

CORPORATE SOCIAL RESPONSIBILITY AN EMERGING TREND IN SUSTAINABLE MARKETING COMMUNICATION

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Abstract

Corporate Social Responsibility (CSR) has become a prominent concept in the business world, garnering significant global attention for its role in helping companies establish and maintain sustainable relationships with their stakeholders. To gain a competitive advantage, many companies strive to position themselves as responsible corporate citizens. This paper examines the perceived impact of CSR on brand image building among customers, with a particular focus on three well-known Indian FMCGs. The study employs a quantitative approach within the framework of stakeholder theory. Additionally, it explores the key dimensions of CSR—Economic, Legal, Ethical, Philanthropic, and Environmental—based on which companies are ranked to determine the one that most effectively captures customer attention and trust through its CSR initiatives. The findings indicate that effective CSR activities positively influence a company's perceived brand image. However, while CSR plays a role in brand positioning, product quality remains the top priority for customers. This paper provides valuable insights for corporations and regulatory authorities, enabling them to better understand customer expectations and strategically plan and implement CSR and media initiatives for brand image enhancement.

Keywords:

Corporate Social Responsibility, Stakeholder, Corporate Citizen, Brand Image

1. INTRODUCTION

Davis postulates that “Social Responsibility is the obligation of decision-makers to take action that protects and improves the welfare of society along with their interests” [1]. CSR initiatives are best understood as symmetrical public relations practices, wherein organizations aim to maintain mutually beneficial relationships with their publics—namely, stakeholders and society [2]. Thus, Corporate Social Responsibility is a continuous commitment by companies toward their stakeholders. Stakeholders play a crucial role in determining an organization's trajectory, and their engagement serves as a strategic tool for companies, enabling them to gain a comprehensive understanding of stakeholder expectations through effective communication [3]. Therefore, stakeholder perceptions of CSR activities are highly significant.

To balance stakeholder welfare and corporate profitability, Carroll proposed a four-dimensional model of CSR encompassing Economic, Legal, Ethical, Philanthropic, and Environmental responsibilities. He further developed a graphical representation known as the “Pyramid of CSR” [4]. His findings suggest that companies that allocate CSR funds across these five dimensions are better positioned to meet stakeholder expectations. Among these responsibilities, stakeholders tend to prioritize philanthropic and ethical dimensions, which contribute to framing companies as responsible corporate citizens [5]. Schwartz and Carroll further emphasized the integration of environmental considerations within philanthropic responsibilities, with many companies

viewing environmental investments as a virtuous CSR endeavor [6]. In terms of brand image building, corporate identity and corporate communication are two major factors influencing stakeholder trust [7]. CSR activities undertaken by corporate brands based on their brand values create a positive impression on consumers, particularly those sensitive to societal issues addressed through such initiatives. Since trust is generated on a personal level, CSR plays a critical role in shaping consumer perception [8]. Rasha Dhahrouj highlights that engaging CSR activities by the companies tend to enhance customers brand love and brand recognition thereby elevates the brand values [9]. Thus, CSR holds potential significance for corporate brand identity and value.

Another key aspect to consider is the role of CSR in consumer behaviour. Understanding consumer behaviour enables firms to craft CSR strategies that align with business objectives [10]. Stakeholder perceptions contribute to favourable stakeholder outcomes and ultimately influence customer purchase intentions [11]. Yadav et al. [12] assert that perceived CSR plays a vital role in building corporate reputation by fostering trust [12] [13]. A strong reputation, in turn, enhances consumer confidence in a firm's reliability and strengthens customer loyalty [14]. Popa et al. [15] categorize consumer behaviour into two dimensions: long-term (consumer loyalty) and short-term (buying intention). Their study concludes that CSR initiatives positively correlate with both aspects of consumer behaviour [15]. Consumers who actively engage with and are aware of CSR activities undertaken by organizations develop brand trust and loyalty, leading to repeated purchase decisions and a competitive advantage for companies [16].

1.1 CSR AS A FORM OF SUSTAINABLE MARKETING COMMUNICATION

Sustainability has become a key area where all the entities like government, corporates and society spend their investments on as it helps them to be a good corporate citizen. Sustainability as a concept referred to as “meeting the present needs without compromising the ability of the future generation to meet their needs” [13]. Bonsón & Bednárová [17] discussed about triple bottom approach of sustainability in CSR reporting i.e., social, economic and environmental aspects [17]. The European Commission defined CSR as the concept where companies integrate their social and environmental concerns in their business and interaction with their stakeholders on a voluntarily basis. Another study says that CSR act a sustainable marketing tool by enhancing the trust, transparency and corporate reputation. So, focusing on the sustainable aspect help the companies to maintain a long-term relationship and brand recognition among its stakeholders [18].

The current study is done to understand the emerging significance of CSR as a sustainable marketing communication in

creating profit with reference to three top most FMCG companies (Reliance, ITC and Hindustan Unilever) in India in the financial year 2023-2024 among the customers.

Based on the above studies, the effects of CSR activities on consumer aspects such as (i) Brand Loyalty, (ii) Brand Trust, (iii) Customer Satisfaction, and (iv) Purchase Intentions contribute to brand building. Consequently, the following hypotheses have been formulated:

- H₁: CSR positively influences brand trust.
- H₂: CSR positively influences purchase intention.
- H₃: CSR positively influences the brand value of organizations.
- H₄: CSR positively influences customer loyalty.
- H₅: The sustainable dimension of CSR has a positive influence on the overall performance of the organization.

2. CONCEPTUAL FRAMEWORK

2.1 THEORY ADOPTED

The Stakeholder's Theory by Edward Freeman (1984) explained that for any business to be successful, it has to create value for its different stakeholders the interest of the company should not result in the isolation of any of the stakeholder categories [19]. CSR is seen as the practice of socially responsible management toward different stakeholders [20]. Therefore, the Stakeholders theory is the base for the CSR based sustainable communication.

2.2 CONCEPTUAL FRAMEWORK

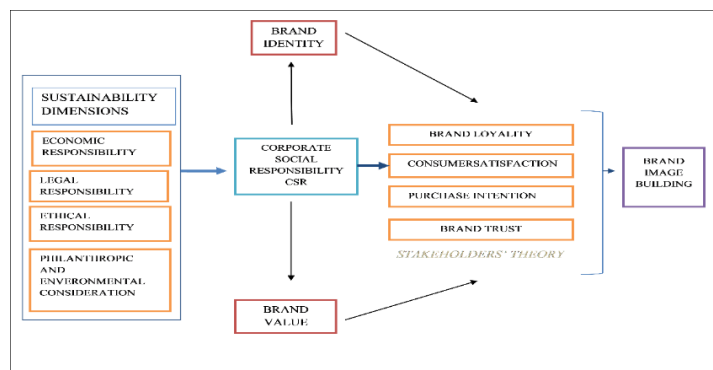


Fig.1. Conceptual frame work of the study which includes the four responsibilities of CSR. Those responsibilities along with the brand identity and brand value through CSR activities could have an effect on the customers' perceptions of the companies for brand image building

3. METHODOLOGY

The study focuses on examining the customer's perception towards the CSR activities on building brand image of the top CSR ranked FMCG companies in India i.e., Reliance, ITC and Hindustan Unilever in the 2023-24 FY. The study employs a non-experimental ex-post facto design with a descriptive analytical approach to measure and analyze data. The researchers collected data using structured questionnaires from 160 respondents, who

are categorized based on their gender (80 male and 80 female) and possess the tendency to transform as potential consumers of the referred FMCGs in the nearby future. Stratified random sampling is adopted and both offline and online mode of data collection was deployed. The Google forms were prepared to reach those external public who are not present in the vicinity of the data collection. A hard copy of the questionnaire was also distributed among the external public who are residing within the location of the study i.e., Coimbatore. By excluding the error data, the total sample size for the study appeared to be 160. The internal consistency of the instrument was tested and standardized using the Cronbach's Alpha coefficient test and the results were above 0.95 (≥ 0.7) which has a good reliability.

The first part of the questionnaire dealt with the gender, interest of shopping and frequency of shopping of the external public followed by their level of knowledge towards 3 major FMCG brands. The second part of the questionnaire focuses on the questions relating the awareness of the famous and on-going CSR program of those FMCG brands. The last part involves the overall performance of the brands. The responses for the overall performance were recorded using a three-point Likert Scale. The questionnaire included some general questions related with the customer loyalty, brand trust, brand value and buying intentions. The responses for the final statements were recorded using a dichotomous scale.

The data were analyzed using Statistical Package of Social Science (SPSS) version 25. The statistical analysis test executed on the data includes Cross Tabulation and frequency. The researcher also calculated the weighted average for the statements that demands a perceptual analysis.

4. RESULTS AND INTERPRETATION

The analysis reveals insights from 160 respondents regarding shopping and brand preferences. Among them, 61% of males and 55% of females express a strong interest in shopping, while females (76.2%) shop occasionally more often than males (23.2%). Regarding brand logos of three FMCGs, 90% of males and 82% of females recognize the logos; 57% of males and 61% of females attribute familiarity to advertisements, while 35% of males and 30% of females associate recognition with product purchases. Regular buying behavior was reported by 56% of males and 51.25% of females. Both genders prioritize product quality while shopping, with males at 56.2% and females at 45%, while also considering offers and discounts. For first-time purchases, 36% of males and 35% of females prefer online reviews, with 20% of males and 33.7% of females seeking consumer opinions about the brand. Among the three-brand chosen for the study reliance (Male = 43.75% & Female = 51.25%) is viewed as the popular brand by the respondents.

4.1 AWARENESS OF THE SOCIAL SERVICE PROGRAMS UNDERTAKEN THE THREE BRANDS

The analysis highlights that most of the 160 respondents are unaware of the CSR activities of these brands, with the majority selecting "None of the above." Among Reliance's initiatives, 26% of respondents (both genders) are aware of the Reliance Dhirubhai Ambani Protsahan Scheme (RDAP), while 40% of males know

about the Reliance Community Development Program (RCDP). However, females are entirely unaware of Jagurathi (PJ). Awareness of the Environment Impact Assessment (EIA) program is minimal (6.25% males, 1.25% females). For ITC's initiatives, 23% of males and 32% of females are familiar with the Primary Education Program (PEP), while 22% of males know about e-Choupal (EC). Programs like the Afforestation Program (AFP) and Read India Plus (RI) have very limited recognition. Regarding Hindustan Unilever, 17% of males and 27% of females are aware of the Plastic Waste Management Program (PWM), whereas none of the males know about Project Suvridha (PS). Overall, these CSR initiatives lack significant popularity among customers.

Table.1. Frequency of Gender and Awareness on CSR Programmes of the 3 FMCGs

FMCG	Gender	PJ%	RDAP%	EIA%	RCDP%	N%
Reliance	Male	2.5%	26%	6.25%	40%	36.25%
	Female	0%	26%	1.25%	21.25%	26.25%
FMCG	Gender	EC%	PEP%	AFP%	RI%	N%
ITC	Male	22%	23%	0%	10%	43.7%
	Female	8%	32.5%	5%	8.75%	43.7%
FMCG	Gender	HMB%	PWM%	PS%	DSE%	N%
HUL	Male	7.5%	17.5%	0%	7.5%	52.5%
	Female	8.75%	27.5%	1.25%	6.25%	26.25%

4.2 WEIGHTED AVERAGE OF THE THREE FMCG COMPANIES ON THEIR OVERALL PERFORMANCE

The analysis reveals that the final weighted average (WA) is 1.22, indicating that the majority of respondents have a positive impression of the overall performance of the three companies. The most influential factor is "The quality of the brand products is best" (WAV=1.19). Reliance achieves a weighted average of 1.29, reflecting a favorable overall impression, with equal weightage given to the company's social performance and customer satisfaction (WA=1.19). ITC and Hindustan Unilever share an equal weighted average (WA=1.19), with respondents prioritizing product quality, brand experience, relationship management, and social performance, which collectively enhance their positive perception of these companies.

Cross-tabulation results show that most respondents believe companies engaging in consistent CSR activities can positively impact public perception. Quality is considered the primary factor when purchasing a product. Respondents also perceive that ongoing CSR efforts strengthen brand value. Brand loyalty and trust are established through direct experience with the brand. Among 160 respondents, most view companies with active CSR initiatives as economical and trustworthy. Additionally, respondents agree that a company's image, shaped by its CSR efforts, fosters sustained brand trust. A graphical plot was generated based on the results of weighted average to rank the company's overall performance based on the influential dimensions of CSR (Philanthropic and Ethical).

Table.2. Weighted average results on the three FMCGs base on the statements

Sl. No.	Statements	Reliance			ITC			HUL			Total
		A	D	WAV	A	D	WAV	A	D	WAV	
1	The quality of the brand products is best	144	16	1.10	141	19	1.18	149	11	1.06	1.2
2	The brand has the ability to satisfy all the demands of the customer.	129	31	1.19	141	19	1.18	141	19	1.18	
3	The experience after using the product is satisfactory	140	20	1.13	138	22	1.13	141	19	1.18	
4	The brand provides constant information about their products and services with the customer	123	37	1.20	126	34	1.21	127	33	1.20	
5	The brand follows the ethical and legal standards correctly.	114	46	1.28	130	30	1.18	130	30	1.18	
6	The social performance of the company is satisfactory.	129	31	1.19	137	23	1.14	133	27	1.16	
7	The brand spends more on environmental development than the economical and ethical aspects	86	74	1.46	106	54	1.34	103	57	1.35	
8	The product quality along with the social service makes the brand popular	125	35	1.21	125	35	1.21	129	31	1.19	
9	The constant maintenance of customer relationship makes the company more credible	135	25	1.15	135	25	1.15	136	24	1.15	
10	Products from the brand are safer and budget friendly.	120	40	1.25	122	38	1.23	119	41	1.25	
11	The brand launches programs and platforms for the collecting feedback from the public	140	20	1.26	119	41	1.25	113	47	1.29	
Total Weighted Average of Each Companies		1.29			1.19			1.19			

It shows that all the three companies are maintaining a good philanthropic and ethical responsibility and Reliance being the top at ethical side of CSR. Both ITC and HUL are equal ranking.

5. DISCUSSION AND CONCLUSION

The primary focus of the research is to understand the effect of Corporate Social Responsibility as an emerging trend in the sustainable marketing communication towards the brand building process among the customer with reference to Reliance, ITC, and Hindustan Unilever since the three companies are largest investors on CSR activities in the financial year 2023-24 (*Economic Survey 2023-24*, 2024). It is found that there exists a positive effect between the perceived brand image and CSR. While considering the consumer behavioral aspect of brand image building, such as customer loyalty, customer satisfaction, purchase intention, and brand trust, CSR has a positive impact on the entire factors. The companies that maintain the quality of the product and the CSR activities can build a positive impact on the public, which leads them to become regular consumers of the product. Thus, the findings of the study incorporate the concept of theory (The stakeholders' theory) and Triple Bottom Line Approach. Therefore, CSR positively influences brand trust, purchase intention, brand value of the organisation and customer loyalty.

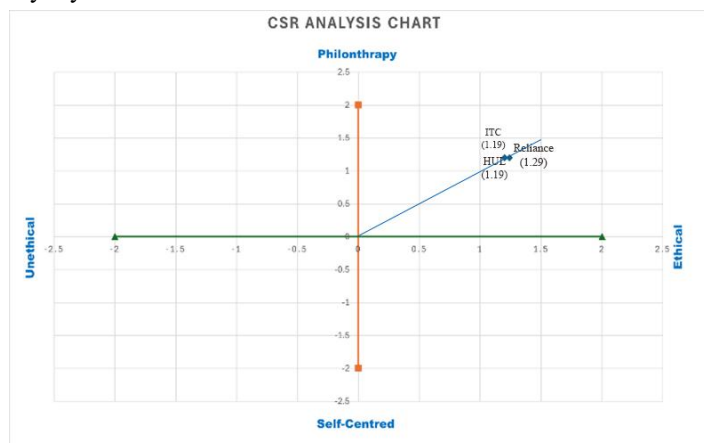


Fig.2. A perpetual mapping based on the weighted average result to rank the overall performance of the three FMCGs

Also, the study shows that a company that uses CSR as a marketing communication strategy gains the trust and loyalty of the customers and thereby influence their purchase decisions. Also, all three brands taken for the study have positive impressions among the potential customer population, and Reliance ranked as the most popular brand. All three companies have a good account of the aspects relating to the value of their products, customer satisfaction aspects, environmental consideration, and economic aspects. While conceptualizing the brands based on the dimensions of CSR, Hindustan Unilever, and ITC were found to have a slightly strong (philanthropic responsibility) CSR base than Reliance whereas Reliance proves to be ethically responsible. From the perception of the external public, CSR as a marketing communication has a positive mediating influence on the brand-building process. Thus, the sustainable dimensions of CSR have a positive influence on the overall performance of the organization. This finding would help

the companies to use CSR communication better to create a long-term commitment with their stake holders.

5.1 LIMITATIONS OF THE STUDY

The study focused only on the perception of potential customers with reference to Reliance, ITC and Hindustan Unilever. The study can be extended to multiple stakeholders such as investors, suppliers and distributors of the companies. Also, the study can be extended by increasing the sample size of the external publics, to get a wider view of CSR perception. Apart from gender further study can focus on the age, educational and occupational status of the external public. A qualitative analysis on the perceptions of both internal and external stakeholders of the companies can be done in the future studies.

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