

# “A STUDY ON CUSTOMER PERCEPTION THROUGH CORPORATE SOCIAL RESPONSIBILITY”

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## ABSTRACT

*Corporate Social Responsibility (CSR) refers to business practices aimed at operating ethically, responsibly, and in a manner beneficial to society, with a focus on areas such as environmental sustainability, ethical labour practices, charitable giving, and community engagement. CSR emphasizes the idea that businesses should not only prioritize profit but also contribute positively to societal and environmental well-being. Customer perception, on the other hand, refers to how consumers view a company's actions, values, and overall image, shaped by factors such as product quality, advertising, and CSR involvement. In today's socially conscious market, consumers increasingly evaluate companies based on their CSR activities, aligning their purchasing decisions with their values.*

*There is a growing connection between CSR and customer perception. Companies that engage in CSR initiatives often influence how customers perceive their brand, enhancing customer loyalty, trust, and satisfaction. For instance, companies like Patagonia, TOMS, Ben & Jerry's, Microsoft, and Nike have built strong customer loyalty by integrating CSR into their business models, whether through environmental advocacy, social justice, sustainability, or diversity. However, CSR also presents challenges, such as the risk of "greenwashing," increased operational costs, and potential scepticism about the actual impact of CSR efforts. Despite these challenges, CSR remains a powerful tool for companies seeking to foster positive customer perceptions, differentiate themselves in competitive markets, and build long-term customer relationships.*

*The objectives of CSR include enhancing brand image, fostering customer loyalty, improving financial performance, and contributing to sustainable development. Effective CSR practices can also help companies build trust, create emotional connections, and differentiate themselves from competitors. However, companies must ensure that their CSR efforts are authentic and transparent to avoid backlash or alienating customers. Ultimately, CSR offers both advantages and potential disadvantages in shaping customer perception, with its success largely dependent on the company's genuine commitment to social and environmental impact.*

**KEYWORDS;** *Responsibility, customer perceptions, sustainability, loyalty, accessibility, . Ethical practices, campaigns, effectively.*

## INTRODUCTION:-

Corporate social responsibility refers to the practices and initiatives that business adopt to operate in ways that are ethical, socially ,responsible and beneficial to society. These efforts often focus on areas such as environmental sustainability ethical labour practices, charitable giving and community engagement CSR is grounded in the idea that business should not only focus on generating profit but also contribute positivity to the welfare of the broader community and environment.

Customer perception on the other hand is how consumers view or interpret companies actions, values and image.It is shaped by factors such as the quality of product or services brand reputation, advertising and increasing the company's involvement in CSR activities.Customers today are more conscious of how business impact society and the environment and they often assess companies based on their ethical practices and social contributions.

There is a growing connection between CSR and customer perception.Companies that engage in CSR initiatives can influences how customers perceive their brand, potentially enhancing customer loyalty, trust, and

satisfaction. Consumers may be more inclined to support brand that demonstrate a commitment to social responsibility, as they feel their purchasing decision align with their values. In contrast, companies perceived as indifferent to social issues or unethical in their practices may risk alienating customers. CSR is not just a business strategy but also a powerful tool for shaping customer perception and fostering long term customer relationships.

Here are a few current examples that highlight the link between corporate social responsibility and customer perception

1) Patagonia:- Environmental sustainability: Patagonia is widely recognised for its commitment to environmental sustainability, one of the most effective CSR strategies in today's business landscape. The company uses recycled materials in its clothing, donates one percentage of sales to environmental causes and the encourages customers to buy less through campaign like “Don't buy this Jacket, promoting responsible consumption.

Customer Perception:- Consumers perceive Patagonia as a socially responsible brand, alliging with their values of environmental stewardship. This has fostered strong brand loyalty and positive customer perception, especially among eco conscious consumers.

2) TOMS Shoes:- One for one campaign:-

TOMS popularised the “one for one” campaign, where for every pair of shoes sold, the company donates a pair to a child in need. Over the years, TOMS has expanded this model to include other products, such as eyewear and water bottles, with similar donations programs.

Customer Perception:- Customers views TOMS as a speciality responsible brand that helps those in need, which boost emotional connection and loyalty customers often associate purchasing TOMS products with the contributing to social Cause improving the overall perception of the brand.

3) Ben & Jerry's:- Social Justice and Climate Change Advocacy:-

Ben & Jerry has long advocated for social justice causes, such as racial equality, climate action and fair trade. The brand activity promote its stance on climate change, supports fair trade practices and has launched campaigns like “save our swirled” to come bat global warning.

Customer Perception:- Many customers, particularly younger, socially aware consumers, appreciate the company's activism and transparency. This commitment to social justice has contributed to a strong positive perception for Ben and Jerry's among its core customer base, enhancing brand loyalty.

4) Microsoft:- Commitment to Sustainability and Accessibility:- Microsoft has set ambitious goals, such as becoming carbon negative by 2030 and creating products designed for a accessibility. The company has also invested in social programmes to support underprivileged communities through education and digital inclusion initiatives.

Customer Perception:- Customers perceive Microsoft as a forward thinking responsible company that care about environmental issues and accessibility. This perception enhance Microsoft reputation as a brand that not only provides innovative products but also contribute positively to society.

5) Nike -Equality and Diversity initiatives:-

Nike has faced its share of controversy but has also been known for its efforts in supporting social issues like racial equality and gender inclusivity. The brand support for athletes like Colin Kheyepernick, who took a stand against racial injustice, was a notable CSR move that sparked both support and criticism.

Customer Perception:- For many Nike stands on social issues has reinforced the brand's image as a company that supports progressive value. Customers who align with those values tend to view Nike positively while others may view it as a company taking bold social stances which strengthens customer loyalty within certain demographics.

Objectives of CSR and Customer Perception:-

Corporate Social Responsibility refers to a company's initiatives to assess and take responsibility for its effects on the environment and social wellbeing. The objectives of CSR include:-

- 1) **Enhancing Brand Image and Reputation:**-Companies engaged in CSR to build a positive public image and Reputation. By contributing to social causes, business aim to be seen as responsible and ethical.
- 2) **Building Customer Loyalty:**-CSR activities can strengthen customer trust and loyalty. When a company supports causes that aligned with the customer's values. It can foster a deeper emotional connection with its audience.
- 3) **Attracting and Retaining Talent:**-Employees are increasingly attracted to companies with a strong commitment to social responsibility. CSR can enhance employee morale. Job satisfaction and retention as workers prefer to be associated with company that aligns with their values.
- 4) **Compliance and Risk Management:**-CSR ensures that a company meets regularity standards and ethical guidelines. It helps mitigate the risk of non compliance with environmental, social and governance standards.
- 5) **Contributing to Sustainable Development:**-One of the main goals of CSR is to promote sustainable practices that protect the environment and contribute to long term societal well being companies often focus on reducing waste, lowering carbon emissions and supporting Environmental Conservation.
- 6) **Improving financial performance:**-Companies practicing CSR effectively can often improve their long term financial performance. Ethical practices and strong reputation lead to better customer retention, positive media attention and can even open new market opportunities.
- 7) **Enhancing relationships with stakeholders:**-CSR helps companies build strong relationship with the wide range of stakeholders including customers, suppliers, investors and local communities. This fosters collaborative hey and positive business environment.

Customer Perception in CSR:-Customer perception is a way consumers view a Company's products, services, and overall reputation. When it comes to CSR, Customer perception is influenced by how a company's social and environmental actions align with their values. Key aspects include:-

- 1) **Trust and credibility:**-Customers often perceive companies that invest in CSR more trustworthy and reliable. If CSR efforts seem authentic, customers are more likely to develop a positive perception of the brand.
- 2) **Emotional connection:**-CSR initiatives can create an emotional bond with customers. For example, companies that focus on environmental sustainability or charity work may appeal to customers who care deeply about those issues.
- 3) **Influence on buying decisions:**-Many customers are willing to support companies that contribute to social or environmental causes CSR can influence purchasing decisions, especially if customers feel that their choice of product or service can make a positive impact.
- 4) **Social influence:**-Customers are also influenced by their social circle. If peers or influencers advocate for a company CSR efforts, it can positively effect how others perceive the brand.
- 5) **Differentiation:**-In competitive markets, customers often use CSR as differentiating factor when choosing between brands. A company known for its responsible business practices can stand out from its competitors.
- 6) **Authenticity and transparency:**-Customers are becoming more discerning and expect transparency in CSR activities. Companies that are genuine in their efforts and openly share the results of their initiatives are viewed more favourably than those with superficial or unsubstantiated claims.

In summary, CSR are not only helps a company achieve its social and environmental goals but also significantly shapes customer perception. Companies that align their values with consumer's interests and communicate their CSR efforts transparently can gain loyalty, trust and a competitive advantage.

Advantages of Corporate Social Responsibility and Customer Perception:-

- 1) **Enhanced Brand Image and Reputation:**-Companies that engage in CSR are often viewed as responsible and ethical, improving their public image. Hey
- 2) **Customer loyalty:**-Customers are more likely to support companies that align with their values, leading to stronger customer loyalty.
- 3) **Attraction and Retention of talent:**-Employees prefer working for companies that contribute positively to society, leading to better talent acquisition and retention.
- 4) **Operational cost savings:**-CSR initiatives such as energy efficiency, waste reduction, or sustainable sourcing can lower operational costs.
- 5) **Risk mitigation:**-By addressing social and environmental concerns, companies can reduce potential risks such as legal issues or consumer boycotts.

Impact on customer perception:-

- Positive perception:-Consumers tend to view brands Involved in CSR initiatives more favourably, associating them with trustworthiness, ethics and care for the community.
- Increased trust and advocacy:-customers are more likely to trust and recommend companies that demonstrate social responsibility.
- Differentiation in the market:-CSR helps brands stand out in competitive markets, especially as consumers become hey more sociallyconscious.

Disadvantages of Corporate Social Responsibility and Customer Perception:-

CSR has numerous advantages, but there are also several disadvantages, especially in terms of customer perception. Some key drawbacks include:-

- 1) Perception of “Green washing”:-when companies engage in CSR activities primarily to improve their public image without making genuine changes, customers may view these actions as superficial or misleading. This is often referred to as “Green washing” and it can damage a brands credibility if consumers feel the company is more interested in PR then in real social impact.
- 2) Increased costs:-CSR initiative can lead to higher operational costs, which companies may pass on the consumers in the form of higher prices. Customers who are sensitive to price may be less supportive of CSR activities if they perceive the cost outweigh the benefits.
- 3) Scepticism About impact:- Customers may beSkepticalabout the actual impact of CSR actions appear to be more about marketing than meaningful change. Customers may perceive these initiatives as ineffective or disingencious.
- 4) Focus shift from core products or services:-sometimes, business focus too much on CSR activities and neglect their core products or services. If customers perceive that the company is prioritising social causes over product quality or customer service, it can lead to dissatisfaction.
- 5) Customer confusion:-if a company engages in CSR but the initiatives are not clearly aligned with its values or mission, customers may become confused or disillusioned. This inconsistency can erode trust and damage the employees relationship with consumers.
- 6) Short term vs long term impact:-CSR initiatives may sometime focus on short term gains, like publicity or immediate customer goodwill, rather than fostering long term, sustainable changes. Customers might perceive this as a lack of commitment to lasting positive social impact.
- 7) Unintended negative consequences:-some CSR initiatives may inadvertently create a negative perception if they are not carefully planned or executed, For instance, a company focusing on environmental sustainability might be criticised for not doing enough or for prioritising one cause over another that customers care about more.

## Conclusion:

In conclusion, Corporate Social Responsibility (CSR) has evolved beyond a business strategy into an essential aspect of how companies are perceived by customers, employees, and the wider community. By prioritizing ethical practices, environmental sustainability, and social contributions, businesses not only work to improve society but also shape customer perception in profound ways. The growing alignment between CSR efforts and consumer values has led to increased customer loyalty, trust, and a stronger emotional connection to brands that demonstrate genuine commitment to positive change. However, while CSR can enhance a company’s reputation and foster long-term relationships, it is not without its challenges, including the risk of “green washing,” scepticism about impact, and the potential for increased operational costs.

Ultimately, CSR can significantly influence customer perception, enhancing brand differentiation, trust, and advocacy. Companies that successfully integrate CSR into their core values and practices can gain a competitive advantage, while also contributing to sustainable development and social welfare. However, to truly succeed, businesses must ensure their CSR efforts are authentic, transparent, and aligned with their broader mission, avoiding superficial initiatives that may damage their credibility. In this way, CSR can be both a powerful tool for enhancing business performance and a meaningful avenue for societal progress.

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