

A STUDY ON IMPACT OF ADVERTISEMENT OF CSR ON THE PUBLIC

Dr (Mrs) Kasturi Meena
Associate Professor
Government Arts College
Coimbatore

M.R.Lavanya
Research Scholar
Governments Arts College
Coimbatore

ABSTRACT

In today's economic and social environment, issues related to social responsibility and sustainability are gaining more and more importance, especially in the business sector. Business goals are inseparable from the societies and environments within which they operate. Corporate Social Responsibility (CSR) can be understood as a management concept and a process that integrates social and environmental concerns in business operations and a company's interactions with the full range of its stakeholders. The media can be used to seek volunteers from the society or the specific places where the corporations are launching their CSR initiatives. Apart from this, the media can also act as a conscience keeper by constantly reminding corporations about the need to give back to society and to look beyond profits. Finally, the media can also take a critical view of the CSR programs that a corporation claims to run and it can ensure that the corporation is not indulging in "Green Washing" which is the case where a corporation pretends to follow CSR but in reality does not do so.

Key words: *Corporate social responsibility, philanthropic approach, advertisement, corporate image, public awareness*

1. Introduction

In today's economic and social environment, issues related to social responsibility and sustainability are gaining more and more importance, especially in the business sector. Business goals are inseparable from the societies and environments within which they operate. Whilst short-term economic gain can be pursued, the failure to account for longer-term social and environmental impacts makes those business practices unsustainable.

Corporate Social Responsibility (CSR) can be understood as a management concept and a process that integrates social and environmental concerns in business operations and a company's interactions with the full range of its stakeholders.

1.1 What is CSR?

"Only social-welfare-promoting actions performed over and above the economic and legal requirements of business in a country qualify as corporate social responsibility".

1.2 Definition

Business dictionary defines CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates".

1.3 Meaning of CSR

It is a voluntary activities undertaken by a company to operate in an economic, social and environmentally sustainable manner.

1.4 CSR Strategy

This is a firm's road map for accomplishing its obligations in corporate social responsibilities and should consider factors such as stakeholder interests, competitors' CSR inclinations, priority areas, acceptable approach and process for ascertainment of performance.

1.5 Why is CSR important?

- Customers and clients are influenced by a company's **reputation** in social and environmental areas.
- The **employment** market is competitive and good recruits and to work for and stay with companies that care.
- Social performance increasingly influences **investor's** decisions, as the ethical investment market grows ever more quickly.

- CSR enables the **strategic management** of internal and external risks in social as well as environmental areas.
- Existing **socially responsible actions** become more visible and are better communicated.
- Social and environmental responsibility has been demonstrated to **reduce operating costs**.

1.6 Different types of CSR

- **Environmental CSR:**
 - focuses on eco-issues such as climate change.
- **Community based CSR:**
 - businesses work with other organizations to improve the quality of life of the people in the local community.
- **HR based CSR:**
 - projects that improve the wellbeing of the staff.
- **Philanthropy:**
 - businesses donate money to a good cause, usually through a charity partner.

1.7 Need for CSR

Employees want to feel proud of the organization they work for. An employee with a positive attitude towards the company, is less likely to look for a job elsewhere. It is also likely that you will receive more job applications because people want to work for you. More choice means a better workforce. Because of the high positive impact of CSR on employee wellbeing and motivation, the role of HR in managing CSR projects is significant.

- Research shows that a strong record of CSR improves customers' attitude towards the company. If a customer likes the company, he or she will buy more products or services and will be less willing to change to another brand.
- CSR provides the opportunity to share positive stories online and through traditional media. Companies generate free publicity and benefit from word of mouth marketing.
- A CSR program doesn't have to cost money. On the contrary. If conducted properly a company can reduce costs through CSR. Companies reduce costs by:
 - More efficient staff hire and retention
 - Implementing energy savings programs
 - Managing potential risks and liabilities more effectively
 - Less investment in traditional advertising
- A CSR program requires an open, outside oriented approach. The business must be in a constant dialogue with customers, suppliers and other parties that affect the organization. Because of continuous interaction with other parties, your business will be the first to know about new business opportunities.
- CSR is not something for the short term. It's all about achieving long term results and business continuity. Large businesses refer to: "shaping a more sustainable society"

1.8 Role of the Media in Championing CSR

The media can be used to seek volunteers from the society or the specific places where the corporations are launching their CSR initiatives. Further, they can be used to publish articles pertaining to the values and the mission of the company in promoting CSR. An excellent example of this relationship is the way Infosys is covered in the media. There are very few articles which do not mention the respect and the adulation that Infosys commands from the Indian public at large and this has been made possible because of adroit media coverage. The way in which the social initiatives undertaken by Infosys have been covered in the media speaks volumes about how well the company has managed its media coverage. The media have a huge role to play in how CSR is broadcast to the world at large. It is simply not enough for corporations to do their bit for social causes. They must also let the world know so that the public may be inspired and they set an example for society to follow. Apart from creating appealing and conscious ads, corporations must enlist the cooperation and support of media in spreading awareness about CSR to the people at large.

Objectives of the study

- ❖ To know about the various types of CSR activities
- ❖ To know whether the CSR advertisement creating awareness among public
- ❖ To know the CSR advertisements are relevant to reality

2. Review of literature

Corporate Social Responsibility (abbreviated as CSR) refers to the obligation of protecting and improving the public interest that the corporate shall undertake while pursuing legal economic interest. In the 1920s, a British scholar proposed the conception of CSR, but there is no agreed definition till now.

Carroll (1998) found over 25 types of CSR definition according to the statistics of relevant records, and he proposed a classic pyramid model, namely, CSR refers to the expectations of society on the economy, laws, ethnics and free decision (charity), and including economic responsibility, legal liability, ethical responsibility and philanthropy responsibility as for the public perception of CSR

Webster (1975) found that a certain type of consumers would take the public influence of corporate into consideration for private consumption; they would like to purchase the products of the enterprises which possess positive influence on the society, and in this way to promote the better development

of society. This type of consumers is defined as the consumers with social responsibility conscientiousness. After this, scholars have conducted deeper researches on this type of consumers, such as their psychological features, behavior characteristics and the proportion in the society.

Roberts (1995) developed the classic measurement scale of public consciousness on social responsibility and conducted a mass investigation and statistical analysis on the American consumers with social responsibility consciousness

Sen and other scholars (2001) proposed the conception of corporate social responsibility support at the same time, namely, the consumers support the corporation with good reputation of CSR performance, and set this CSR support as an important regulated variable for the CSR influence on the consumer purchase behaviour.

Morh and other scholars (2005) also found that the purchase intention of consumers was affected by the CSR support degree of the enterprise. The higher CSR support degree and more sensitive perception of CSR lead to stronger purchase intention of consumers.

3. Research Methodology

Research is an original contribution to the existing stock of knowledge making for its advertisements. It is the pursuit of truth with the help of study, observation, comparison and experiment. The search for knowledge through objective and systematic method of finding solution to a problem of research. As such, the research refers to the systematic method consist of enunciating the problem, formulating the hypothesis, collecting the facts or data, analyze the facts and reaching certain conclusions either in the form of certain generalisation or for some theoretical formulation.

Methodology is defined as the study of methods by which we generate, collect and evaluate data. Thus research methodology is the systematic way to solve research problem. The methodology used in this study is descriptive one based on the field survey method.

3.1 Area of study

The area of study is Coimbatore city

3.2 Collection of data

The study is mainly based on primary data. First hand information is collected and used in the study. Convenient sampling was used for the collection of data. The sample size is 50. A structural questionnaire was framed for collection of data. The gathered information was then transferred to master table to facilitate an easy analysis for the study. Secondary data were collected from sources like magazines, journals, reports and internet etc...

3.3 Tools for analysis

The following are the tools which are used to analyse this study

- Chi square
- Two way analysis
- Percentage analyse

4. Data Analysis & discussion

The study states that majority (60%) of the respondents are male. 48% of the respondents have completed their under graduate. Majority of the respondents place of residence is urban and semi – urban. Majority of the respondents states that Company's CSR activity towards society is philanthropic approach. The two way analysis reveals that the respondents belongs to the age group belongs to 31 to 40 stated their opinion that the support taken by the company by the media in spreading awareness is moderate

TABLE -1

CHI-SQUARE

TABLE SHOWING THE RELATIONSHIP BETWEEN AGE AND PUBLIC OPINION ABOUT MEDIA FOR CSR

H₀: there is a significant relationship between age and opinion of public about support of media for CSR.

Fo	fe	fo-fe	(fo-fe) ²	(fo-fe) ² /fe
4	3.7	0.3	0.09	0.024324
6	6.66	-0.66	0.4356	0.065405
10	10.36	-0.36	0.1296	0.01251
8	8.88	-0.88	0.7744	0.087207
9	7.4	1.6	2.56	0.345946
1	1.3	-0.3	0.09	0.069231
3	2.34	0.66	0.4356	0.186154
4	3.64	0.36	0.1296	0.035604
4	3.12	0.88	0.7744	0.248205
1	2.6	-1.6	2.56	0.984615
			Total	2.059202

Degree of freedom $= (r-1)(c-1) = 2-1 \times 5-1 = 4$

Level of significance = 5%

Table value = 12.59

Calculated value = 2.68

Inference: The table value is higher than calculated value. Hence, the null hypothesis is accepted so, the respondents opine that companies take the support of media in spreading awareness about csr.

TABLE -2

TABLE SHOWING THE RELATIONSHIP BETWEEN RESIDENTIAL AREA AND THEIR OPINION ABOUT PHILANTHROPIC APPROACH OF CSR

H₀:

There is a significant relationship between residential area and their opinion about philanthropic approach of CSR

Fo	Fe	fo-fe	(fo-fe) ²	(fo-fe) ² /fe
20	21.84	-1.84	3.3856	0.155018
13	11.7	1.3	1.69	0.144444
6	5.46	0.54	0.2916	0.053407
8	6.16	1.84	3.3856	0.54961
2	3.3	-1.3	1.69	0.512121
1	1.54	-0.54	0.2916	0.189351

Degree of freedom $= (r-1)(c-1) = 2-1 \times 3-1 = 2$

Level of significance = 5%

Table value = 12.59

Calculated value = 1.57

Inference: The table value is higher than calculated value, therefore the null hypothesis is accepted. So, there is significant relationship between residential area of people and their opinion about company's philanthropic approach of CSR

5. Research Conclusion

To conclude CSR is all about helping society look beyond profits and hence the media (which is a guardian of public good) has a stellar role to play in this endeavour. It is the need of the corporations to embrace CSR (Corporate Social Responsibility) as a business imperative. The emphasis mostly was on how there are business needs to adopt CSR and it is high time the corporations became socially conscious. Apart from this, the

media can also act as a conscience keeper by constantly reminding corporations about the need to give back to society and to look beyond profits. The research also confirms through responses, that companies take the support of media in spreading awareness about CSR. Finally, the media can also take a critical view of the CSR programs that a corporation claims to run and it can ensure that the corporation is not indulging in "Green Washing" which is the case where a corporation pretends to follow CSR but in reality does not do so.

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