

CSR OF FMCG's & ITS IMPACT ON CONSUMER'S BUYING BEHAVIOUR – A GENDER BASED PREFERENTIAL ANALYSIS

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ABSTRACT

In recent days, corporate social responsibilities have received a great deal of importance in the field of marketing. When the corporates are more concerned with increasing their profit statistics, consumers have begun to observe their concern towards the society. This paper highlights the impact of corporate social responsibility on consumer buying behavior with special reference to Fast Moving Consumer Goods and the relationship with gender-based preferences. Questionnaires were administered to assess the perception of the consumer towards the corporate social responsibility practices of the Fast Moving Consumer Goods in Chennai city. The results of the study revealed that there is positive impact of Corporate Social Responsibility practices on consumer buying behavior with reference to FMCGs and there is no significant difference between Male and Female respondents with respect to the Impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.

KEYWORDS: Corporate Social Responsibility (CSR), Fast Moving Consumer Goods (FMCG), Consumer Buying Behaviour, Gender.

INTRODUCTION

Corporate Social Responsibility has gained importance in recent years by corporate in carrying out Corporate Social Responsibility activities in various sectors like Education, Health and Environment. Consumers are becoming more aware of the environmental and social implications of their day-to-day consumption decisions and in some cases make purchasing decisions based on environmental concerns.

Fast Moving Consumer Goods (FMCG) are substantially a large sector in the Indian economy. The products are sold very quickly at low-cost. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the increasing profit on such products can be large. In India the FMCG sector has started focusing on Eco friendly products. The Indian Government has made mandatory the CSR provisions and almost all the companies are actively engaged in CSR activities. Number of leading corporates like Hindustan Unilever Limited, Colgate-Palmolive, ITC limited, Nestle, Parle Agro, Britannia

Industries Ltd, Marico Ltd, Procter & Gamble, Godrej Group, Amul etc is doing different CSR practices. CSR activities of companies create trust among its customers in turn result in positive attitudes towards buying behavior. Hence, it is important to study about the impact of Corporate Social Responsibility practices on consumer buying behavior with reference to FMCGs.

REVIEW OF LITERATURE

Bhattacharya C B and Shankar Sen. (2004), the authors stated that consumer reactions to CSR are not as straightforward and there are numerous factors that affect whether a firm's CSR activities translate into consumer purchases. The main findings of the study were that perceived interdependencies between product quality and CSR initiatives also affect consumers' intentions to purchase the company's products. The authors identified that Consumers' awareness level about CSR initiatives is a most important limiting factor in their capacity to respond to these initiatives. Corporates therefore need to create on increasing awareness levels.

Sharma, A., & Kiran, R. (2013). The authors attempted to analyses the status and progress and initiatives made by large firms of India in context to CSR policy framing and implementation. The Data for the study has been collected from the official websites of the companies, in-person interviews and through structured questionnaire. The CSR initiatives with reference to health, education and environment sector to be rated by the interviewee were identified from the literature. The matrix of various policy factors has been prepared based on the information and discussions. The CSR initiatives factors have been rated on the scale of 1 to 5. Results of the study showed that IT and Auto industry are the sectors taking up CSR initiatives while FMCG sector has focused but yet to achieve social responsibility initiatives. Indian companies started to take a transformational change by involving into new CSR initiatives, but still need to go a long way.

Khan, S. (2009) Effective Corporate Social Responsibilities initiatives was considered keeping all the stakeholder's issues in mind including the legal, ethical, commercial and other expectations society has for the business. Many companies in India have taken up CSR initiatives. Especially for the FMCG companies, which initiated a major challenge is reduction of packaging materials, the companies work in the field of Environment, Health care, Education, Community welfare, Women's empowerment and Girl Child care. Enterprises like Hindustan Unilever began to work on CO2 reduction also. The websites of these enterprises are providing information about their CSR initiatives but are found not updated regularly. The Karmayog rating was considered for checking the CSR performance. The rating gives a clear understanding on CSR ratings of major FMCG companies in India.

Kannaiah, D., & Jayakumar, A. (2018). Corporates are traditionally known as engines for driving the economic performance of an entity, the success was measured based on high returns on equity and its contribution to the development of the society. The Corporates get from the society for its survival and it is

obligated to give to the society and return positive attitude. They need to meet the expectations of the society, so that they able to sustain in the environment. Hence, the success of any Corporates depends mainly on the ethical behavior of the enterprise towards the society. The Government of India has made obligatory provisions and almost all the enterprise needs to engage in CSR activities. Fast Moving Consumer Goods (FMCGs) are the quickest growing business in India and a large number of FMCGs companies attempted to entered different CSR practices. Hence, an attempt has been made to study about the impact of Corporate Social Responsibility practices on consumer behavior with special reference to FMCGs in Tamil Nadu. The information was collected from, 600 responses in TamilNadu by a structured questionnaire. In this article the Convenience sampling technique was used to collect the primary data. The study concluded that there has been a positive impact among the respondents as the consumers in Tamil Nadu considered CSR in their purchase evaluation criteria, and they give utmost importance to CSR related products etc.

OBJECTIVES OF THE STUDY

- 1.To study the impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.
- 2.To examine the relationship between Gender based preference and the impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.

METHODOLOGY:

The present study is descriptive in nature. To analyse the perception of the consumer on corporate social responsibility practices of the Fast-Moving Consumer Goods. Convenience sampling method is used to collect data. Both primary and secondary data is used in this study in order to meet requirement of the purpose. This study had primary data which was collected by using structured questionnaire. The Structured questionnaire consisting of demographic factors and Corporate Social Responsibility practices on buying behavior of the respondents with reference to FMCGs. The responses were assessed using 5-point Likert scale ranging from “Strongly Agree” to “Strongly Disagree”. A total of 165 respondents who were buying FMCG products and residing in Chennai city were considered. Secondary data were collected from relevant journals, websites and official records. An effort has been made to determine the relationship between Gender based preference and the impact of CSR on Buying Behaviour for FMCG products. The statistical tool used for the study is Software Package for Social Science (SPSS) 23, t-Test, Percentage Method, Weighted Average Method and Ranking Method.

DATE ANALYSIS:

Respondents' distribution based on Gender, Age, Qualification, and Monthly Income, who were buying FMCG products.

Table 1
Demographic Profile

Particular		Frequency	Percentage
Gender	Male	66	40
	Female	99	60
Age	Below 25	66	40
	26-35	66	40
	36-45	12	7.3
	46-55	12	7.3
	Above 55	9	5.5
Qualification	Under Graduates	45	27
	Post Graduates	63	38
	Professional	54	33
	Others	3	2
Monthly Income	Less than 30,000	102	62
	31,000-60,000	48	29
	61,000-1,00,000	9	5
	Above 1,00,000	6	4

(Source: Primary Data)

Out of the total sample strength of 165 respondents, the majority were Female (60%). The age group of the respondents were Below 25 and 26 -35 years (40%). As far as Educational Qualification most of the respondents were Post Graduates (38%). Monthly income of the respondents was less than 30,000 (62%).

Table 2
Descriptive Statistics of Corporate Social Responsibility on
Buying Behaviour for FMCG Products

The Table 2 analyse the level of agreement of respondents towards Corporate Social Responsibility on buying behaviour for FMCG products.

SNO	FACTORS	Weighted Average Score	Rank
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1	I buy products from the FMCGs company which conducts CSR initiatives.	3.36	8
2	I buy products from the FMCGs company which provides full and accurate information about its products to customers.	3.75	3
3	I buy products from the FMCGs company which have used environmentally friendly packages.	3.53	7
4	When I have a choice between two equal products from FMCG companies, I always purchase the one that is which is associated with CSR activities.	3.58	4
5	I have switch over to another product of FMCG which engaged in social activities.	3.31	9
6	I will not purchase a socially irresponsible FMCG product, even with an additional thing for free.	3.78	1
7	I will buy the products from a socially responsible FMCG company even if price is high.	3.16	10
8	I believe that it is important to examine company CSR strategies when I purchase.	3.56	5
9	I buy products from the FMCGs company which encourages its employees to participate in voluntary activities.	3.56	6
10	I buy products from the FMCGs company which contributes to campaigns and projects that promote the well-being of society.	3.76	2

(Source: Primary Data)

The above table 2 shows the descriptive statistics of Corporate Social Responsibility on Buying Behaviour for FMCG Products. Analysis showed the most influencing factors are “I will not purchase a socially irresponsible FMCG product, even with an additional thing for free”, “I buy products from the FMCGs company which contributes to campaigns and projects that promote the well-being of society” and “I buy products from the FMCGs company which provides full and accurate information about its products to customers”. The factors which had least influence by the respondents are “I have switch over to another product of FMCG which engaged in social activities” and “I will buy the products from a socially responsible FMCG company even if price is high”.

RELATIONSHIP OF GENDER BASED PREFERENCE WITH RESPECT TO THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CONSUMER BUYING BEHAVIOUR FOR FMCG PRODUCTS

HYPOTHESES:

H0: There is no significant difference Male and Female respondents with respect to the Impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.

H1: There is significant difference Male and Female respondents with respect to the Impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.

Table 3

Relationship between Gender based preference and the impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.

S.No	Variable	Gender				t value	P value
		Male		Female			
		Mean	SD	Mean	SD		
	Consumer Buying Behaviour	29.5136	6.99492	33.6182	5.84653	2.549	.112

(Source: Primary Data)

An independent samples t- test was run to determine if there was difference in the Impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products between Male and Female respondents. The variances were assessed by Levene's test for equality of variance ($P=.112$). Since $P>0.05$, Null hypothesis is accepted. There is no significant difference between Male and Female respondents with respect to the Impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products.

CONCLUSION:

The research set out to analyze the impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products and examine the relationship between gender-based preference and the impact of CSR on Consumer Buying Behaviour for FMCG Products. It was observed that there is positive impact of Corporate Social Responsibility practices on consumer buying behavior for FMCGs products. The consumer preferring to purchase from the socially responsible FMCG companies which provides full and accurate information about its products and as well associating with CSR activities. It is observed that consumers are willing to buy the products from FMCGs Company which contributes to campaigns and projects that promote the well-being of society. The results of the study suggest that there is no significant difference between Male and Female respondents with respect to the Impact of Corporate Social Responsibility on Consumer Buying Behaviour for FMCG Products. Further research can be done on other

industries like automobile, consumer durables, capital goods, sport goods, and corporate identity with CSR, competitive advantages with CSR.

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