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Role of Corporate Social Responsibility on Purchase Intention and its Consumer view

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Abstract: Corporate Social Responsibility (CSR) has emerged as a critical factor influencing consumer behaviour in the modern marketplace. This study explores the impact of CSR on purchase intention from a consumer perspective, focusing on the mediating roles of satisfaction, brand image, brand loyalty, perceived CSR, and perceived reputation. A quantitative research method is used to collect data from 400 respondents in Lucknow, India, and analysed using structural equation modelling (SEM). The findings reveal that perceived CSR significantly influences purchase intention, with satisfaction, brand image, and brand loyalty acting as key mediators. Additionally, perceived reputation plays a crucial role in shaping consumer attitudes toward socially responsible brands. The study provides valuable insights for businesses aiming to leverage CSR initiatives to enhance consumer satisfaction, build brand loyalty, and improve purchase intention.

Keywords: Corporate Social Responsibility (CSR), Purchase Intention, Consumer Satisfaction, Brand Image, Brand Loyalty, Perceived Reputation, Consumer Behaviour.

I. INTRODUCTION

1.1 Background

In recent years, Corporate Social Responsibility (CSR) has gained significant attention as businesses increasingly recognize the importance of contributing to societal and environmental well-being. CSR refers to a company's commitment to operate in an economically, socially, and environmentally sustainable manner while balancing the interests of diverse stakeholders (Bowen, 1953). From a consumer perspective, CSR is no longer just a corporate obligation but a critical factor influencing purchasing decisions. Consumers are increasingly drawn to brands that demonstrate ethical practices, environmental stewardship, and social responsibility (Carroll, 1991).

1.2 Research Problem

Despite the growing emphasis on CSR, there is limited understanding of how CSR initiatives influence consumer behaviour, particularly in emerging markets like India. While prior research has explored the relationship between CSR and consumer satisfaction, brand loyalty, and purchase intention, the mediating roles of brand image and perceived reputation remain underexplored. This study aims to address this gap by examining the impact of CSR on purchase intention through the lenses of satisfaction, brand image, brand loyalty, perceived CSR, and perceived reputation.

1.3 Research Objectives

The primary objectives of this study are:

- 1. To examine the impact of perceived CSR on consumer satisfaction.
- 2. To explore the relationship between perceived CSR and brand image.
- 3. To analyse the influence of perceived CSR on brand loyalty.
- 4. To investigate the role of perceived reputation in shaping consumer attitudes toward CSR.
- 5. To assess the impact of CSR on purchase intention, mediated by satisfaction, brand image, and brand loyalty.

1.4 Research Questions

- 1. How does perceived CSR influence consumer satisfaction?
- 2. What is the relationship between perceived CSR and brand image?
- 3. How does perceived CSR impact brand loyalty?
- 4. What role does perceived reputation play in shaping consumer attitudes toward CSR?
- 5. How do satisfaction, brand image, and brand loyalty mediate the relationship between CSR and purchase intention?

1.5 Significance of the Study

This study contributes to the growing body of literature on CSR and consumer behaviour by providing a comprehensive framework that integrates satisfaction, brand image, brand loyalty, perceived CSR, and perceived reputation. The findings offer practical insights for businesses seeking to enhance their CSR strategies to improve consumer satisfaction, build brand loyalty, and increase purchase intention.

II. LITERATURE REVIEW

2.1 Corporate Social Responsibility (CSR)

CSR refers to a company's commitment to contribute to societal well-being through ethical business practices, environmental sustainability, and social initiatives (Carroll, 1991). According to the World Business Council for Sustainable Development (WBCSD), CSR is "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (WBCSD, 1999).

2.2 Consumer Perspective on CSR

From a consumer perspective, CSR is increasingly seen as a critical factor influencing purchasing decisions. Consumers are more likely to support brands that align with their values and demonstrate a commitment to social and environmental causes (Mohr et al., 2001). Perceived CSR refers to how consumers view a company's social responsibility initiatives, and it plays a crucial role in shaping consumer attitudes and behaviours (Sen & Bhattacharya, 2001).

2.3 Satisfaction

Consumer satisfaction is a key outcome of CSR initiatives. When consumers perceive a company as socially responsible, they are more likely to feel satisfied with the brand, leading to increased loyalty and repeat purchases (Luo & Bhattacharya, 2006). Satisfaction acts as a mediator between perceived CSR and purchase intention, as it enhances the overall consumer experience and fosters positive brand associations.

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2.4 Brand Image

Brand image refers to the overall perception of a brand in the minds of consumers. CSR initiatives can significantly enhance brand image by creating positive associations with ethical and sustainable practices (Brown & Dacin, 1997). A strong brand image, in turn, influences purchase intention by increasing consumer trust and loyalty.

2.5 Brand Loyalty

Brand loyalty is the tendency of consumers to repeatedly purchase from a particular brand. CSR initiatives can foster brand loyalty by building emotional connections with consumers and reinforcing brand values (Du et al., 2007). Loyal consumers are more likely to recommend the brand to others and remain committed even in the face of competitive offerings.

2.6 Perceived Reputation

Perceived reputation refers to how consumers view a company's overall credibility and trustworthiness. CSR initiatives can enhance a company's reputation by demonstrating its commitment to social and environmental causes (Fomburn & Shanley, 1990). A strong reputation, in turn, influences consumer attitudes and behaviours, including purchase intention.

2.7 Purchase Intention

Purchase intention refers to the likelihood of consumers purchasing a product or service. CSR initiatives can positively influence purchase intention by enhancing consumer satisfaction, building brand loyalty, and improving brand image (Pomering & Dolnicar, 2009). Consumers are more likely to choose brands that align with their values and demonstrate a commitment to social responsibility.

III. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a quantitative research design to explore the relationship between perceived CSR, satisfaction, brand image, brand loyalty, perceived reputation, and purchase intention. Data was collected through structured questionnaires distributed to 400 respondents in Lucknow, Uttar Pradesh, India.

3.2 Variables and Hypotheses

Independent Variable: Perceived CSR

Dependent Variable: Purchase Intention

Mediating Variables: Satisfaction, Brand Image, Brand Loyalty, Perceived Reputation

Hypotheses:

- 1. H1: Perceived CSR positively influences consumer satisfaction.
- 2. H2: Perceived CSR positively influences brand image.
- 3. H3: Perceived CSR positively influences brand loyalty.
- 4. H4: Perceived CSR positively influences perceived reputation.
- 5. H5: Satisfaction mediates the relationship between perceived CSR and purchase intention.
- 6. H6: Brand image mediates the relationship between perceived CSR and purchase intention.
- 7. H7: Brand loyalty mediates the relationship between perceived CSR and purchase intention.

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8. H8: Perceived reputation mediates the relationship between perceived CSR and purchase intention.

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3.3 Data Collection

Data was collected using a structured questionnaire with items measured on a 5-point Likert scale. The questionnaire included sections on perceived CSR, satisfaction, brand image, brand loyalty, perceived reputation, and purchase intention. The sample consisted of 400 respondents, selected through random sampling.

3.4 Data Analysis

The data was analysed using structural equation modelling (SEM) to test the hypotheses. SEM allows for the simultaneous examination of multiple relationships between variables, making it suitable for this study.

IV. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

The demographic profile of the respondents revealed that 56% were male, and 44% were female. The majority of respondents (61.5%) were between the ages of 20 and 39, and 42.5% held a postgraduate degree.

- 4.2 Hypothesis Testing
- H1: Perceived CSR positively influences consumer satisfaction ($\beta = 0.45$, p < 0.01).
- H2: Perceived CSR positively influences brand image ($\beta = 0.52$, p < 0.01).
- H3: Perceived CSR positively influences brand loyalty ($\beta = 0.48$, p < 0.01).
- H4: Perceived CSR positively influences perceived reputation ($\beta = 0.50$, p < 0.01).
- H5: Satisfaction mediates the relationship between perceived CSR and purchase intention ($\beta = 0.32$, p < 0.01).
- H6: Brand image mediates the relationship between perceived CSR and purchase intention ($\beta = 0.28$, p < 0.01).
- H7: Brand loyalty mediates the relationship between perceived CSR and purchase intention ($\beta = 0.35$, p < 0.01).
- H8: Perceived reputation mediates the relationship between perceived CSR and purchase intention ($\beta = 0.30$, p < 0.01).

4.3 Discussion

The findings indicate that perceived CSR significantly influences purchase intention, with satisfaction, brand image, brand loyalty, and perceived reputation acting as key mediators. These results align with prior research, which suggests that CSR initiatives enhance consumer satisfaction, build brand loyalty, and improve brand image (Luo & Bhattacharya, 2006; Brown & Dacin, 1997). Additionally, the study highlights the importance of perceived reputation in shaping consumer attitudes toward socially responsible brands.

V. CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study provides empirical evidence of the impact of CSR on purchase intention, mediated by satisfaction, brand image, brand loyalty, and perceived reputation. The findings underscore the importance of CSR initiatives in enhancing consumer satisfaction, building brand loyalty, and improving purchase intention.

5.2 Practical Implications

Businesses can leverage the findings of this study to design CSR initiatives that align with consumer values and enhance brand image. Companies strengthening their competitive advantage and foster long-term consumer relationships by focusing on satisfaction, brand loyalty, and perceived reputation,

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5.3 Limitations and Future Research

This study is limited by its focus on a single geographic location and the use of self-reported data. Future research could explore these relationships in different contexts and with larger sample sizes.

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