

# Awareness of Corporate Social Responsibility related Activities of Different Company for Building Brands from Customer Perspectives in Nepal

## ABSTRACT

**Aims:** The purpose of this study is to explore the consciousness of customers of a different company on awareness of corporate social responsibility related activities of the different company for building brands in Nepal.

**Study design:** A quantitative methodology in the form of statistical analysis of the results was derived from the responses of a customer on to find out how CSR activities can be used in building brands in the different product used in Nepal.

**Place and Duration of Study:** A total of 452 consumers from various sites of Kathmandu valley from June 2018 to January 2019.

**Methodology:** This research applied a quantitative methodology using a survey questionnaire. Data were collected using semi-structured questionnaires distributed to public people who were using different products of Kathmandu Nepal. Convenience sampling was used in the distribution of the survey.

**Results:** The majority (40%) of the participants strongly agreed on giving values to female employees. Majority of the participants were agreed on different forms of CSR health activities done by the company on affecting a branding.

**Conclusion:** Working on CSR social/community service, ethical CSR activities, CSR health activities and CSR environmental activities may improve brand reputation.

**Keywords:** *Branding; Company; Corporate social responsibility; CSR; Customer*

## 1. INTRODUCTION

In Nepal, social responsibility for good philanthropic work was influenced by religious belief and culture in Hindus and Buddhist religion(1). People believe a wealthy trader of Bhaktapur cleared all debts of people of Bhaktapur and freed them from debt (2). According to Industrial Enterprises Act, 2073 (2016); The Act makes it mandatory to allocate at least 1% of the annual profit (there is no clarity on whether it is to be calculated on pre-tax profit or post-tax profit) to be utilized towards corporate social responsibility (CSR) (3,4). CSR is an investment that results in long-term profit for the company (3–7). The efforts put into healthcare, employment, education, housing, humanitarian action, environment preservation can prove a godsend for both the company and society (1,8–10). People believe the corporate sector can bring about meaningful differences in the lives of community people by conducting CRS activities in partnership with government organizations, NGO/INGOs, academic institutions or by establishing its own trust or foundation (1,8–14). In Nepal, corporations like Ncell, Standard Chartered Bank, Mega Bank, Asian Paints, Nabil Bank, Yeti Airlines, Dabur Nepal, Buddha Airlines and some media houses claim to have started community development initiatives under their CRS.

But now, it is a time for every responsible citizen and the company must contribute to the country cause (5,15,16). The business these days is not only related to the profit maximization of the company and shareholders but also responsible to do something for the stakeholders and community people (2,4). The objective of this study is to study the consciousness of customers of a different company (Standard Chartered Bank, Ncell, Asian Paints, Yeti Airlines and Dabur Nepal) on Awareness of Corporate Social Responsibility related Activities of Different Company for Building Brands in Nepal

## 2. MATERIAL AND METHODS

This research applied quantitative methodology using a survey questionnaire. Data were collected using semi-structured questionnaires distributed to public people who were using different products of Kathmandu Nepal. Convenience sampling was used in the distribution of the survey. Similarly, various consumers and customers were also taken as the target population to explore and identify the CSR impact on their perceptions and preferences towards building brands. The target population of customers included people with an age group starting from 18 years and above. The sample sizes in this exploratory study were 452 respondents. The data were collected for five variables that include the CSR's concern for Environmental activities, Ethical activities, social/community service and health activities, along with the Brand Building perspectives. Seven points Likert scale SA- strongly agree, A-agree, FA- fairly agree, N-neutral, FD-fairly disagree, D-disagree, and SD-strongly disagree was used. The analysis was done on number and percentage form.

## 3. RESULTS AND DISCUSSION

### Socio-demographic questions

We were collected the responses from that participant who were consuming the following brands. A total of 452 consumers from various sites of Kathmandu valley was considered. The majority 173(38.3%) of the participants were using the Ncell brand followed by 99(21.9%) Dabur Nepal, 78(17.3%) Yeti airlines, 68(15%) Asian paints and 34(7.4%) Standard Chartered Bank. (Table 1)

**Table 1. Name of the brand company (n=452)**

| Company name            | Frequency | Percent |
|-------------------------|-----------|---------|
| Ncell                   | 173       | 38.3    |
| Dabur Nepal             | 99        | 21.9    |
| Yeti airlines           | 78        | 17.3    |
| Asian paints            | 68        | 15.0    |
| Standard Chartered Bank | 34        | 7.5     |

**Table 2. Gender of the participants (n=452)**

| Gender | Frequency | Percent |
|--------|-----------|---------|
| Male   | 334       | 73.9    |
| Female | 118       | 26.1    |

The majority 334(73.9%) of the participants were male participants followed by 118(26.1%) female participants. (Table 2)

**Table 3. CSR Social/Community service (n=452)**

| CSR Social Community service   | SD n(%) | D n(%)   | FD n(%)  | N n(%)   | FA n(%)   | A n(%)    | SA n(%)   |
|--|---------|----------|----------|----------|-----------|-----------|-----------|
| Committed to donating to charity   | 4(.9)   | 53(11.7) | 54(11.9) | 88(19.5) | 67(14.8)  | 43(9.5)   | 143(31.6) |
| CSR also means giving back to the society and helping people               | 27(6.0) | 81(17.9) | 33(7.3)  | 33(7.3)  | 43(9.5)   | 132(29.2) | 103(22.8) |
| Poor CSR activity can have a negative impact on organizational brand value | 0(0)    | 0(0)     | 30(6.6)  | 42(9.3)  | 49(10.8)  | 173(38.3) | 158(35.0) |
| Consults the community before embarking on CSR activities                  | 1(.2)   | 38(8.4)  | 37(8.2)  | 54(11.9) | 112(24.8) | 83(18.4)  | 127(28.1) |
| Recruitment policies that favor the local communities in which it operates | 12(2.7) | 6(1.3)   | 5(1.1)   | 92(20.4) | 0(0)      | 207(45.8) | 130(28.8) |

(SA- strongly agree, A-agree, FA- fairly agree, N-neutral, FD-fairly disagree, D-disagree, and SD-strongly disagree)

More than one third (35%) of the participants were strongly agree that poor CSR activity can have a negative impact on the branding value of the organization. Most of the participants were agreed on the engagement of CSR social/community service for branding. (Table 3)

**Table 4. Ethical CSR Activities**

| Ethical CSR Activities                               | SD n(%) | D n(%)    | FD n(%) | N n(%)   | FA n(%)   | A n(%)    | SA n(%)   |
|--|---------|-----------|---------|----------|-----------|-----------|-----------|
| Practices ethical business                           | 12(2.7) | 6(1.3)    | 0(0)    | 26(5.8)  | 120(26.5) | 277(61.3) | 11(2.4)   |
| As far as I know they does not encourage child labor | 14(3.1) | 0(0)      | 1(0.1)  | 50(11.1) | 102(22.6) | 187(41.4) | 98(21.7)  |
| Transparent to stakeholders                          | 14(3.1) | 134(29.6) | 13(2.9) | 5(1.1)   | 26(5.8)   | 118(26.1) | 142(31.4) |
| Values female employees                              | 5(1.1)  | 19(4.2)   | 36(8.0) | 7(1.5)   | 21(4.6)   | 183(40.5) | 181(40.0) |
| Adverts are ethical                                  | 9(2.0)  | 11(2.4)   | 0(0)    | 18(4.0)  | 108(23.9) | 210(46.5) | 96(21.2)  |

The majority (40%) of the participants were strongly agree on giving values to female employees. Majority of the participants were agreed on different forms of ethical CSR activities by the company were affect branding. (Table 4)

**Table 5. CSR Health Activities**

| CSR Health Activities                                     | SD n(%) | D n(%)    | FD n(%)  | N n(%)   | FA n(%)   | A n(%)    | SA n(%)   |
|---|---------|-----------|----------|----------|-----------|-----------|-----------|
| CSR activity Health line TV show                          | 9(2.0)  | 11(2.4)   |          | 26(5.8)  | 112(24.8) | 283(62.6) | 11(2.4)   |
| Continue the Health line TV show                          | 9(2.0)  | 8(1.8)    | 1(0.2)   | 50(11.1) | 102(22.6) | 192(42.5) | 90(19.9)  |
| CSR programmes organized for contribute to brand building | 11(2.4) | 137(30.3) | 13(2.9)  | 5(1.1)   | 26(5.8)   | 118(26.1) | 142(31.4) |
| Team up with health organisations                         | 2(0.4)  | 56(12.4)  | 99(21.9) | 61(13.5) | 51(11.3)  | 160(35.4) | 23(5.1)   |
| Help with rural health in Nepal                           | 2(0.4)  | 15(3.3)   | 0(0)     | 50(11.1) | 115(25.4) | 218(48.2) | 52(11.5)  |

The majority (63%) of the participants agreed on CSR activity Health line TV show. Likewise, the majority of the participants were agreed as well as strongly agreed on different forms of CSR health activities by the company were affect branding. (Table 5)

**Table 6. CSR Environmental Activities**

| CSR Environmental Activities                                | SD n(%) | D n(%)    | FD n(%)  | N n(%)   | FA n(%)   | A n(%)    | SA n(%)   |
|---|---------|-----------|----------|----------|-----------|-----------|-----------|
| Involved in waste reduction in the society                  | 10(2.2) | 156(34.5) | 12(2.7)  | 5(1.1)   | 23(5.1)   | 104(23)   | 142(31.4) |
| Involved in reduction of air pollution                      | 9(2)    | 105(23.2) | 14(3.1)  | 99(21.9) | 95(21)    | 128(28.3) | 2(0.4)    |
| Considers environmental impact when developing new products | 9(2)    | 14(3.1)   | 0(0.0)   | 50(11.1) | 154(34.1) | 197(43.6) | 28(6.2)   |
| Service provider uses environmentally friendly packaging    | 7(1.5)  | 54(11.9)  | 99(21.9) | 55(12.2) | 51(11.3)  | 160(35.4) | 26(5.8)   |
| CSR means environmentally                                   | 2(0.4)  | 48(10.6)  | 0(0.0)   | 0(0.0)   | 115(25.4) | 227(50.2) | 60(13.3)  |

|                       |  |  |  |  |  |  |  |
|-----------------------|--|--|--|--|--|--|--|
| responsible and green |  |  |  |  |  |  |  |
|-----------------------|--|--|--|--|--|--|--|

More than one third (35%) of the participants were disagree on involving in waste reduction in the society as a CSR Environmental Activities while around (44%) of the participants were Considers environmental impact when developing new products. (Table 6)

#### 4. CONCLUSION

CSR has long been a controversial topic in discussions about company firms, mainly with respect to diverting corporate attention for building brands from customer perspectives. If a company is investing in CSR, it is going to affect people believes in the company product. Working on CSR social/community service, ethical CSR activities, CSR health activities and CSR environmental activities may improve brand reputation. Using strategic planning can allow a smoother transition into being a socially responsible corporation. Some of the strategic planning success factors are very relevant to CSR implementation. The way consumers view a brand have a big impact on brand building in the future.

#### COMPETING INTERESTS DISCLAIMER:

Authors have declared that no competing interests exist. The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

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