. 2000; Cone/Roper communications 1997; Kaplan 2002), whereas older consumers responded more favourably to societal marketing in other studies (Goldberg 1999; Straughan & Roberts 1999). The findings of this research do not support this hypothesis.

A positive influence regarding the educational level of respondents on attitudes toward buying from CSR practising companies are hypothesised. Earlier empirical studies indicated that more highly educated groups responded better to societal marketing (Webb & Mohr 1998; Goldberg 1999). Supporting those findings, this research confirms this hypothesis.

A positive impact of the income level of respondents on attitudes toward buying from CSR practicing companies is assumed. Prior studies identified that higher income Groups responded better to societal marketing (Kaplan 2002; McWilliams 2001; Webb & Mohr 1999; Straughan & Roberts 1999). This research’s findings fail to support this Hypothesis.

5.3 Respondents Attribution on CSR

The research showed that out of the total number of respondents selected for this study, 52.28% of respondents have positive attribution towards CSR. On the other hand, 47.72% of respondents’ have negative attribution towards CSR.

Prior consumer research has found that consumers draw inferences about marketer motives (Boush, Friestad, & Rose, 1994; Campbell & Kirmani, 2000; Friestad & Wright, 1994) and that attribution of marketer motives impact subsequent
evaluations of the firm (Campbell, 1995; Campbell & Kirmani, 2000; Ellen, Mohr & Webb, 2000; Forehand, 2000; Webb & Mohr, 1998). Further, individuals have been found to attribute two primary types of motives to firms: motives that focus on the potential benefit to individuals external to the firm (“public-serving”) and motives that focus on the potential benefit to the firm itself (“firm-serving”). These two basic motives have received various labels in research including altruistic versus egoistic (Bendapudi, Singh, & Benapudi, 1996), exogenous versus endogenous (Kruglanski 1975) and other- versus self-centered (Ellen, Mohr, & Webb, 1999).

A positive relationship between CSR programs and attribution on the companies practicing CSR is hypothesized. There are few prior studies which support the above assumption. Consumers assess the fit between CSR initiatives and the company’s reputation and past behavior, and use the timing of initiatives as informational cue (Becker-Olsen, Cudmore & Hill, 2006, Dean, 2004, Ricks, 2005).

Negative events such as product-harm crises tend to trigger elaborate cognitive processing, including attributions of responsibility. These attributions are important from a marketing perspective because they form the foundation of consumers subsequent brand perceptions and behaviour (Klean, 2004).

The study results related to attribution reveals that majority of the respondents attribute the companies’ motives for carrying out CSR activities to be genuine

5.4 Respondents Buying Decision and CSR

The present research showed that among the total number of respondents selected for this study, 52.97% of the respondents’ base their buying decision on the product attributes like price, quality, brand name, warranty etc. On the other hand, 47.03 % of the respondents base their buying decision on the CSR of the manufacturer or seller of the product.

There is enough empirical evidence which says that CSR activities do have an impact on the purchase decision of the consumers. Shelley Wigley (2008) suggests that company CSR activities do affect purchase decision and the recommending that company should publicise their CSR activities.
Consumers are aware of and interested in CSR and say that CSR is a purchase criterion (Creyer & Ross, 1997, Handelman & Arnold, 1999, Lewis, 2003). The findings of Creyer and Ross (1997) indicated that consumers regard ethical behaviour as an important consideration during their purchase decisions. Tay (2005) concluded that as society becomes more affluent and faces an increase in the level of awareness among consumers, these consumers become more sensitive to the ways in which corporations behave, which in turn may influence their buying decision behaviour. On the other hand, Dahl and Lavack (1995) manipulated the size of donations and found that a product was evaluated as being more appealing when the donation was larger (i.e., 10 cents per package of juice) and that the company was evaluated as exploiting the nonprofit organisations when the donation was smaller (i.e., one-fourth of a cent per package).

However, the effects of CSR on consumer behaviour are not overwhelmingly strong. CSR plays a role and traditional constructs such as product attributes and consumption goals still account for the bulk of the variance in consumer behaviour. Instead, CSR may have its most marked effect where ordinary information about a company and its products is deemed insufficient to arrive at an informed judgment.

A research by Mohr, Webb and Harris further supports the findings discussed so far. The results of their survey show that while most respondents do not regularly use CSR as a main purchase criterion, most of them “have at least occasionally made a purchase decision based on CSR principles” (Mohr et al, 2001, p.68). Furthermore only “a handful appear completely disinterested or opposed to CSR” (p.68) whereas “there is a small but articulate group of consumers who are actively practising socially responsible consumer behaviour”.

A focus group survey conducted by Boulstridge and Carrigan (2000) have found that their respondents did not find corporate behaviour important in their purchasing decisions, The concede that corporate reputation can provide competitive advantage but
they question that whether it has the impact on purchasing decision that other research has indicated.

The bulk of research however indicates that the potential to affect buying behavior does exist and is credited to (i) the value it can add to the brand and thus brand equity (ii) the ability to strengthen relationships with internal and external stakeholders where support is vital to brand equity and ultimately affects the company’s bottom line and (iii) the ability to make the message believable, less confusing and misleading and thus lessen the negative effects of consumer skepticism (Duncan and Moriarty, 1997).

The present research has shown that the impact of CSR initiatives by companies on the buying decision of college teachers are rather less and the product attributes still dominate the buying decision when compared with CSR initiatives.