

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). In Nepal, The CSR requirement is applicable to all the industries; whose annual turnover is more than NPR 150,000,000 (3). Industrial Enterprise Act 2016 (2073) ("IEA" or 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) (4). CSR is an investment that results in long-term profit for the company (5). The efforts put into healthcare, employment, education, housing, humanitarian action, environment preservation can prove a godsend for both the company and society (6,7). 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 (8). 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 (1). But now, it is a time for every responsible citizen and the company must contribute to the country cause (9,10). 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 (2,11). 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.

It has been seen that the Nepalese organizations have been highly aware and involved in the activities, which are socially desirable. So far the awareness of CSR is concerned, it has been rising in some selected Nepalese companies to protect their family-brand image, which is not at all wrong in this transitional period. However, it also appears that companies still have to go a long way to focus on both inside and outside CSR agenda. Once companies maintain CSR activities inside, they can come outside with CSR agenda in helping people in our society that might help to raise their brand-image, competitiveness and secure profits. Companies socially responsible it is essential to pay VAT (value added tax) and service tax. Industries should not hide their actual income. So, CSR is not just limited to relationship between business and the society but the way businesses are carried out in an ethical manner for the well-being of the society.

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	12(2.7)	6(1.3)	5(1.1)	92(20.4)	0(0)	207(45.8)	130(28.8)

communities in which it operates							
----------------------------------	--	--	--	--	--	--	--

(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	SD	D	FD	N	FA	A	SA
-------------------	----	---	----	---	----	---	----

Activities	n(%)	n(%)	n(%)	n(%)	n(%)	n(%)	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 responsible and green	2(0.4)	48(10.6)	0(0.0)	0(0.0)	115(25.4)	227(50.2)	60(13.3)

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. It is obvious that CSR has many advantages for the branding the company reputation and financial performance. Since a company reputation is a determining factor to retain old clients and attract new ones, it can eventually enhance the company financial position.

COMPETING INTERESTS DISCLAIMER:

Authors have declared that no competing interests exist. There is absolutely no conflict of interest between the authors. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

REFERENCES

1. Kandel LR. Corporate Social Responsibility in Nepalese Commercial Bank with reference to Bank of Kathmandu Limited. *NCC Journal*. 2018;3(1):90–9.
2. Poudel RL. Relationship Between Corporate Governance and Corporate Social Responsibility: Evidence From Nepalese Commercial Banks. *Journal of Nepalese Business Studies*. 2016;9(1):137–44.
3. Adhikari DR, Gautam DK, Chaudhari MK. Corporate social responsibility domains and related activities in Nepalese companies. *International Journal of Law and Management*. 2016;58(6):673–84.
4. Adhikari A. Corporate Social Responsibility: Voluntary or Mandatory? In: *NJA Law Journal* 2014. Kathmandu: District Judge, Kathmandu District Court, Nepal; 2014. p. 185–204.
5. Amaeshi K, Osuji O, Nnodim P. Corporate Social Responsibility in Supply Chains of Global Brands: A Boundaryless Responsibility? Clarifications, exceptions and implications. *Journal of Business Ethics*. 2008;81(1):153–64.
6. Chapagain BR. Corporate social responsibility: evidence from Nepalese financial service and manufacturing sectors. *Economic Journal of Development Issues*. 2012;11(1):9–20.
7. Chaudhary R, Akhouri A. CSR perceptions and employee creativity: examining serial mediation effects of meaningfulness and work engagement. *Social Responsibility Journal*. 2019;15(1):61–74.
8. Fallah MA, Mojarrad F. Corporate governance effects on corporate social responsibility disclosure: empirical evidence from heavy-pollution industries in Iran. *Social Responsibility Journal*. 2019;15(2):208–25.
9. Kumuthinidevi S, Shamila FA. The Impact of Corporate Social Responsibility on Employee Satisfaction in an Insurance Industry in Trincomalee District. *Asian Journal of Economics, Business and Accounting*. 2019;11(4):1–9.
10. Landi G, Sciarelli M. Towards a more ethical market: the impact of ESG rating on corporate financial performance. *Social Responsibility Journal*. 2019;15(1):11–27.
11. Del Baldo M, Baldarelli M-G. Renewing and improving the business model toward sustainability in theory and practice. *International Journal of Corporate Social Responsibility*. 2017;2(1).