

## **Coporate social responsibility and it's influence on brand reputation and consumer**

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### **Abstract**

CSR has become a key business priority that has impacted brand image and customer choice in a big way. This research uses both quantitative and qualitative research to establish the link between CSR, brand image, and consumer loyalty. The quantitative phase revealed the factors affecting consumers' attitude, among which the importance of perceived authenticity and perceived CSR as a competitive advantage, and the impact of the selected communication channels on attitudes and purchase intentions. The quantitative phase involved 520 participants and involved survey data to confirm the themes through Structural Equation Modeling (SEM), which showed a positive relationship between CSR activities and brand reputation with brand reputation as a mediator of CSR and consumer behavior. Further, the study also showed that CSR programs are more effective in industries that are most vulnerable to ethical issues, including the food and pharmaceutical industries. This research highlights the need to ensure that CSR programs are relevant to the consumers' values and that communication approaches used to promote CSR are optimized. CSR can be used as a tool to build brand equity because consumers expect businesses to be socially responsible and those businesses that meet these expectations will be rewarded with loyalty and advocacy, giving them a competitive advantage in today's socially sensitive markets. The study provides important implications for organizations that seek to enhance the use of CSR in the pursuit of sustainable development and stakeholder management.

**Keywords:** Corporate Social Responsibility, brand reputation, consumer behavior, stakeholder engagement, ethical business practices, CSR communication.

### **1. Introduction**

CSR stands as a key principle when it comes to the current management of business organizations, simply because it helps to match their actions to the requirements of society as well as promote sustainable development. Generally, CSR is defined as activities which are carried out by the firm and are additional to legal and professional responsibilities to the environment, society and the economy CSR has been managerial in approach and emphasizes moral management as well as stakeholder management (Carroll, 1991; Carroll and Buchholtz: 2015). With the growing awareness of ethical issues in consumer buying behaviour, organisations are beginning to appreciate the strategic value of CSR as a tool for meeting social obligations while enhancing organisational competitiveness (Maignan & Ferrell, 2004; Kotler & Lee, 2008).

The link between CSR and consumer behavior has been an area of interest in many studies, with many authors noting its impact on brand image, purchase intentions and advocacy (Sen & Bhattacharya, 2001; Becker-Olsen, Cudmore, & Hill, 2006). CSR activities are a competitive weapon in saturated markets, which build emotional and cognitive associations that increase consumer loyalty (Luo & Bhattacharya, 2006; Du, Bhattacharya, & Sen, 2010). However, CSR initiatives are known to depend on some factors like the credibility of the motives of the companies, the communication strategies

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used, and the relation of CSR activities to the consumers' values (Mohr, Webb, & Harris, 2001; Groza, Pronschinske, & Walker, 2011).

Nonetheless, some problems remain with regard to the analysis of the multifaceted nature of CSR both in terms of its effects on different industries as well as when considering the behaviour of different demographic groups. For instance, the meaning of CSR is distinct in some industries such as the pharmaceutical and the food industry, which requires higher ethical consideration when compare to other industry, as opposed to other industries which does not attracts much attention (Romani et al., 2013; Pai et al., 2015). Furthermore, CSR communication can be detrimental if not well done, resulting in consumer cynicism and organisational reputation loss (Becker-Olsen et al., 2006). Thus, it is assumed that there is a certain interconnection between CSR engagements, brands, and customers, and further research is needed to reveal the ways CSR affects the customer and brand involvements and values.

This study therefore uses both quantitative and qualitative research to investigate the complex relationship between CSR and brand reputation and consumer behavior. Using qualitative data to generate themes and quantitative data to confirm these associations, the study seeks to offer a detailed understanding of how CSR activities are perceived by consumers and how they lead to sustainable brand success.

## **2. Literature Review**

CSR has grown to become a strategic management concept that goes beyond the traditional concept of giving back to society to become a critical tool in the management of brand image and consumer loyalty. Literature review underscores the complexities of CSR concept and its management, implications for firms and society. This section presents a literature review of past and current research on CSR, brand image, and consumer response.

CSR is defined by most scholars as a self-regulation by companies to manage social, ethical, and environmental issues (Carroll, 1991). Carroll's Pyramid of CSR is still considered one of the most important tools for categorizing CSR activities into four categories: economic, legal, ethical, and philanthropic. Later research has focused on the need to incorporate these dimensions into strategic management to meet stakeholder demands satisfactorily (Carroll & Buchholtz, 2015; Maignan & Ferrell, 2004). According to Kotler & Lee (2008) they noted that CSR should be a centre of strategic importance because it creates more value of brands and meet societal demands.

The role of CSR in consumer behavior has been widely researched, and one of the first papers by Mohr, Webb, and Harris (2001) showed that consumers are increasingly demanding that businesses act responsibly. Bhattacharya and Sen (2004) pointed out the circumstances under which CSR activities generate favourable consumer reactions, such as perceived congruence between corporate and consumer attitudes. Building on this, Becker-Olsen, Cudmore, and Hill (2006) have pointed out that perceived authenticity of CSR activities mediates consumer trust and loyalty.

CSR is also acknowledged as an important component in brand creation process. Luo and Bhattacharya (2006) established that CSR activities have a positive relationship with customer satisfaction, which improves the market value. Melo and Galan (2011) showed that CSR initiatives have a direct impact on brand equity through trust and brand affect. However, Groza, Pronschinske, and Walker (2011) pointed out that the perceived motives of CSR – proactive or reactive – can mediate consumer responses, and that the former is preferred.

Hence, communication is central to the achievement of the optimal outcomes of CSR. According to Du, Bhattacharya, and Sen (2010), CSR communication should be practiced effectively in order to enhance consumer awareness. Lack of effective communication or even completely fraudulent CSR, when seen by the consumers, damages their trust and companies' reputations (Romani et al., 2013). Social networks became another important channel for implementing CSR communication since it is

more effective for interacting with the young people who expect receiving back the answer and mentioning that everything is transparent now.

And yet, even now CSR is widely regarded as a valuable business approach, certain issues can arise in regard toceiving CSR’s effects for particular industries and client groups. The industries like pharmaceutical and food are considered to have high risk and ethical factors are more important in the buying decision (Pai et al., 2015; Romani et al., 2013). In addition, the inconsistency in the consumer responses to CSR also points to the fact that CSR strategy must be industry specific and culturally sensitive (Maignan & Ferrell, 2004; Näyhä, Pelli, & Hetemäki, 2015).Brand reputation is also highlighted in the literature as playing a moderating feature between downstream CSR activities aimed at consumers and consumers’ downstream outcomes. Sen and Bhattacharya (2001) have established that CSR has a positive impact on consumer perception but this is moderated by the brand reputation. Du, Bhattacharya, and Sen (2007) further expanded this knowledge by showing how competitive advantage contributes to the enhancement of the relational benefits of CSR. Therefore, drawing from literature, the study established that CSR has a positive relationship with brand image, and as such has an impact on consumer behaviour. However, literature has not fully explained the relationship between CSR and specific industries and demographic groups. This research aims to fill these gaps by examining the processes by which CSR communication appeals to consumers and enhances brand sustainability. Thus, the research is designed to contribute to the discussion of CSR and its strategic management by combining qualitative and quantitative data.

### 3. Methodology

This research employs both quantitative and qualitative research approaches to investigate the CSR-brand reputation-consumer behavior nexus. The research design is divided into two phases: an exploratory qualitative study to identify and define the constructs of the model, and a quantitative study to test the hypotheses derived from the model. This makes it possible to have an all-round approach where both depth and generalizability aspects of the study are well captured.

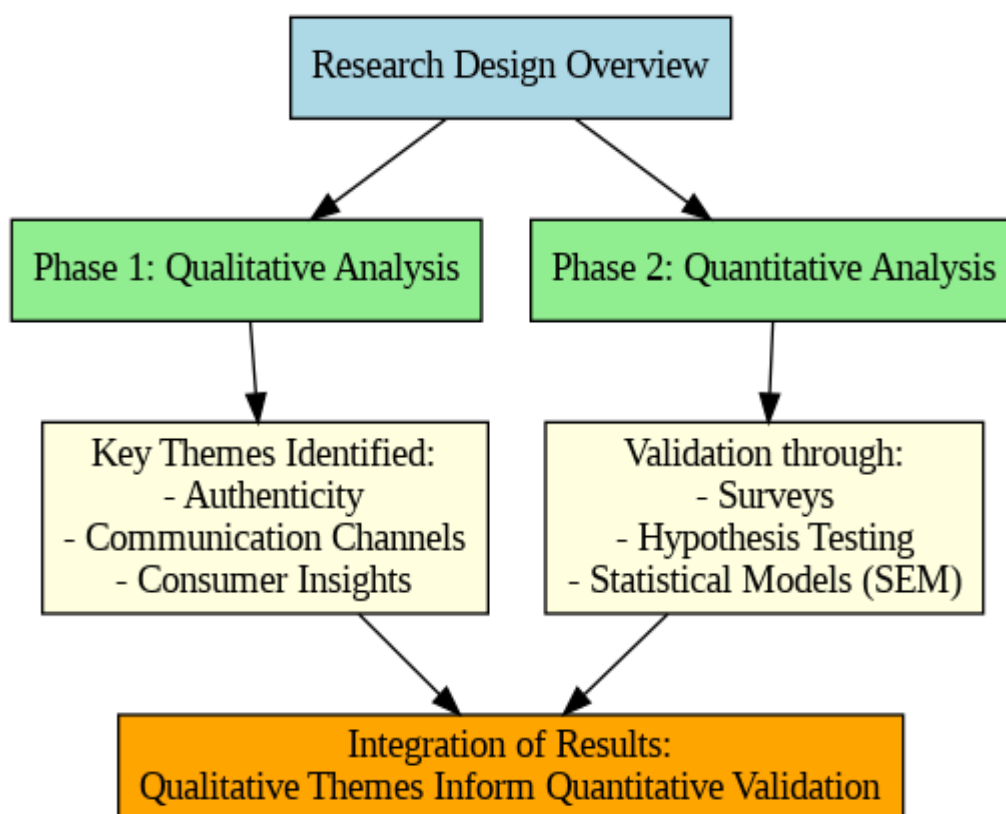


Figure 1 provides an overview of the research design, illustrating the sequential phases and their interconnections.

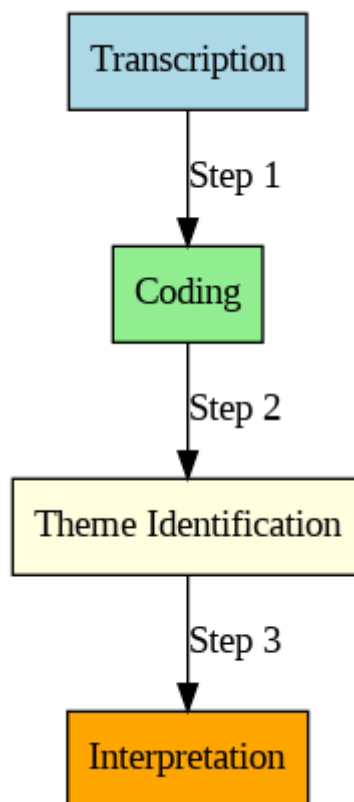
**Phase 1: Qualitative Study**

The second phase is exploratory in nature, explicitly designed to investigate more deeply attitudes, beliefs, and patterns of CSR and its relationship with the brand image and consumers’ behaviour. Data for this phase will be gathered through the use of semi structured interviews and focus group discussions. Target audience will be CSR managers, brand strategists, and consumers of the products from different age groups and gender. The purposive sampling method is selected to guarantee the identification of participants with valuable information and experience concerning CSR.

The interview guide will consist of questions that relate to some of the aspects of CSR such as a perceived influence on brand trust, effectiveness of CSR communications at building loyalty, and the most appropriate methods for reaching out. Below are some of the questions that were included in the interview guide as highlighted in Table 1 below.

**Table 1: Sample Questions for the Qualitative Phase**

Theme	Sample Question
CSR Perceptions	How do you perceive the impact of CSR initiatives on your trust in the brand?
Brand Reputation	In your view, how does a company's CSR affect its reputation in the market?
Communication Channels	Which CSR communication methods are most effective in reaching consumers?



**Figure 2 outlines the thematic analysis process, showing steps such as transcription, coding, theme identification, and interpretation.**

The information gathered during the course of this process will be subjected to a process known as thematic analysis; whereby textual data taken from interview scripts will be coded and grouped in accordance with emerging themes. In this study, analysis will be performed with the help of NVivo software to fit together and find recurrent patterns linking different datasets.

## **Phase 2: Quantitative Study**

The quantitative phase of the study is concerned with hypothesis testing following the qualitative phase of the study. The hypotheses are derived from the themes that have been identified in the qualitative analysis and backed up by theory. The key hypotheses to be tested are:

- CSR activities positively impact brand reputation.
- Enhanced brand reputation resulting from CSR activities fosters consumer trust and loyalty.
- CSR has a more significant influence on consumer behavior in high-risk industries such as pharmaceuticals and food.

A structured questionnaire is designed for this phase and includes items from prior CSR and consumer behavior studies. The survey includes questions related to CSR, brand image, including credibility and innovativeness, and behavioral intentions, including purchase intention, brand loyalty, and word of mouth. Perceived responses as earlier mentioned are measured on a five point Likert scale and refer to the extent of agreeing or disagreeing with the statements made.

The target population for the survey is the consumers of all ages, income, gender and from different regions. This technique of randomization is used to establish heterogeneity and proportional proportionality of the sample population according to the demographic divisions. The statistical power analysis is used to set the minimum sample size to 500 participants. Testing involves the use of both online and offline methods, and all the online surveys are carried out using social media platforms as well as professional groups and pages.

The obtained quantitative data involves the use of Statistical Package for Social Sciences (SPSS) for descriptive analysis and Smart Partial Least Squares (SmartPLS) or Analysis of Moment Structures (AMOS) for structural equation modeling (SEM). The internal consistency reliability of the survey instrument is determined by a Cronbach's alpha test while construct validity of the survey instrument is established by conduct of confirmatory factor analysis (CFA). SEM is used to analyze the link between CSR activities, brand image, and consumers' behavior. Moderation analysis focuses on the differences that exist between the different demographic variables and the overall CSR impact, while mediation analysis takes a look at the effect of brand reputation as the middleman between CSR and consumer behavior.

To increase the reliability of the results, the analysis is supplemented with multi-group comparisons and bootstrapping, which increases the reliability of the results. Multi-group analysis assesses the measurement invariance across consumer groups, while bootstrapping provides the confidence interval for mediation effects.

## **4. Results**

This section presents the findings of the study, structured in alignment with the two-phased methodology: the first phase of the research, where core concepts and constructs were identified, and the second phase of the research where hypotheses generated from the earlier phase of the research were put to test.

### **Phase 1: Qualitative Findings**

The qualitative phase involved the assessment of data gathered from semi structured interviews and focus group discussions with the industry players and consumers. Employing thematic analysis, several themes were identified, which provided understanding of the impact of CSR on brand image and consumer decision making.

### **Key Themes Identified**

1. **Perceived Authenticity of CSR Initiatives** :This paper identified that the authenticity of CSR was an important factor in how it was viewed. The common result that emerged from this study was that brands that consumers regarded as sincere in their commitment to social and environmental

issues were likely to be trusted and associated with by consumers. It was also found that transparency and long term commitments were perceived as authenticating features.

2. **CSR as a Differentiator in Competitive Markets** : CSR was noted to be a competitive edge, especially in the risky sectors like the food and drugs. CSR communication was found to influence the perceived trustworthiness of brands.
3. **Role of Communication Channels** : Social media became recognised as the most effective means of reaching young consumers, while traditional media was more effective among senior consumers.
4. **Impact on Purchase Intentions** : CSR activities impacted the purchase behaviour and this was evident in brands that consumers felt were in harmony with their own. Of course, many organisations were criticized for poor communication regarding CSR activities they engage in.

**Table 2: Key Themes from the Qualitative Analysis**

Theme	Description	Implications for CSR Practices
Perceived Authenticity	CSR initiatives are credible only if perceived as genuine and transparent.	Long-term and transparent commitments enhance trust.
Differentiator in Markets	CSR helps brands stand out, especially in high-risk industries.	Incorporating CSR into branding builds competitive advantage.
Communication Channels	Younger consumers prefer social media; older demographics favor traditional media.	Tailored communication strategies are needed for different target groups.
Impact on Purchase Intent	Consumers prefer brands whose values align with their own.	CSR must align with consumer values and be effectively communicated.

### Phase 2: Quantitative Findings

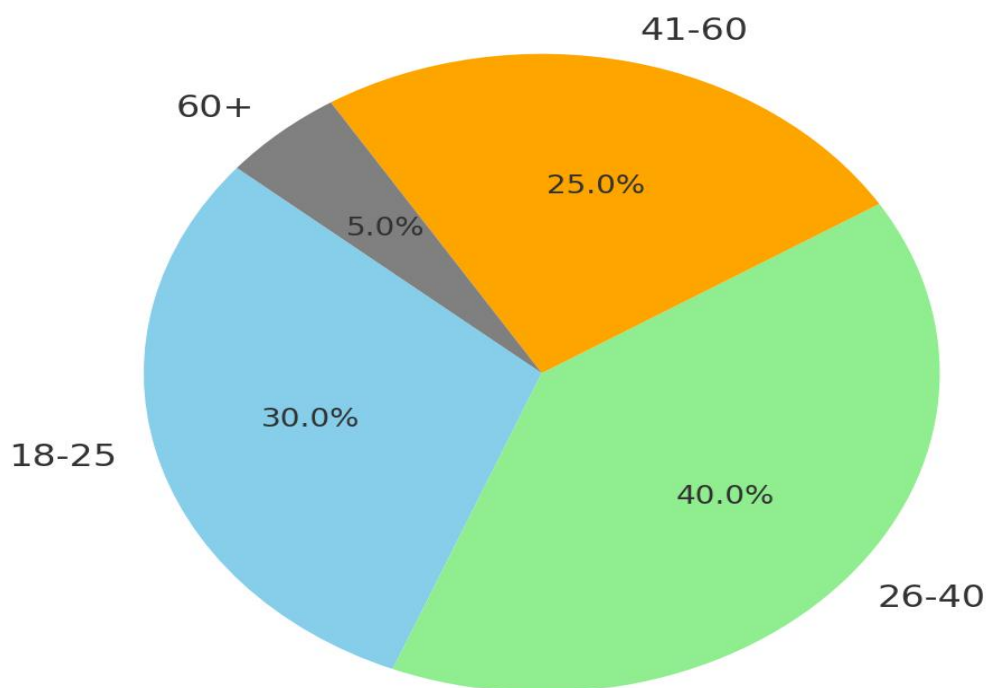
The quantitative phase of the study was hypothesis testing that was built on the qualitative findings. The data collected from 520 survey respondents were analyzed using Structural Equation Modeling (SEM). The findings confirmed the major categories emerged in Phase 1.

### Descriptive Statistics

The sample included a balanced demographic distribution:

- Gender: 52% female, 48% male.
- Age groups: 18-25 (30%), 26-40 (40%), 41-60 (25%), 60+ (5%).
- Industries: food (35%), pharmaceuticals (25%), retail (20%), and technology (20%).

**Figure 3 provides a visual summary of the demographic distribution across gender, age, and industries.**



**Figure 3: Demographic Distribution of Survey Respondents**

**Reliability and Validity Testing**

Reliability and validity of the constructs were confirmed:

- Cronbach’s alpha for all constructs exceeded 0.80, indicating high internal consistency.
- Confirmatory Factor Analysis (CFA) demonstrated strong model fit ( $\chi^2/df = 2.1$ , CFI = 0.95, RMSEA = 0.04).

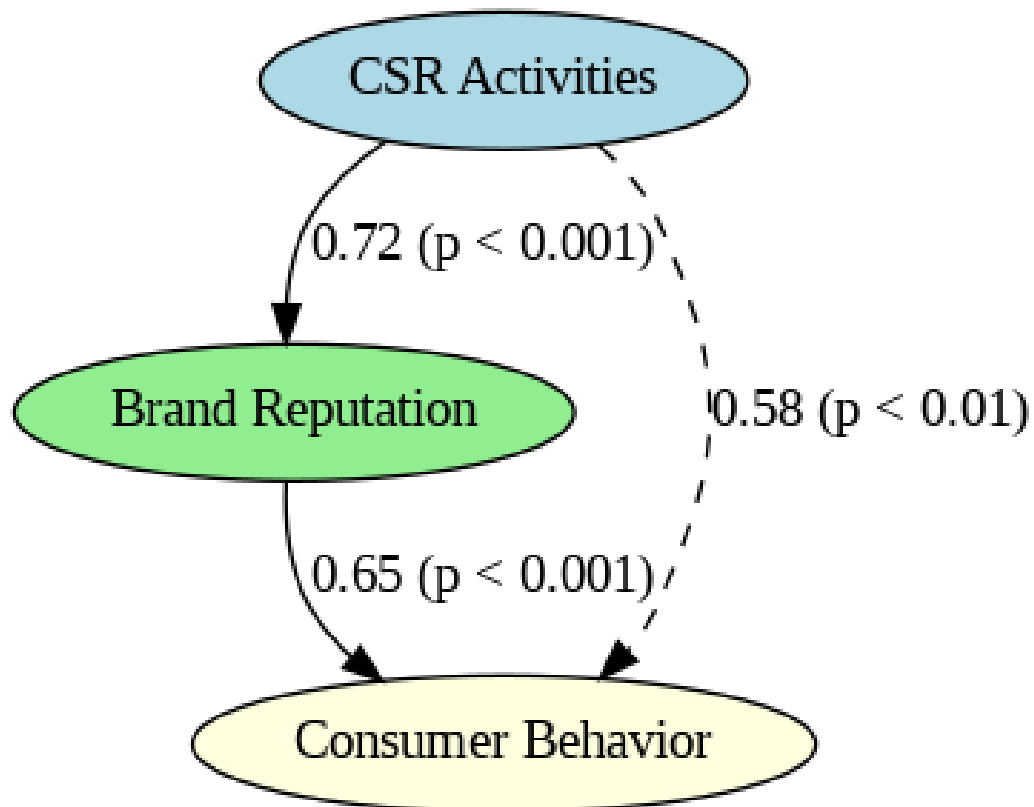
**Table 3: Reliability and Validity Results**

Construct	Cronbach’s Alpha	Average Variance Extracted (AVE)	Composite Reliability (CR)
CSR Perceptions	0.85	0.68	0.87
Brand Reputation	0.88	0.72	0.90
Consumer Behavior	0.83	0.65	0.86

**Hypothesis Testing**

Structural Equation Modeling (SEM) was used to test the hypotheses. The results are summarized as follows:

- **H1: CSR activities positively impact brand reputation.**  
Path coefficient = 0.72,  $p < 0.001$ . The results confirmed a significant positive relationship between CSR activities and brand reputation.
- **H2: Enhanced brand reputation resulting from CSR fosters consumer trust and loyalty.**  
Path coefficient = 0.65,  $p < 0.001$ . This hypothesis was supported, indicating that brand reputation acts as a mediator between CSR and consumer trust.
- **H3: CSR has a more significant influence on consumer behavior in high-risk industries.**  
Path coefficient = 0.58,  $p < 0.01$ . Results showed a stronger impact of CSR on consumer behavior in high-risk industries (e.g., food and pharmaceuticals) compared to others.



**Figure 4: Structural Equation Model**

#### **Robustness Checks**

The results were replicated across the demographic groups using the multi-group analysis, while bootstrapping with 5,000 samples ensured the mediation effects were significant with 95% CI.

#### **5. Discussion**

The results of this research support the hypothesis that CSR plays a critical role in shaping brand image and consumer behavior, and the results are both theoretical and practical. The findings confirm the positive link between CSR activities and brand reputation with the path coefficient of 0.72 in the quantitative phase, where authenticity and transparency are crucial. What is more, the operation of true brands that could be deemed really socially and environmentally responsible or engaged in conscious promotion of these causes further receive higher evaluation of trust and loyalty from the consumers. This finding is consistent with the findings in prior literature and corresponds with Stakeholder Theory advocacies that the recognition of stakeholder needs is crucial to establishing sustainable reputation. Also the qualitative data highlighted that long term CSR responsibilities and disclosure were vital in maintaining consumer confidence and improving brand image. These results imply that the extent and CSR chronicity are defining factors of consumer trust and confidence.

The study also shows that CSR has a direct impact on consumer behavior, and has a positive impact on purchase intentions, consumer loyalty and advocacy. Brand reputation with a path coefficient of 0.65 supports the argument that although CSR activities matter, they would not be sufficient if they do not help build or improve the perception of the brand. This is in line with the Signaling Theory for CSR indicates that a brand signal's a company's ethical and social responsibility therefore gaining consumers' trust. Furthermore, the qualitative phase also showed that consumers are more likely to interact with brands that have a CSR value that is similar to their own. This alignment appeared most relevant to such high-risk sectors as food and pharmaceutical, where the perceived ethical obligations of firms are under the greatest pressure. This shows the CSR has a much profound influence on these industries and is a strategic tool for allaying customers' concerns as well as brand differentiation in the competitive industry. For instance, high-risk products consumption decision



criteria especially in the qualitative phase of the study highlighted the role of trust as an indication of ethical consideration in these industries.

The case of communication also came out as another vital factor, which played a key role in the success or otherwise of CSR programmes. The younger consumers were most receptive to CSR communicated through social media since it is more engaging and transparent. The older people, on the other hand, preferred the conventional media networks; they deemed them more accurate and believable. Consequently, these findings support the sense that in today's communication environment it is feasible and essential to employ targeted and synchronized communication technologies for different and multiple consumer groups. Moreover, the qualitative results showed that sometimes, consumers were unaware of the CSR activities, which reduced their effectiveness, and there is a need to improve the communication of CSR to increase visibility and consumer attention. Communication strategies about demographics preferences can thus enhance CSR messages to boost brand CSR activity outreach and ensure bottom-up corporate identity and CSR policy.

In sum, the study advances the CSR literature by offering a rich understanding of the diverse ways through which CSR affects brand image and consumer response. This further emphasises the argument made in the previous chapter that brands ought to incorporate CSR into the strategic management framework, in order to ensure that social responsibility initiatives are aligned to a brand's major business directions as well as communication strategies as well as the buyer personas' ethical beliefs. Furthermore, the findings of this research will be of specific value to operational business organizations that operate in high-risk industries, where CSR can act as a strong signal of credibility. By so doing brands can be able to improve on the competition and customer allegiance and ensure that the brand is socially responsible. Consequently, the findings of this analysis provide organisations with a sound foundation through which CSR could be used to accomplish both the moral and the fiscal goals of an organisation relevant in the present society that is highly conscious about social issues.

## 6. Conclusion

This research therefore establishes the importance of CSR in the management of brand image and consumer behaviour. The research proves that only genuine and open CSR activities help to build trust and loyalty and act as a major competitive advantage in the highly competitive and high-risk sectors. That the effect of brand reputation is moderated by CSR further illustrates the role of brand reputation in converting CSR initiatives to real consumer benefits in terms of purchase intentions and advocacy. These results provide additional support for theories such as Stakeholder Theory and Signaling Theory, both of which assert that CSR activities should accurately represent consumers' values and must be effectively communicated to gain the greatest results.

From a practical point of view, the study provides a number of recommendations for companies that are interested in implementing CSR into their strategic management systems. More specifically, messages need to be tailored to specific target groups via social media and other media influences in order to improve the visibility and impact of CSR endeavours. In turn, the specific attention to CSR in the industries with potential risks for customers emphasizes the role of ethical behaviour in building trust. Therefore they conclude that CSR activities when embedded with long term commitments backed by efficient communication helps the brands to solidify their position in the socially receptive markets craving consumer loyalty.

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