

# CSR-A STUNT FOR VALUE IMPETUS OR TO SERVE SOCIETY

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*Abstract: The present study is to know about the customer opinion on CSR practices. It is treated as a long term strategy for value appreciation rather than service motto. We have undertaken a survey to analyze whether customers believe in CSR practices. we have obtained astonishing results. Most of the respondents felt that companies really do not want to implement CSR with an intention to serve the people but they are doing it to gain the publicity and increase their brand value. Moreover companies are receiving tax incentives for conducting CRM programme .Most of the respondents felt that there may be number of reasons for practicing CSR by the corporate but ultimately it is the people who are benefited by CSR. So it is sure that social welfare is result of CSR activities. It is certain that brand value is certain to increase by practicing CSR. The main reason behind this is companies gain goodwill reputation and positive word of mouth through CSR. In the past companies launch CSR programmes as a part of good intention i.e. to serve the society. But now companies are launching it to increase TRP, GRP which in turn increases profitability and growth. Most of them are of opinion that both the society and companies are benefited by CSR. Society is benefited by their welfare programmes through CSR.*

**Keywords;** CSR, value appreciation, strategy, tax incentives

## INTRODUCTION

**Corporate social responsibility (CSR)** is a business approach that contributes to sustainable development by delivering economic, **social** and environmental benefits for all stakeholders. **CSR** is a **concept** with many **definitions** and practices.

With an increase in consumer pressure for companies to be more socially responsible, making a positive contribution to society is becoming increasingly important. From the perspective of many corporations and business owners, however, social responsibility is often considered the “right thing to do” but not necessarily something that is required nor do many business owners believe social responsibility is able to increase the company’s revenue stream and profitability. These beliefs could not be further from the truth.

## OBJECTIVES OF STUDY

- ❖ To study about the reason for adoption of CSR by corporates
- ❖ To study about the customer opinion on CSR
- ❖ To analyze whether there is impact of brand value for companies which implement CSR
- ❖ To study about the consequences of implementing CSR tor companies
- ❖ To analyze whether customers believe in CSR

## METHODOLOGY OF STUDY

Most of the data is collected through primary survey conducted with a small sample of 400. Only some of the data is collected through secondary source. We have followed random sampling method. We have used percentages method to assimilate the data

## ANALYSIS AND INTERPRETATION

### ❖ REASON FOR ADOPTION OF CSR BY CORPORATES

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Build brand value	32
2.	Free publicity	30
3.	Service	07
4.	Tax benefit	31
	<b>TOTAL</b>	<b>100</b>

**Interpretation;** Most of the respondents felt that companies really do not want to implement CSR with an intention to serve the people but they are doing it to gain the publicity and increase their brand value. Moreover companies are receiving tax incentives for conducting CRM programme

### ❖ CUSTOMER OPINION ON CSR

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Good	95
2.	Bad	05
3.	<b>TOTAL</b>	<b>100</b>

**Interpretation;** Most of the respondents felt that there may be number of reasons for practicing CSR by the corporate but ultimately it is the people who are benefited by CSR. So it is sure that social welfare is result of csr activities

### ❖ IMPACT OF BRAND VALUE FOR COMPANIES WHICH IMPLEMENT CSR

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	High	62
2.	Low	06
3.	Moderate	32
	<b>TOTAL</b>	<b>100</b>

**Interpretation;** it is certain that brand value is certain to increase by practicing CSR. The main reason behind this is companies gain goodwill reputation and positive word of mouth through CSR.

### ❖ CONSEQUENCES OF IMPLEMENTING CSR TO COMPANIES

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Increased profitability	11
2.	Increased image	33
3.	Both 1 and 2	56
	<b>TOTAL</b>	<b>100</b>

**Interpretation;** in the past companies launch CSR programmes as a part of good intention i.e. to serve the society. But now companies are launching it to increase TRP, GRP which in turn increases profitability and growth

### ❖ BENEFITED BY CSR

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Customers/society	11
2.	Companies	39
3.	Both 1 and 2	50
	<b>100</b>	<b>TOTAL</b>

**Interpretation;** most of them are of opinion that both the society and companies are benefited by CSR. Society is benefited by their welfare programmes through CSR. Whereas companies profitability and value is increased

❖ **WHETHER CUSTOMERS ARE BELIEVING CSR**

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Yes	88
2.	No	12
	<b>TOTAL</b>	<b>100</b>

**Interpretation;** now the public is believing in CSR activities as corporate stunt rather than service orientation.

❖ **IMPACT OF CSR ON GROWTH OF COMPANIES**

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Yes , long term growth	75
2.	No impact	25
	<b>TOTAL</b>	<b>100</b>

**Interpretation;** the companies may not get a short term benefit. There will be a value appreciation and escalation certainly in long term perspective

**REVIEW OF LITERATURE**

As social awareness becomes an ever increasing issue for the general public, companies that embrace corporate social responsibility have shown massive gains in terms of trust, brand authority, and even revenue. As I write this, the NFL is embroiled in a debate over whether it is doing enough to take action against players who have committed acts of domestic violence. Several sponsors have already begun to pull their support, costing millions in ad revenue – it remains to be seen what the ultimate fallout will be.

In a recent study conducted by the associate professor of communication at SUNY's School of Media and Communication looked at various factors of the mission statements between Fortune 500 companies to see what separated the top from the bottom. Companies in the top 20 of the Fortune 500 such as Walmart, Chevron, and AT&T actively pursued social responsibility in their mission statement and placed more emphasis on nonfinancial issues than companies found on the bottom of the list.

This goal to not only operate with financial success but also keep the community's local interests in mind has helped separate the top companies apart from their lower-tiered counterparts. While there are more factors at play, social responsibility is a large factor in driving more business as proven by the top 20 companies in the world.

As companies become more active in contributing positively to society, more people hear about it. With social media changing the way brands are viewed by the public, having as much positive exposure as possible is crucial. The more a company is actively involved in their community, the easier it will be for consumers to identify that company in a positive way.

Not only does helping causes, actively participating in sustainability, and making an effort to provide cause-driven marketing provide direct ties to the community that will elicit direct actions from consumers to positively talk about your company, it also presents great opportunities for PR material that can be used for future promotion of your brand.

In a study conducted Echo Research and Cone Communications, ten thousand consumers were asked questions about what they expect from companies. A resounding 90% of respondents said that they would trust companies that demonstrate positive social practices. Over 55% of the consumers stated that they no longer use brands that they feel do not show socially responsible traits which means that companies that are not actively participating in helping society run the risk of alienating their customer base which can have a negative impact on sales and business. As more and more consumers begin to expect social responsibility

from businesses, it is up to the company to embrace this role so they do not risk losing current customers by failing to meet social expectations.

Being socially responsible is not just the correct thing to do or a nice gesture to the community. It has a huge impact on bottom line sales and revenue for companies. Do Well Do Good released study results that revealed important information linking social responsibility with consumer behavior. In the study over 60% of consumers stated that they would buy a new brand if they felt that the cause the company was supporting was one that they also cared about.

More than half of the Americans polled stated that they would go out of their way as much as 10 minutes just to purchase brands and products that supported causes that they also support. Over 70% of all respondents stated that they would pay extra—as much as 22% more on a \$10 product—just to purchase products that support a charity or cause that they believe in.

Consumers are not the only aspect of a business that are impacted by social responsibility. Employees also feel strongly about how the companies they work for demonstrate their care for causes, the environment, and other social aspects that impact them. In the same study by Echo Research, over 80% of corporate employees would strongly consider leaving the company if they found out that the business used child labor to create their products. Almost one-third of employees stated that they would consider moving to another company if their current employers did not donate to charity, and 65% stated that they would consider changing jobs if the company they worked for harmed the environment.

## FINDINGS OF STUDY

- ❖ The objective behind launching CSR programmes is not the service motto but in fact it is to gain profits and growth.
- ❖ CSR is not a short term strategy but it is a long term strategy
- ❖ Customers are believing the CSR as a promotional tactic. they do not bother about the reason or intention behind CSR . They are of opinion that social welfare is achieved through CSR.
- ❖ it is certain that brand value is certain to increase by practicing CSR. The main reason behind this is companies gain goodwill reputation and positive word of mouth through CSR .

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