

Attitude and Buying Behavior of College Students with regards to CSR Initiatives: an Empirical Research

*Irum Khan¹, Dr. Neeti Kasliwal² and Dr. Mahesh Chandra Joshi³

¹(Research Scholar, Poornima University, India)

²(Associate Professor, IIMR University, India)

³(Associate Professor, Poornima University, India)

Corresponding Author: Irum Khan

Abstract: *This study investigates the impact of CSR initiatives on Consumer's attitude that results in purchase intention. Consumer attitude is taken as an independent variable whereas consumer buying behavior as a dependent variable. A conceptual model that integrates the hypothesized relationships and the impact of CSR initiatives on consumer's attitude and buying behavior is used to frame the study. Using linear regression analysis the results showed that CSR initiatives have a significant impact on Consumer's attitude and buying behavior.*

Keywords: *corporate social responsibility, consumer attitude, consumer's purchase intention*

Date of Submission: 26-09-2017

Date of acceptance: 10-10-2017

I. INTRODUCTION

There is growing demand of the research related to exploring the links between corporate social responsibility (CSR) and market behaviour with regards to its impact on consumers. Carroll (1991) analyzed that CSR is divided into four different levels: economic, legal, ethical and philanthropic responsibilities. Economic responsibility refers to the profitability of the organization, while legal responsibility is complying with laws and regulation. As for the ethical perspective, the organizations' operation should go beyond the laws to do the right thing in fair and just ways. Philanthropic responsibility refers to voluntary giving and service to the society. Today, consumers are aware of the corporations' responsibility due to education and through the exposure of the media. It may no longer be accepted that business organizations neglect CSR. The role of businesses in society is not only about creating profit but is also focused on acting responsibly towards stakeholders and the environment (Harrison & Freeman, 1999). So, the present study investigates the role of corporate social responsibility (CSR) initiatives and its impact on consumer attitudes and consumer buying behavior.

Attitude: Attitude is defined as “a person's favorable or unfavorable feelings towards an object”. Herbert Spencer and Alexander Bain introduced the term attitude in psychology in the early 60's. During that time "attitude" meant an inner state of readiness to perform a job or a task (Cacioppo et al., 1994). According to the Expectancy-value theory (Fishbain), Attitude is a part of belief. Thus, the beliefs can be considered as the causes of the attitude (Kordnaej et al., 2013).

Consumer Buying Behavior- Understanding consumer buying behavior help marketers to get clear view point of their customer; moreover, it could also be useful to develop an effective marketing strategies. If marketers have clear view point about the consumer buying process, they will get the knowledge about how the costumers try to get information about the products they want to purchase, what factors encourage them and what factors influence their buying decision (Bakhshi, 2012).

CSR Impact on Consumer's Attitude and Consumer Buying Behavior- The attitude is formed first then behavior is formed subsequently (Reily et al., 1999). The researchers conducted during the 21st century approve that attitude has a huge impact on marketing and consumer behavior. So, costumer attitude to the service or product is the key factor of anticipating and continuing customer behavior and the attitude is some passivity or a sense of agreement or disagreement about a stimulant. Stimulants are emotional feelings that people have about any phenomenon (Montazeri et al., 2013). So the hypothesis is:

H1: There is a statistically significant impact of consumer attitude towards buying behavior with regards to CSR initiatives.

II. RESEARCH FRAMEWORK

The consumers of India are now well aware of and that companies now have to show responsibility towards society and the environment. By taking random stratified sample of 453 respondents using Multiple Linear Regression technique, this study found that CSR has a strong positive relationship with consumer attitude and consumer attitude has a strong positive relationship to purchase intention.

The conceptual model that integrates the hypothesized relationships as well as the moderating impact of CSR is

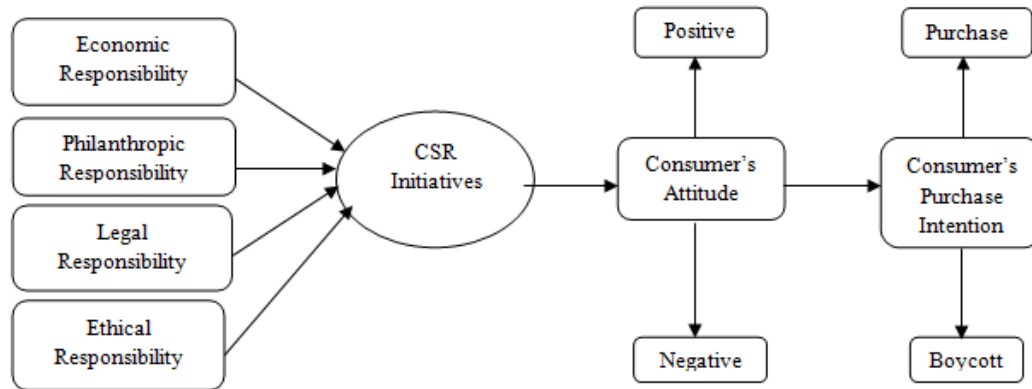


Figure 1: Conceptual Frame Work

Source: Prepared by analyzing past papers

RESEARCH METHODOLOGY

The undertaken research is a cross sectional descriptive study with consumer's attitude as independent variable whereas "consumer's buying behavior" associated with CSR initiatives as dependent variables. A questionnaire survey was carried out to collect the view of consumers in Jaipur (Rajasthan). As the study aims to examine the importance of CSR on consumers' buying behavior, the target population comprised of the college going students. Total sample of 600 students was collected and out of them 453 valid samples were taken for the study. The questionnaires were conveniently distributed to consumers in different colleges.

The questionnaire consists of three major sections. Section A gathers demographic information, section B gathers information on consumers' awareness and attitude towards corporate social responsibility (CSR) and section C covers statements on consumer behavior towards CSR activities engaged by the business organizations.

Cronbach's Alpha coefficient was used to evaluate the reliability of the measures. The Cronbach's Alpha coefficient was 0.790.

III. RESULTS AND DISCUSSION

Consumer General Awareness towards CSR

The summary of the findings is shown in Table 1. 30.6% of the respondents said that they understood the concept of CSR well, whereas the other 38.4% respondents indicated that they understood the concept of CSR moderately. On the other hand, 29% of the respondents indicated that they had little understanding of CSR, and 2% of them indicated having no understanding of CSR. This finding indicates that the majority of the respondents seem to have a good understanding of CSR.

Table 1
Consumer General Awareness On Corporate Social Responsibility (Csr)

| Knowledge level on CSR | Percentage (%) |
|---|----------------|
| Well Understood | 30.6 |
| Moderately understood | 38.4 |
| Little understood | 29 |
| Not at all | 2 |
| Awareness About CSR Activities of the Companies | Percentage (%) |
| Aware of 0 CSR Activity | 11 |
| Aware of 1-5 CSR Activities | 80 |
| Aware of 6-9 CSR Activities | 9 |

TABLE 2 Summary Of Sample Characteristics

| Parameters | Category | Frequency | % |
|----------------------|-------------------------|------------|------------|
| GENDER | Male | 229 | 50.6 |
| | Female | 224 | 49.4 |
| | Total | 453 | 100 |
| AGE | 18 -20 years | 166 | 36.6 |
| | 21-23 years | 161 | 35.5 |
| | 24-26 years | 126 | 27.8 |
| | Total | 453 | 100 |
| EDUCATION | Undergraduate | 207 | 45.7 |
| | Post Graduate | 246 | 54.3 |
| | Total | 453 | 100 |
| FAMILY INCOME | Rs1,00000- Rs3,00000 | 118 | 26 |
| | Rs3,00001- Rs5,00000 | 182 | 40.2 |
| | Rs5,00001 and above | 153 | 33.8 |
| | Total | 453 | 100 |

In total, males represent 50.6% of the respondents, whereas females represent 49.4%. Respondents were divided into three age categories: 18 to 20, 21 to 23 years old, 24 to 26 years old. The majority of the respondents (36.6%) were between 18 to 20 years old during the survey period, whereas those respondents who were of 24-26 years old were the minority.

The majority of the respondents (54.3%) were post graduate student. Regarding income level, the majority of the respondents (40.2%) have a family income of of Rs 5,00001 and above yearly during the survey period.

Impact of CSR Activities on Consumers' Attitude and Buying Behavior

The values of correlation coefficients (R) can lie only within the range from -1 to +1. According to the model summary of multiple regressions in Table 3, the R is 0.518. Because multiple R is positive in value, it shows that there is a positive linear relationship between consumers' attitude and buying behavior with regard to CSR initiatives.

TABLE 3 MODEL SUMMARY OF REGRESSION

| Model | R ² | R | Adjusted R ² | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|------|-------------------------|----------------------------|-----------------------|----------|-----|-----|---------------|
| | | | | | R ² Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .518 ^a | .268 | .266 | .32197 | .268 | 165.361 | 1 | 451 | .000 |

- a. Predictors: (Constant), Consumer Attitude
- b. Dependent Variable: Consumer Buying Behavior

According to the model summary, R square is equal to 0.268, which is less than 1. Approximately 26.8% of variance in all the CSR components can significantly explain consumers' buying behaviour. The finding suggests that apart from consumer attitude, there are other factors that could also influence the consumers' buying behaviour.

According to Table 4, the p-value is .000, indicating that the consumer's attitude significantly influence consumers' buying behaviour.

Table 4 ANOVA OF REGRESSION

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|---------|-------------------|
| 1 Regression | 17.142 | 1 | 17.142 | 165.361 | .000 ^b |
| Residual | 46.856 | 451 | .104 | | |
| Total | 63.998 | 452 | | | |

- a. Dependent Variable: Consumer Buying Behavior
- b. Predictors: (Constant), Consumer Attitude

TABLE 5
COEFFICIENTS OF REGRESSIONS

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|--------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 1.180 | .150 | | 7.867 | .000 |
| Attitude | .651 | .051 | .518 | 12.859 | .000 |

a. Dependent Variable: Consumer Buying Behavior

In Table 5, the linear regression analysis estimates the linear regression function to be $y = 1.180 + 0.651x$. it also shows that the **sig. value is 0.000** which is less than 0.05 indicate that **there is a statistically significant impact of consumer attitude towards buying behavior in regards of CSR initiatives.**

TABLE 6
CORRELATION

| | | Consumer Attitude | Consumer Buying Behavior |
|--------------------------|---------------------|-------------------|--------------------------|
| Consumer Attitude | Pearson Correlation | 1 | .518** |
| | Sig. (2-tailed) | | .000 |
| | N | 453 | 453 |
| Consumer Buying Behavior | Pearson Correlation | .518** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 453 | 453 |

** . Correlation is significant at the 0.05 level (2-tailed).

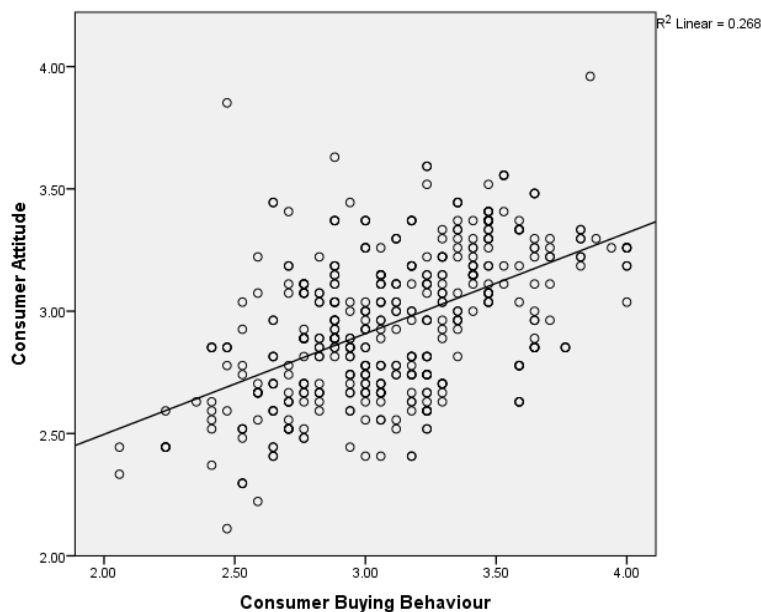


Figure 2: Regression plot diagram

Table 6 revealed that there is a significant relationship between Consumer Attitude and Consumer Buying Behavior. It has found that Pearson correlation value 0.518 and p value (sig value) is .000 which indicates there is a significant moderate positive correlation between consumer’s attitude and their buying behavior.

IV. CONCLUSION AND IMPLICATIONS

The results of the research revealed that there is a significant relationship between Consumer Attitude and Consumer Buying Behavior.

The major limitation relates to the sample and geographical restriction. With only 453 usable respondents, this sample size might limit the external validity of the findings.

In addition, there are still areas that can be staged for future research, such as research focusing on the different moderating factors, consumer awareness towards socially irresponsible behaviours of companies, the most important CSR sources of information.

The managers can use the results to better position their products in order to enhance an overall value. Manufacturers and retailers have an opportunity to attract this group while simultaneously meeting their business goals and make contributions to the Based on the finding of this study, managers could use the information to develop effective marketing plans and strategies.

In today's business world as a result of strengthening of consumers' awareness and rights, the companies who disregard the expectations concerning social responsibility may risk consumer boycotts.

REFERENCES

- [1]. AbdulBrosekhan, A., C. MuthuVelayutham and M. Phil, 2013. Consumer buying behavior: a literature review. IOSR Journal of Business and Management (IOSR-JBM), 1: 8-16.
- [2]. Brown Tom, J. and A.D. Peter, 1997. The company and the product: Corporate associations and consumer product response. Journal of Marketing, 61(January): 68-84.
- [3]. Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. Academy of Management Review, 4(4), 497-505.
- [4]. Carroll, A. B. (1991). The pyramid of corporate social responsibility: toward the moral management of organisational stakeholders [Electronic version]. Business Horizons, July-August, 39-47.
- [5]. Davis, K.: 1960, 'Can Business Afford to Ignore Social Responsibilities', California Management Review 2(3), 70-76.
- [6]. Dong, Y., Gao, H., & Chen, L. (2011, March). A Study of Consumer's Perception and Support Behavior of Corporate Social Responsibility. In Power and Energy Engineering Conference (APPEEC), 2011 Asia-Pacific (pp. 1-5). IEEE.
- [7]. E. H., & Ross, W. T. (1997). The influence of firm behavior on purchase intention: Do consumers really care about business ethics? Journal of Consumer Marketing, 14(6), 421-432.
- [8]. Elibirt, H., and I. R. Parket: 1973, 'The current status of Corporate Social Responsibility', Business Horizons 16(Aug), 5-14.
- [9]. Fukukawa, K. W. E. Shafer, G. M. Lee: 2007, 'Values and attitudes toward Social and Environmental Accountability: A study of MBA students'. Journal of Business Ethics 71(4), 381-394.
- [10]. Gigauri, I., 2012a. Impact of corporate social responsibility on consumer purchase decision. American Eurasian Journal of Scientific Research, 7(5): 207-211.
- [11]. Green, T., & Pelozo, J. (2011). How does corporate social responsibility create value for consumers? Journal of Consumer Marketing, 28(1), 48-56.
- [12]. Greenfield, W. M.: 2004, 'In the Name of Corporate Social Responsibility', Business Horizons, January-February, 19-28.
- [13]. Habib, A. A., & Monjur, M. I., "CSR Activities: A Study on Banking Sector in Bangladesh".
- [14]. Jaafar, S., P. Lalp and M. Naba, 2012. Consumers' perceptions, attitudes and purchase Intention towards private label food products in Malaysia. Asian Journal of Business and Management Sciences, 7(2): 73-90.
- [15]. Maignan, I. (2001). Consumers' perceptions of corporate social responsibilities: A cross-cultural comparison. Journal of Business Ethics, 30, 57-72.
- [16]. Mohr, L. A., Webb, D. J., & Harris, K. E. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behaviour. The Journal of Consumer Affairs, 35(1), 45-72.

International Journal of Business and Management Invention (IJBMI) is UGC approved Journal with Sl. No. 4485, Journal no. 46889.

Irum Khan. "Attitude and Buying Behavior of College Students with regards to CSR Initiatives: an Empirical Research." International Journal of Business and Management Invention (IJBMI), vol. 6, no. 9, 2017, pp. 49-53.