Consumer Attitude towards Corporate Social Responsibility in Surat City

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Abstract: Companies are increasingly incorporating social responsibility as an important aspect of corporate management. CSR has got popularity and contentious field of study since the 1970s. CSR which has largely been voluntary contribution, by corporate has now been included in law. Now every company has to do CSR activities which come under the guidelines of new companies act, 2013. Primary data for analysis was gathered by preparing questionnaire and distributing among consumers. Result obtained by covering sample of 100 respondents in Surat city. The main purpose of the study is to explore attitude factors that influence to consumers regarding corporate social responsibility. This research covers two factors like affective and conative components. The findings of the study shows that these two factors having significant impact on consumer's attitude towards corporate social responsibility.

IndexTerms - **Consumer Attitude, Corporate Social Responsibility**

I. INTRODUCTION

Contemporary companies implement various social initiatives. Such actions are often taken not only to provide support to beneficiaries of these programmes, but also to bring benefits to companies. Such treatment of social initiatives has led to what is considered as a change of the paradigm from "doing good for the good itself " to "doing good for mutual benefits".

In this new paradigm of social responsibility, social initiatives are treated in a way similar to traditional investments and they are expected to bring business benefits. Benefits for companies in connection with undertaken social initiatives can be considered by analyzing reactions of various stakeholders. Undoubtedly, consumers are one of the most important stakeholder groups for a company.

Research concerning consumer reactions to corporate social initiatives is a relatively new field of study. Foreign publications on this subject began to appear in the second half of the 1990s. In the afore-mentioned studies, it was primarily attempted to prove that the implementation of social programmes brings about favourable consumer reactions, such as a more favourable attitude towards the company, higher consumer loyalty, or a high purchase intent.

II. LITERATURE REVIEW

Lois A. Mohr, Deborah J. Webb and Katherine E. Harris (2001), the paper reported the findings from in-depth interviews of consumers to determine their views concerning the social responsibilities of companies. A typology of consumers whose purchasing behaviour ranges from unresponsive to highly responsive to CSR was developed from the analysis.

Marek Pawlak, Grzegorz Zasuwa (2011), the article constituted an attempt to answer the question whether social initiatives undertaken by a company influence the consumer attitude towards it. The results obtained depicts that when undertaking a social programme, which is not consistent with the company's actions to date, the attitude towards it can even become worse.

Herwina Rosnana, Shamsul Baharin Saihanib , Nuryusmawati Mohd Yusof (2013), the aim of this paper was to examine the relationship between ethical idealism, ethical relativism, materialistic value and personal spirituality towards CSR based on personal moral philosophy model. The multiple regression analysis results indicated that two factors; namely, ethical idealism and materialistic value have significant influence to attitudes towards CSR.

Alessandra Distefano, Vincenzo Pisano(2016), the paper analysed the role of Corporate Social Responsibility (CSR) as a tool for firms to adopt social initiatives and increase their reputation amongst customers. The relation revealed that consumers' attitudes are significantly related to the overall behavioral intentions toward the firm; positive (negative) attitudes toward CSR activities result in positive (negative) consumers' behavioral intentions toward the firm.

Quy Vo Thi and Phung Le Van (2016), the research results showed that among CSR components, economic and charitable responsibilities have a positive impact on Vietnamese customers' repurchase intention at the significance level of 1% and the two other factors at 10%.The findings assumed that CSR components have become factors explaining customers' repurchase intention, especially

for consumer goods, and firms should enforce their corporate social responsibility to capture customers' repurchase intention and in turn increase their customers' loyalty.

III. METHODOLOGY

A) Research Objectives:

1. To identify possible factors influencing attitude of consumers regarding corporate social responsibility.

2. To study impact of attitude factors of consumers towards corporate social responsibility.

B) Research Design:

The study used descriptive research design. The major purpose of descriptive research design is to describe phenomena at given period of time at present. In descriptive research design, cross-sectional design is employed, data from more than one case at one single time is collected & analysed.

C) Data Collection Tools and Procedure:

Primary data are collected by preparing questionnaire. 13 statements were used to measure attitude of consumers for which 5 points Likert scale is used.

Study includes only primary data which were gathered using questionnaire which was distributed in Surat city. Questionnaires were circulated to consumers. For the study, sample size is taken 100.

IV. DATA ANALYSIS

A) Measurement Reliability test using Cronbach's alpha

Table 1 Reliability Statistics

Cronbach's Alpha	N of Items
.896	13

Source: Compiled from primary data

The reliability of survey instrument is satisfactory since the Cronbach's alpha is 0.896.

B) Bartlett's Test of Sphericity

Bartlett's Test of Sphericity is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population. In other words, the population correlation matrix is an identity matrix; each variable correlates perfectly with itself but has no correlation with the other variables under study.

Table 2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.884
Bartlett's Test of Sphericity	Approx. Chi-Square	579.656
	Df	78
	Sig.	.000

Source: Compiled from primary data

As shown in above table, the significance value of Bartlett's Test is 0.0000, this leads to rejection of the idea that correlation matrix is identity matrix.

The Kaiser-Meyer-Olkin (KMO) measure for sampling adequacy is an index used to examine the appropriateness of factor analysis. The KMO value varies from 0 to 1. The KMO value found for this study is 0.884, which is nearer to 1. Hence, this value is acceptable and justifies the appropriateness of factor analysis.

C) Factor Analysis

One of the widely used techniques for data reduction is factor analysis. The analysis summarises a majority of the information in the data set in terms of relatively new few categories, known as factors.

For this study, factor analysis is used to reduce the number of variables that are used to measure the attitude level of respondents. Respondents were asked to rate 13 statements on their attitude level ranging from level 1(strongly agree) to level 5(strongly disagree).

The exploratory factor analysis (EFA) is used for the attitude variables to identify the factors which these variables belong to.

D) Variance explained

It is required that the scale constructed and the components extracted should be able to explain maximum variance in the data. The table shows the cumulative variance. The factors extract extracted in the study are two in number and together contribute 55.82% of total variance.

Table 3 Total Variance Explained

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.914	45.492	45.492	3.747	28.821	28.821
2	1.344	10.336	55.828	3.511	27.007	55.828

Extraction Method: Principal Component Analysis.

E) Rotation Matrix

In such a complex matrix, it is difficult to interpret the factors. Therefore, through rotation, the factor matrix is transformed into a simpler one that is easier to interpret.

The method of rotation used for this study is VARIMAX, which is the most commonly used rotation method. The variance explained by each component before and after the rotation method and it is shown in Table

By this method, it was found that some variables are not clubbed under any of the factor loadings more than 0.5, therefore they are considered for loading on extracted two factors.

Table 4 Rotated Component Matrix^a

	Component	
	1	2
8. I react positively after I get aware of company being socially responsible.	.833	
4. CSR activity is a good way to increase the popularity, so as to attract new customers and increase the company's sales.	.713	
1. There is a linkage between CSR activities and brand building of company.	.679	
11. Companies' engagement to CSR is important to me when I buy from the company.	.662	
12. Companies should avoid doing harm at all cost.	.658	
7. I am analyzing companies on the basis of their contribution towards the society.	.502	
6. Compulsion to perform CSR activity for companies is appropriate.		.856
10. Companies' engagement to CSR is important to me when apply for a job.		.670
3. After CSR activities, I have a positive attitude about the brand of a company.		.656
2. CSR activities help me to create brand image of a company.		.640
5. CSR activities help me to recognize a brand of a company.		.633
13. CSR activities help me to recognize a brand of a company.		.572
9. Companies' engagement to CSR is an important factor if I like the company.		
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

Source: Compiled from primary data

The first factor is called affective component, it explains 28.82 percent of variance and contains variables: 8, 4, 1, 11, 12 and 7. A consumer's emotions or feelings about a particular product or brand constitute the affective component of an attitude.

Conative component is the second factor. It includes variables: 6, 10, 3, 2, 5 and 13. This factor accounts for 27 percentage of variance. The conative component is concerned with the likelyhood or tendency that a consumer will undertake a specific action or behave in a particular way with regard to the attitude object.

It was found from the above table that variable 9 is not clubbed under any of the factor and it is consider as independent variables.
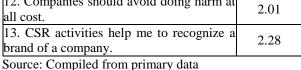
D) Impact of attitude variables towards corporate social responsibility

The impact levels of attitude variables towards corporate social responsibility are identified by calculating the values of sample mean of each variable. Because 5-point scales are used to measure the impact levels of these variables, the mean values of these variables can decide their impact levels towards corporate social responsibility as the following rules:
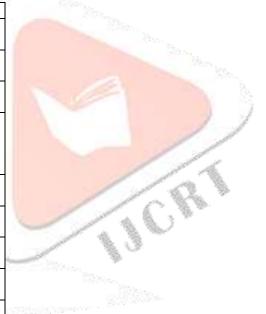
- Mean value is less than 1 show that the variables have very high impact.
- Mean value is from 1 to 2 show that the variables have high impact.
- Mean value is from 2 to 3 show that the variables have moderate impact.
- Mean value is from 3 to 4 show that the variables have low impact.
- Mean value is more than 4 shows that the variables have very low impact.

Table 5 Mean and Standard Deviation of Variables

	Mean	Std. Deviation
1. There is a linkage between CSR activities and brand building of company.	1.72	.85
2. CSR activities help me to create brand image of a company.	2.25	.89
3. After CSR activities, I have a positive attitude about the brand of a company.	2.49	1.15
4. CSR activity is a good way to increase the popularity, so as to attract new customers and increase the company's sales.	1.97	.93
5. CSR activities help me to recognize a brand of a company.	2.20	.86
6. Compulsion to perform CSR activity for companies is appropriate.	2.25	.86
7. I am analyzing companies on the basis of their contribution towards the society.	2.11	.91
8. I react positively after I get aware of company being socially responsible.	2.03	.96
9. Companies' engagement to CSR is an important factor if I like the company.	2.11	1.01
10. Companies' engagement to CSR is important to me when apply for a job.	2.59	.98
11. Companies' engagement to CSR is important to me when I buy from the company.	2.37	.96
12. Companies should avoid doing harm at all cost.	2.01	1.03
13. CSR activities help me to recognize a brand of a company.	2.28	1.05

Source: Compiled from primary data

In the dimension of affective component, 4 and 1 variables at high degree and 8, 11, 12 and 7 variables at moderate degree of attitude towards corporate social responsibility, with the means of each variable of 1.97, 1.72, 2.03, 2.37, 2.01 and 2.11 respectively. .

In the dimension of conative component, 6, 10, 3, 2, 5 and 13 are the variables which influence consumer attitude towards corporate social responsibility. All variables at moderate degree, with the means of each variable 2.25, 2.59, 2.49, 2.25, 2.20 and 2.28 respectively.

V. CONCLUSION

The study is concluded by justifying the answers for the research objectives. Firstly, there are two components that affect attitude of consumers towards corporate social responsibility, namely affective and conative components. Secondly, most of the above mentioned attitude variables influenced by two components i.e. affective and conative have moderate impacts on consumer attitude on towards corporate social responsibility.

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