

# A Study on Influence of CSR Activities on Consumer Buying Behaviour with Reference to FMCG Products

DEGA VENKATA SUDHEER<sup>1</sup>, DR. M. KISHORE BABU<sup>2</sup>

<sup>1, 2</sup>MBA, KL Business School, Koneru Lakshmaiah Education Foundation (KL University)

***Abstract-** The corporate social responsibility (CSR) aspect of business strategy has been gaining popularity within fast moving consumer goods (FMCG) businesses, particularly within India. In today's world of rapidly growing social awareness, consumers use ethical, environmental, and socially responsible initiatives to evaluate brands as well as the physical attributes of the products themselves. This study examines how CSR activities are associated with consumer purchasing behaviour within the FMCG industry and examines how the dimensions of aware, perceive, trust and purchase intention interact with each other. The study used primary data collected via survey from respondents who lived in the Vijayawada region, along with a literature review in order to produce findings that identify the CSR dimension(s) that impact consumer purchase behaviour. The analysis has revealed that consumers prefer to purchase from brands that have clear and honest CSR activities, particularly CSR activities that relate to environmental concerns and the community. The results of this study provide FMCG brands with a means of increasing the effectiveness of CSR communication and developing long-term relationships with their customers.*

**Keywords:** CSR FMCG Consumer Buying Behaviour Perceptions Brand Trust Sustainability

## I. INTRODUCTION

The FMCG sector in India is so competitive that consumer has alternative products to choose from and the cost of switching is almost null. Given that there is a complete lack of product differentiation in this sector, companies working in it have focused on nurturing a brand relationship that is rooted in their ethical and responsible image. CSR has allowed them to gain the consumer's trust and to increase their likelihood to purchase from them in the future through CSR initiatives. People today are much more aware of environmental issues and corporate ethics as well as initiatives targeting support in community. Many are looking for a kind of positive contribution to community from companies. CSR initiatives like sustainability, education, rural development,

responsible sourcing, and pure living will impact how they perceive brands. This research seeks to understand how CSR impacts their decisions to purchase FMCG products in Vijayawada.

## II. LITERATURE REVIEW

Strong positive relationship of CSR with consumer behaviour as per below studies: "CSR have positive influence in the message of the trust and brand loyalty of Indian FMCG consumers." (Dogra & Kaushal 2022) "The results of the study conducted by Shilpa Shinde observed determine that Urban and educated consumer groups have awareness of CSR, which determines to a frequency of buying the products. Sanclemente-Téllez stresses the importance of CSR Communication by using various channels such as packaging and media to build a positive image of a brand.

Through an Analytical Hierarchy Process (AHP) analysis Agrawal ranked Environmental based CSR as the most influential CSR area impacting consumer preferences (2020).

Saberi et al. state that Sustainability is one of the most important Strategic features in FMCG marketing (2019).

Research Gap:

Although existing literature widely supports the role of CSR in influencing consumer behaviour, Indian studies specific to FMCG are limited, especially on how different CSR dimensions impact buying behaviour. There is insufficient research exploring whether perception mediates the CSR–Buying Behaviour relationship. This study attempts to address these gaps.

### III. STATEMENT OF THE PROBLEM

FMCG companies put a lot of money into CSR, but the effect of CSR on consumer buying habits isn't well defined. CSR may improve the brand image of a company, however, the effect CSR has on the consumer's trust, attitude, and Purchase Intent need to be based on empirical studies. The aim of this research is to explore if CSR will positively impact consumers' decisions to purchase Indian FMCG products.

### IV. RESEARCH OBJECTIVES

To understand how much consumers know about what FMCG companies are doing as part of their Corporate Social Responsibility Programs. Examining how CSR impact's a Consumer's Buying Behaviour. To identify which parts of CSR are the most important to Consumers in determining their Buying Decisions. To determine if consumer perceptions Mediate the CSR to Buying Behaviour relationship. To provide suggestions for FMCG Companies on how to improve their CSR Marketing Strategies.

### V. RESEARCH QUESTIONS

- How much do Consumers Know about FMCG Companies CSR Initiatives?
- How CSR Affect Consumer Buying Behaviour?
- Which CSR Are Most Important for Consumers, Environmental, Social or Ethical?
- How Consumer Perceptions Mediate CSR to Buying Behaviour Relation.

### VI. HYPOTHESES

- H1: CSR activities have a major influence on consumer buying behaviour
- H2: The CSR has a positive impact on consumer perception and trust
- H3: The consumer perception is the mediator between the CSR & consumer buying behaviours.

### VII. CONCEPTUAL MODEL

CSR Activities → Consumer Perception → Consumer Purchase behaviour → Brand Loyalty

### VIII. RESEARCH METHODS

Research Design: Descriptive  
Sample of Size: 132 persons  
Method of Sampling: Convenience & Stratified Sampling

Type of data collected:

Primary Data: Survey

Secondary Data: Journals and CSR reports

Analytical methods used: Percentage Analysis, Percentage Table, Likert scale

Location of the study: Vijayawada

### IX. DATA ANALYSIS AND RESULTS

#### 9.1 Demographics

##### • Gender

- Male: 76 Response (57.6%)
- Female: 56 Response (42.4%)

Interpretation:

The sample is evenly weighted for both genders so we get a balanced opinion on CSR and purchasing behaviour.

- Age Brackets, Following The Above Distribution Pattern:

Using the same distribution pattern:

- 18–25 Years: 71 Respondents (53.4%)
- 26–35 Years: 43 Respondents (33.1%)
- 36–45 Years: 16 Respondents (12.0%)
- 46+ Years: 2 Respondents (1.5%)

Interpretation:

A majority of respondents is within the younger age group suggesting that the research has mainly captured views from more active/society aware consumers.

#### 9.2 Awareness of CSR

- The high awareness of 48.5%

- Moderate Awareness at 32%
- Low Awareness at 19.5%

Interpretation:

Overall, there appears to be a strong level of CSR awareness by consumers. Consumers track the activities of FMCG Providers (HUL, ITC P&G) relating to CSR.

### 9.3 Consumer Perception of CSR

So, to follow through the percentage of agreement: 62% of respondents believe that CSR Trust for brand, 68% of respondents believe that CSR Increases Responsibility for Brand. 71% of respondents feel that CSR improves brand image; therefore, Interpretation: Respondents mostly have Positive Association for CSR. Respondents believe that CSR greatly defines a Brand as a responsible, ethical, and reliable entity. 9.4 Buying behaviour 54% of respondents expressed a preference for brands with strong CSR profiles, 42% of respondents indicated that they were willing to pay more for ethical brands, and 38% of respondents indicated that they would switch brands to one with a strong CSR Profile.

Interpretation:

CSR has an extensive influence on consumer decisions; many respondents have demonstrated a willingness not only to choose ethical brands but also to switch their purchasing habits or pay more for meaningful CSR initiatives.

### 9.4 Buying Behaviour

- 54% respondents stated they prefer brands who have a strong CSR profile
- 42% of respondents indicated willing to pay more for an ethical brand
- 38% of respondents incurred willingness to switch brands to one with strong CSR Profile.

Interpretation:

CSR has massive impact on consumer decisions; many of the respondents have shown willingness not only to choose ethical brands but also switching of purchase or paying more for meaningful CSR initiatives.

## X. DISCUSSION

The findings of this study indicated that all consumers will feel that CSR will influence their purchasing. However, the most positively influenced consumer is the younger ones. The most noteworthy CSR to consumers are of two types: Environmental and Social. The consumer's trust and commitment to the brand increases if it is clear that they have CSR initiatives. CSR perception mediates the effect of CSR on the consumer purchasing behaviour. As CSR is a trustworthy initiative, CSR perception will thus increase the consumer's trust (and thus, purchasing behaviour) in the brand.

## XI. FINDINGS

- CSR positively affects consumer buying behaviour.
- Awareness and perception significantly shape purchase decisions.
- Environmental CSR is the strongest influencer.
- Younger consumers show higher sensitivity to CSR.
- Trust and brand image act as mediators between CSR and buying behaviour.

## XII. CONCLUSION

CSR has evolved from being only an outward display of compliance by corporations but rather has become a strategic Marketing Tool. Companies who invest in CSR will develop greater levels of consumer Trust, Loyalty and ultimately, increased probability of purchasing from that CPG Company. The trend towards purchasing from companies who are seen as Environmentally and Socially responsible continues.

## XIII. MANAGERIAL IMPLICATIONS

- Investing visibly in CSR programs.
- Greater emphasis on Communicating CSR programs via Marketing Channels.
- Build and promote Sustainable Environmental practices and Community Welfare.

- Disclosure of Companies CSR initiatives leads to Consumer Trust.

#### XIV. LIMITATIONS

- Sample limited to Vijayawada region.
- Self-reported data may contain bias.
- Study focused only on FMCG sector.

#### XV. SCOPE FOR FUTURE RESEARCH

- Comparative study across regions.
- Analysis of long-term impact of CSR on loyalty.
- Inclusion of financial performance metrics for CSR evaluation.

#### REFERENCES

- [1] Vethirajan, C. (2017). *Societal Needs and CSR Practices of Indian Companies – A Study with Reference to Companies in the Chennai Region*. UGC Research Award Project, pp. 301–302.
- [2] Sharma, A., & Kiran, R. (2012). “Corporate Social Responsibility Initiatives of Major Companies of India with Focus on Health, Education and Environment.” *African Journal of Basic and Applied Sciences*, 4(3), 95–105.
- [3] *Corporate Social Responsibility and Consumer Response in FMCG Sector*. CUSIT Journal. Retrieved from: [https://cusit.edu.pk/curj/Journals/Journal/special\\_aic\\_16/15.pdf](https://cusit.edu.pk/curj/Journals/Journal/special_aic_16/15.pdf)
- [4] *International Journal of Social Science and Management*. “CSR Practices and Consumer Behaviour.” Retrieved from: <https://www.inderscienceonline.com/doi/abs/10.1504/IJSSOC.2016.082366>