



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## IMPACT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON CONSUMER BUYING BEHAVIOUR IN INDIA

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### ABSTRACT

Corporate Social Responsibility (CSR) serves as a fundamental element which determines how contemporary consumers interact with products and companies. This research study examines how Corporate Social Responsibility (CSR) practices affect consumer purchasing behavior within the Indian e-commerce industry and the cosmetics industry. The researchers conducted quantitative research by collecting data from 101 participants who completed a standardized questionnaire. The research demonstrates that CSR transparency together with active participation by companies leads to higher levels of consumer trust and brand loyalty which results in increased purchase behavior. Consumers display an attitude-behavior gap because they value ethical and sustainable practices but refuse to spend extra money on those practices. Financial challenges stop people from making ethical purchases although their understanding of CSR raises with their age and education and income levels. The research discovers that Corporate Social Responsibility (CSR) improves brand reputation and customer trust but its effect on actual purchasing behavior depends on companies demonstrating authentic information together with full disclosure.

**Keywords:** Corporate Social Responsibility (CSR), Consumer Behaviour, Brand Loyalty, Transparency, Ethical Practices, Purchase Intention, Attitude–Behaviour Gap, E-commerce, Cosmetics Industry, India

### INTRODUCTION

Corporate Social Responsibility (CSR) has become an important part of modern business strategy. The business world has shifted from profit-oriented operations to practices that prioritize social and environmental responsibilities. Today companies must meet two requirements which involve maintaining financial success while conducting their business with ethical standards and actively supporting social progress and environmental protection. Consumers now assess businesses based on their values and transparency and social consequences instead of considering only their product prices and quality.

India functions as a developing nation where CSR practices have gained increased significance because of the country's growing industrial sector and widening wealth gap and mounting ecological problems. The Companies Act 2013 established a significant milestone when it required all eligible companies to allocate funds for CSR activities. This obligation required businesses to contribute their resources toward educational programs and healthcare services and environmental conservation efforts and community development initiatives. Businesses today use CSR as their main strategy to establish brand identity and gain customer loyalty.

The central question which needs to be answered remains whether CSR practices actually impact the purchasing choices of consumers. People base their buying decisions on three main factors which include the product price and its quality and their understanding of the brand. Research demonstrates that consumers exhibit a favorable view towards socially responsible businesses yet they show an “attitude-behaviour gap” which prevents them from making actual purchase choices and paying extra.

The relationship between consumer awareness and perception establishes its fundamental importance. The brand will gain consumer trust when consumers recognize CSR initiatives and believe they are authentic. The awareness levels in India show uneven distribution because younger urban residents who possess higher education levels demonstrate better understanding. The entire CSR program is diminished through limited awareness because consumers need to know about their activities before they can evaluate their worth.

The effectiveness of CSR programs receives additional support from transparent operations and ethical business management. The effectiveness of CSR programs needs ethical business management and transparent operational processes to succeed in their goals. Organizations need to disclose their CSR activities through their reports and online platforms to create trustworthy CSR programs. Organizations that present false or overstated information about their activities create a trust deficit with their audience. Consumers develop their brand perception through ethical business conduct and organizational transparency which connects CSR activities to their buying behavior.

CSR extends beyond its definition as an individual concept to incorporate all economic responsibilities and legal obligations and ethical standards and environmental duties. Environmental and ethical issues are growing in significance for young consumers who still consider price and product quality as their primary decision factors. Consumer behavior toward CSR initiatives gets influenced by their demographic characteristics which include age and income and educational level.

The relationship between CSR programs and consumer purchasing behavior depends on consumer understanding of CSR programs. The more consumers understand CSR initiatives the more they perceive them as authentic and use them to make purchasing decisions.

Research progress has advanced but researchers still face challenges because they need to understand how various factors interact. The study will investigate the effect of corporate social responsibility practices on Indian consumer purchasing patterns in the e-commerce and cosmetic industries, which face challenges related to sustainable practices and ethical sourcing and transparent operations.

The research aims to demonstrate how corporate social responsibility affects consumer trust and product perception and purchasing behavior, while providing businesses with practical guidance to develop their corporate social responsibility strategies.

## **RESEARCH GAP**

The current research on Corporate Social Responsibility mainly investigates separate elements which include consumer awareness and trust and customer loyalty instead of studying these elements as a unified system. The public perception of socially responsible companies leads to positive consumer attitudes yet there exists a knowledge gap about the actual consumer purchasing patterns which apply to this situation in India.

Most studies also take a narrow approach by focusing on single CSR dimensions such as environmental or social initiatives, ignoring their combined impact. The research about how ethical practices and transparency and sustainability practices affect consumer decision-making remains incomplete because essential elements possess an unmeasured impact on purchasing choices.

The Indian market presents a research gap which requires investigation into how Corporate Social Responsibility transparency and ethical governance affect consumer trust and purchasing decisions in an environment where consumer trust is declining.

The development of a complete understanding about how CSR elements affect consumer purchasing patterns results in an existing gap which requires research in the e-commerce and cosmetic sector because businesses now prioritize ethical and transparent operations.

## RESEARCH OBJECTIVES

1. Analysing consumers' awareness and perceptions of CSR practices among Indian companies.
2. The role of transparency and ethical governance in the consumer trust and brand credibility process is to be studied.
3. The CSR dimensions that have the most impact on consumers' purchase intentions and willingness to pay a premium will be determined.
4. The effect of customer demographics on the perception and reaction to CSR initiatives will be assessed.
5. The mediating function of consumer knowledge between CSR performance and purchasing behaviour will be evaluated.

## REVIEW OF LITERATURE

**A. Ethical CSR, Trust, Authenticity & Consumer Motives:** Pomeroy and Dolnicar (2009) conducted their initial research which demonstrated that CSR initiatives require consumer knowledge and trust before they can create any significant effects. The study conducted by Groza et al. (2011) demonstrated that consumers respond with better results when they perceive CSR activities to be authentic instead of reactive. Mishra (2012) discovered in his Indian research that people become more aware of CSR but still treat it as a marketing tool unless organizations demonstrate real commitment. Kim (2019) demonstrated that consistent CSR communication which organizations research their results creates stronger trust for CSR while Dadhich et al. (2025) showed that authenticity constitutes the essential requirement for CSR to change behavior which occurs when company values and credibility match.

**B. Consumer Awareness, Perception & CSR Communication:** Radha (2016) established that awareness of CSR initiatives leads to positive brand perception and trust which can influence buying decisions. Oe and Yamaoka (2020) discovered an "attitude-behavior gap" because people who had positive evaluations of things were unable to implement their assessments from their assessments. Chen (2022) showed that when consumers have knowledge about a product they will respond favorably to CSR initiatives which means companies must establish strong communication methods to deliver their message. Bhogekar (2024) supported this by showing that awareness directly strengthens trust and loyalty.

**C. Purchase Intention, Willingness to Pay & Buying Behaviour:** Sydlowski (2018) discovered that CSR enhances brand reputation and customer trust but does not boost actual sales because customers base their purchasing choices on product pricing and quality. Kunder (2020) demonstrated that positive CSR perception leads to greater customer satisfaction which affects their purchasing decisions. Narayanan and Singh (2023) demonstrated that certain customers will spend more money to buy products which companies demonstrate to have social responsibility, although this tendency differs between different customer groups.

**D. Brand Loyalty, Brand Equity & Advocacy:** The study by Rodrigues and Borges (2015) showed that CSR activities increase brand trust which leads to better customer perceptions of brands although they do not drive actual purchasing decisions. The research from Fatma and Khan (2023) demonstrated that CSR activities establish brand endorsement through trust which leads to positive customer recommendations. The study by Rohith and Sharon (2025) found that CSR activities improve brand image for younger consumers who develop brand loyalty which results in enduring customer relationships.

**E. Environmental CSR, Sustainability & Green Marketing:** Bhople (2024) demonstrated that environmental CSR activities boost brand reputation and customer trust, which reaches its highest level among Indian consumers. Dai (2025) discovered that environmental benefit beliefs increase purchase intentions when customers believe in the company's sustainability practices.

**F. Governance, Legal Framework & Institutional CSR:** Rahman (2020) demonstrated that organizations with strong governance systems and transparency measures display higher levels of credibility which they use to disclose their corporate social responsibility activities. Sen Gupta (2020) showed that while corporate social responsibility creates favorable consumer perceptions in India actual purchasing behavior remains dependent on product costs and quality which makes product transparency essential for linking these two elements.

**G. Political, Cultural & Demographic Influence:** Bigné (2006) demonstrated that different demographic groups perceive corporate social responsibility (CSR) differently because younger consumers who possess more knowledge display higher levels of sensitivity. Bello (2016) discovered that increased consumer understanding leads to organizations developing stronger corporate social responsibility (CSR) initiatives which customers subsequently respond to more favorably.

**H. Concept-Focused Studies:** The concept of the "attitude-behavior gap" was first established by Mohr in 2005 to demonstrate that positive CSR perceptions do not affect actual purchasing behavior. Krichewsky (2017) further noted that CSR only influences behaviour when it is visible and credible. Anand (2025) showed that current CSR research now focuses on how consumers perceive trust and their environmentally sustainable behavior.

**I. CSR, Consumer Trust & Purchase Behaviour:** The research by Saju and Kalyani (2014) found that businesses which practice CSR can develop consumer trust and satisfaction and loyalty when their CSR activities match the values of their customers. The research by Sharma et al. (2020) showed that organizations need to provide transparent information to build awareness about their CSR activities which will help them achieve their CSR goals. The research by Chaudhary et al. (2020) showed that organizations use CSR as a strategic tool which transforms positive customer impressions into actual buying decisions.

### **Hypothesis**

- Hypothesis 1  
Null Hypothesis (H<sub>0</sub>): There is no significant relationship between consumers' trust in brands that openly share CSR details on websites or social media and their loyalty towards brands whose CSR efforts they perceive as genuine.  
Alternative Hypothesis (H<sub>1</sub>): There is a significant relationship between consumers' trust in brands that openly share CSR details on websites or social media and their loyalty towards brands whose CSR efforts they perceive as genuine.
- Hypothesis 2  
Null Hypothesis (H<sub>0</sub>): There is no significant relationship between consumers' preference for e-commerce companies involved in social or environmental causes and the influence of CSR on their buying behaviour.  
Alternative Hypothesis (H<sub>1</sub>): There is a significant relationship between consumers' preference for e-commerce companies involved in social or environmental causes and the influence of CSR on their buying behaviour
- Hypothesis 3  
Null Hypothesis (H<sub>0</sub>): There is no significant association between consumers' trust in cruelty-free and sustainable practices and their willingness to pay a higher price.

Alternative Hypothesis (H<sub>1</sub>): There is a significant association between consumers' trust in cruelty free and sustainable practices and their willingness to pay a higher price

### **Research Methodology**

The study uses a mixed research design that combines descriptive and analytical methods to research how consumers understand corporate social responsibility together with their related beliefs and behavioral patterns. Quantitative research is conducted to gather primary data using an online structured questionnaire that was distributed through WhatsApp, email and social media platforms using Google Forms. The questionnaire contained five sections which required participants to provide demographic information and demonstrate their awareness of corporate social responsibility and their perception of it and to assess the transparency of ethical governance and the impact of CSR elements on their purchasing decisions and their trust and loyalty to products and their buying behaviour. The study used a five-point Likert scale to measure attitudinal responses, which included Strongly Disagree to Strongly Agree, while multiple-choice questions collected demographic information and awareness-related details.

The study included 101 respondents who were selected through convenience sampling to represent three distinct groups: students and working professionals and general consumers. Descriptive and inferential statistical methods are used to evaluate the data which helped to identify existing patterns and

relationships between different variables. The research maintained ethical standards through its policies about voluntary study participation, participant confidentiality, and anonymity. The research analysis used primary data from the survey and secondary data which included CSR reports, academic journals, and research papers.

## **Data Analysis and Interpretation**

### 1. Descriptive Analysis

- Impact of CSR Skepticism on Brand Switching Behaviour

The respondents were divided into three groups according to their CSR skepticism level:-

1. The respondents who showed high CSR skepticism gave mixed responses; the majority of participants agreed to switch brands, while some others stayed neutral and some participants disagreed. The results show that even highly skeptical consumers need to check their brand preferences before making a switch.
2. The respondents who showed moderate CSR skepticism tended to show more neutral responses; the majority of participants selected neutral as their response, while the remaining group chose to agree or disagree, which showed their uncertainty about how CSR skepticism would impact their brand switching choice.
3. The participants who displayed low CSR skepticism showed consistent responses, responses that came at a limited level. The majority of participants in this group chose neutral or agreement responses; however, the small size of this group prevented making strong conclusions. The three skepticism levels showed no distinct pattern throughout the study.

A chi-square test is used to verify this finding, and the test produced a p-value of 0.312, which exceeds the standard threshold of 0.05, which is used to determine statistical significance. The results show no statistically significant connection between CSR skepticism and brand switching behaviour. The study results show that different levels of CSR skepticism among consumers do not impact their brand switching decisions.

- Demographic Analysis of CSR awareness and buying behaviour

Table: Demographic factors influencing csr awareness and consumer buying behaviour

Factor	Key finding	Interpretation
A. Age	Majority aged 18–25	Young consumers show higher csr awareness
B. Gender	Females prefer ethical brands	Women show stronger csr preference
C. Education	Higher education improves csr understanding	Educated consumers are more csr-aware.
D. Income	Low-income limits premium payment	Financial constraints affect buying decisions
E. Occupation	Students are aware; professionals more willing	Income influences csr support

The demographic study shows that young educated consumers have better knowledge about corporate social responsibility programs, which they use to choose ethical brands because their income limits their ability to buy expensive products. Students possess superior understanding of corporate social responsibility initiatives compared to working professionals. The research indicates that demographic characteristics determine corporate social responsibility awareness, while actual purchasing patterns depend on customers' financial capabilities.

## 2. Chi square test and hypothesis testing

Table: chi-square analysis of csr variables and consumer behaviour

Hypothesis	Variables Tested	Chi-Square Value	df	p-value	Result
H1	CSR Transparency × Consumer Loyalty	13.014	4	0.011	Significant
H2	CSR Involvement × Buying Behaviour	19.402	4	0.000655	Significant
H3	Trust in Sustainable Practices × Willingness to Pay	0.748	4	0.945	Not Significant

Chi-Square test is used to measure how CSR transparency affects customer loyalty. The test results produced a p-value of 0.011 which falls below the 0.05 significance threshold. The results showed that the null hypothesis should be rejected. The research shows that customers who trust brands which share CSR details develop stronger loyalty towards these brands that practice authentic CSR activities.

Chi-Square test is used to study how customers choose socially responsible e-commerce companies and how CSR activities affect their purchasing decisions. The obtained p-value of 0.000655 falls below the 0.05 threshold. The null hypothesis should be rejected based on these results. The study shows that CSR activities affect customer shopping patterns because socially responsible companies lead consumers to choose their products based on CSR activities.

Chi-Square test is used to study how customer trust in cruelty-free and sustainable practices affects their willingness to pay higher prices. The p-value reached 0.945 which exceeds the 0.05 threshold. The null hypothesis is not rejected so, study shows that consumers trust sustainable practices, yet this trust does not affect their willingness to pay higher prices.

The Chi-Square analysis produced multiple results that showed different outcomes. The study found that CSR transparency and CSR involvement both have important effects on customer loyalty and purchasing behaviour, while trust in sustainable practices does not affect people who want to pay higher prices.

### **Conclusion**

The results of the research show two different outcomes which demonstrate that Corporate Social Responsibility (CSR) impacts consumer behaviour in different ways. The two hypotheses of CSR transparency and CSR-driven purchasing behaviour demonstrated strong connections with customer loyalty and buying behaviour while proving that organizations must share information about their social activities to meet customers' needs. The hypothesis about ethical trust and premium payment willingness did not receive support, which shows that customers see value in ethical and sustainable products, but they refuse to spend more money on these items.

People who buy products think that businesses use CSR to improve their reputation although they doubt its effectiveness—but this doubt does not change their buying patterns. The demographic analysis shows that all demographics of age, gender, education, income, and occupation determine CSR awareness and their opinions yet these factors only affect actual purchasing behavior under specific conditions. The research demonstrates that the attitude–behavior gap exists because positive CSR perceptions lead to actual buying behavior in only specific cases, which results in CSR effects that are restricted to particular situations.

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