

# **IMPACT OF CORPORATE SOCIAL RESPONSIBILITY, PERCEIVED QUALITY, AND CORPORATE REPUTATION ON PURCHASE INTENTION IN CASE OF APPARELS**

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## **ABSTRACT**

*This paper will discuss how corporate social responsibility (CSR), perceived quality, and corporate reputation affect the purchasing intentions of consumers in the apparel industry with particular reference to low- and high-involvement products (pants and shoes). Intensive data collection by using a structured questionnaire and quota sampling were conducted on 160 clothing shoppers in Gwalior. The seven-point Likert scale was used and the data analyzed using the reliability tests, factor analysis, ANOVA, and regression analysis. The study also examines the differences in reactions depending on gender and involvement in the product. The results indicate that the decision of what people purchase is heavily influenced by ethical behaviour, the perceived quality and a reputation of a company. This knowledge can be used by the marketers, brand managers as well as the researchers.*

## **I. INTRODUCTION**

### **Corporate Social Responsibility**

Company social responsibility is "a concept where by companies integrate social and environmental concerns in their business operation and in their interaction with their stakeholder on a voluntary basis," according to the European Commission (2002), which cites Vogel (2005) and McWilliams and Siegel (2001).

World Bank: "Corporate social responsibility (CSR) is the commitment of businesses to behave ethically and to contribute to sustainable economic development by working with all relevant stakeholders to improve their lives in ways that are good for business, the sustainable development agenda, and society at large."

Definitions of corporate social responsibility (CSR) that go "beyond compliance" or "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as



the local community and society at large" incorporate a concept similar to "voluntary behavior".

### **Perceived Quality**

There is a significant difference between objective and perceived quality when thinking about product quality (Tsotsou, 2005).

For instance, Carman (1990) and Parasuraman et al. (1996) are only two of many studies that show how customers' perceptions of a product's quality directly impact their propensity to buy. Perceived quality by customers serves as a signal for a company's reputation, which is based on its previous activities and communicated to its stakeholders (Fombrun and Shanley, 1990; Rindova et al., 2005).

Conversely, according to Zeithaml (1988), The level of confidence a buyer has in a product's quality is called its perceived quality.

### **Corporate Reputation**

Companies invest a lot of money into managing and improving their company image because they see it as a valuable asset.

Positive cash flow and profitability are only two of the many good outcomes that have been associated with well-managed business reputation (Sheldon, 1992). Firms that value their business image and take steps to protect it may reap many rewards, according to several managers.

Research has also shown that shareholders' behavioral intentions are impacted by a company's reputation (Caruana et al., 2006).

### **Purchase Intention**

According to research by Fournier (1998), consumers are more likely to subjectively build a relationship with a brand and increase their purchase intention if the brand offers product features that appeal to their needs. This is because consumers form mental organizations related to the importance of the company toward them.

A buyer's intention to buy is their forecast of which firm they will choose to purchase from, according to Turney and Littman (2003). One possible interpretation of "intention to buy" is that it represents actual purchasing activity. According to Schiffman and Kanuk (2000), a consumer's desire to acquire a product is directly proportional to their purchase intention.

The decision-making process for consumers is complex. Consumers' actions, views, and attitudes are often associated with their desire to buy. When thinking about and assessing a



product, customers' purchasing behavior is a crucial factor (Keller, 2001). According to Ghosh (1990), one useful instrument for anticipating the buying process is purchase intention. Customers will be motivated by their intentions after they decide to buy the goods from a certain business. Price, perceived quality, and perceived value may all have an impact on consumers' intentions to buy (Zeithaml, 1988; Grewal et al., 1998). Furthermore, both the consumer's internal impulses and the external surroundings will act as interruptions throughout the purchase process. The physiological urge that prompts a response is what will ultimately lead people to the retail establishment in search of a solution to their problem (Kim and Jin, 2001). A consumer's propensity to make a purchase is directly proportional to the strength of their buying intention (Dodds, et al., 1991; Schiffman & Kanuk, 2000).

## **II. LITERATURE REVIEW**

**Lucia Gatti, Albert Caruana, Ivan Snehota (2012)** carried out studies whose main objective was to clarify the connection between CSR perception, PR, and, therefore, PI of corporations. The results showed that perceived CSR has a direct effect on public relations, and by extension, on the propensity to buy.

**Brown & Dacin, 1997; Creyer & Ross Jr, 1997; Du, Sen, & Bhattacharya, 2008 Maignan** performed research that found the inverse of what customers thought in industrialized nations, where the majority of consumers were prepared to back corporate social responsibility initiatives. When faced with a choice between two similarly priced and qualitatively equivalent products, CSR emerged as a potential decision factor for consumers. The company with a good reputation for social responsibility would sell to them. A reasonable assumption would be that consumers would prioritize price when making a purchase, regardless of how actively a firm participates in corporate social responsibility initiatives.

**Shahbaz Shabbir, Hans Ruediger Kaufmann, Israr Ahmad and Imran M. Qureshi (2009)** The results show that marketing initiatives had an effect on consumers' intentions to buy. Additionally, it was noted that the influence of CRM efforts on consumers' intents to buy is somewhat mitigated by their level of familiarity with the brand and their perception of the company's image. Only colleges in Rawalpindi and Islamabad contributed to the data set. As these factors influence the effect of CRM initiatives on customer purchase intentions, the results also provide some recommendations on how to improve corporate image and raise brand awareness



**Ali (2011)** performed research commissioned research to find out how CSR impacts company image and customer intent to buy. According to his theory, CSR initiatives have a beneficial effect on business

**Martos-Partal and Gonzalez-Benito(2009).** studied the topic and discovered that customers' intents to buy store brands are positively correlated with their devotion to the retailer. However, this correlation only goes so far since customers tend to only buy store brands while they're shopping, which limits their choices. When the gap between shop brands and manufacturer brands on clothing becomes narrower in terms of quality and category, people often notice it.

**Dawkins and Lewis (2003)** The significance of these many concepts is elucidated by their research. Three out of four causal hypotheses were found to be supported by the data analysis. They prove that consumers' impressions of a company's CSR efforts affected both its reputation and their propensity to buy. The thesis is bolstered by this empirical evidence.

**Isabelle Maignan(2004)** To make their findings comparable across CSR initiatives, stakeholder communities, and stakeholder issues, he advised marketing scholars to (a) think about expanding established concepts and research questions to other types of stakeholders and (b) systematically assess the causes, effects, and nature of CSR practices.

**Abigail McWilliams, Donald S. Siegel, Patrick M. Wright (2005)** A company's capacity to effectively manage its supply chain—a crucial competency for success in this sector—was positively correlated with its overall dynamic capabilities, according to their findings. One important "social" competency in this field is environmental management; nevertheless, it does not seem that a company's general dynamic capacity affects this competency. The authors came to the conclusion that the variables impacting CSR and those driving competitive advantage were distinct.

**McDonald, Lynette M. and Rundle-Thiele, Sharyn R. (2008)** conducted studies that indicated contentment as the only moderator between CSR and a company's market value. Incorporating the customer satisfaction construct rendered CSR's effect on market value null and void. On the other hand, the study's authors acknowledged that CSR didn't always lead to satisfied consumers.

**Pavlos A. Vlachos & Argiris Tsamakos & Adam P. Vrechopoulos & Panagiotis K. Avramidis(2008)** conducted research; the significance of the finding is amplified when taking into account the fact that consumers' perceptions of corporations' motivations are likely predetermined in the marketplace. Specifically, consumers were more inclined to link CSR



initiatives with profit-making goals in an environment where corporate corruption was prevalent and big businesses were distrusted. The findings should be regarded as provisional since they do not provide conclusive evidence of a causal relationship between the study's constructs.

**Imran Ali, Kashif Ur Rehman, Ayse Kucuk Yilmaz, Sajid Nazir and Jawaria Fatima Ali(2010)**

Their study found no link between customers' awareness of CSR programs and their inclination to make a purchase. However, providing excellent service was strongly associated with satisfied clients. Furthermore, there was no association between customer contentment and either purchase intent or customer retention for Pakistan's cellular company, according to the analysis. Important findings from their research should be noted by companies and academics concerned with CSR and consumer behaviour.

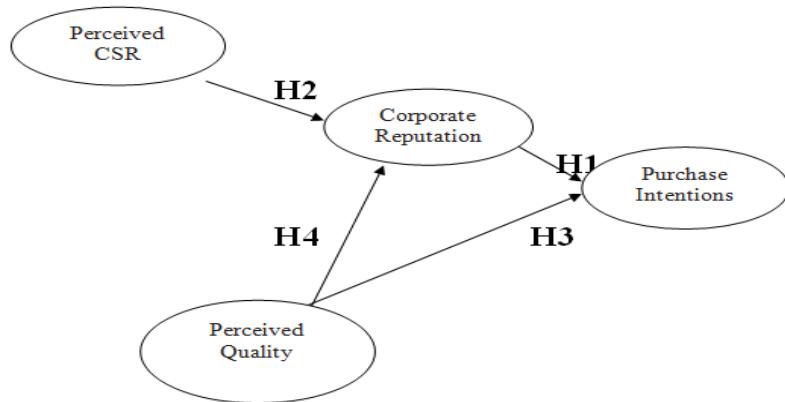
**Yi Li, Jianying Hu, Jing Liu, Xiaoping Liu, Xianming Zheng(2013)** had looked into the four aspects of CSR's impact on perceived quality and brand image, but not as a whole. Differentiating the processes and impacts of the four CSR dimensions from one another is the primary contribution of this article. This paper's research shows that companies can get more out of their CSR investments if they strategically distribute the resources they put into each area, taking into account how customers react to different parts of CSR.

### **Objectives of the Study :**

1. To develop and standardized questionnaires on all the factors of corporate social responsibility, perceived quality, corporate reputation and purchase intention
2. To find out the impact of all the factors of corporate social responsibility, perceived quality, corporate reputation taking as independent variable and purchase intention as dependent variable
3. To find out the difference between the genders and products of low or high involvement towards all the factors of corporate social responsibility, perceived quality, corporate reputation as well as purchase intention
4. To open new vistas for further research



**Proposed Model for the Research :**



**Hypothesis**

**H1:** There is no cause and effect relationship between corporate social responsibility, perceived quality, corporate reputation and purchase intention in case of low customer involvement products .

**H2:** There is no cause and effect relationship between corporate social responsibility, perceived quality, corporate reputation and purchase intention in case of high customer involvement product

**H3:** There is no significant difference between the genders in case of corporate social responsibility, perceived quality, corporate reputation brand creditability and purchase intention.

**H4:** There is no significant difference between both the products of low customer involvement taking products as independent variables and corporate social responsibility, perceived quality, corporate reputation and purchase intention as dependent variables.

**H5:** There is no significant difference between both the products of high customer involvement taking products as independent variables and brand creditability, brand prestige and purchase intention as dependent variables.

**Rationale**

Academics and academics have poured a lot of time and energy into studying purchase intention in recent years since it is one of the most significant concepts in the field for predicting future purchases. Few studies have shown corporate social responsibility (CSR), perceived quality (QQ), and company reputation (PR) to be significant variables impacting customers' inclination to buy.

Finding and analysing the core components of chocolate buyers' motivation to purchase is the goal of this study. Second, we are interested in determining the relationships between the independent variables of perceptions of quality, corporate social responsibility, and reputation and the dimensions of purchase intention.

### **III. RESEARCH METHODOLOGY**

Data was gathered by a survey, and the research had an empirical and causal bent. Gwalior residents who bought pants and shoes from various brands made up the study's population; 160 people filled out the survey, with each responder serving as a sample element. A non-probability quota sampling approach was used to get the data. The study's variables—including brand loyalty, association, perceived quality, awareness, and purchase intention—were collected using a standardized questionnaire. A seven-point Likert scale was used to assess the responses, with 1 being the least amount of agreement and 7 the most. In order to analyses the data, we used reliability tests to make sure the measurement scales were solid, factor analysis to find the core components of the constructs, analysis of variance to look at how gender and brand variables affected purchase intention, and regression analysis to see how perceptions of quality, awareness, association, and loyalty to the brand affected the relationship between purchase intention and the independent variables.

### **IV. RESULTS AND DISCUSSION**

#### **Reliability Measures**

S.NO.	VARIABLE	CHRONBACH'S ALPHA
1.	<b>Corporate Reputation</b>	.891
2.	<b>Perceived Quality</b>	.829
3.	<b>Corporate Social responsibility</b>	.878
4.	<b>Purchase Intention</b>	.704

When the dependability number is more than 0.7, it is deemed satisfactory. For the study, the questionnaire can be considered reliable because Cronbach's e reliability was higher than the standard value for Corporate Social Responsibility (0.891), Perceived Quality (0.829), Corporate Reputation (0.878), and purchase intention (0.704).

**Kmo Bartlett's Test Of Sphericity**

S. No.	Variable	Kmo Test of Adequacy	Bartlets Test of Spheicity	Sig.
1.	<b>Corporate Reputation</b>	.832	547.747	.000
2.	<b>Perceived Quality</b>	.840	270.458	.000
3.	<b>CSR</b>	.868	511.708	.000
4.	<b>Purchase intention</b>	.500	55.758	.000

**KMO Bartlett Test of Sphericity**

What follows is an analysis of the results of KMO Bartlett's test for sphericity.

Kaiser-Meyer-Olkin (KMO) sampling adequacy values of 0.832 for corporate reputation, 0.840 for perceived quality, 0.868 for corporate social responsibility, and 0.500 for purchase intention indicate that the sample size was enough for the current study. A KMO score higher than 0.5 suggests that the data follows a normal distribution, which is necessary to continue with exploratory factor analysis.

Using a chi-square test, we evaluated the Bartlett's test. With regard to CSR, perceived quality, corporate reputation, and purchase intent, the corresponding chi-square values were 547.747, 270.458, 511.708, and 55.758, four times, respectively. This data set was suitable for exploratory factor analysis since these values are statistically significant at the 0.000 level.

**MANOVA**

Levene's Test of Equality of Error Variances <sup>a</sup>			
Dependent Variable: Purintention			
F	df1	df2	Sig.
1.038	142	17	.497
Tests the null hypothesis that the error variance of the dependent variable is equal across groups.			

a. Design: Intercept + BrandCredibility + HighLowInvoPdt

Model having the Corporate Social Responsibility, Perceived Quality, Corporate Reputation and high and low involvement product as independent variable and Purchase Intention as dependent variable was having a poor fit as indicated by f-test value 1.038 significant at .497

<b>Tests of Between-Subjects Effects</b>					
Dependent Variable: Purintention					
Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	974.223 <sup>a</sup>	144	6.765	62.616	.000
Intercept	63.368	1	63.368	586.495	.000
Gender	.184	1	.184	1.700	.212
Brand	.004	1	.004	.040	.844
Corpreputation	49.518	12	4.126	38.192	.000
Percvqualtiy	26.345	10	2.634	24.383	.000
CSR	47.162	21	2.246	20.785	.000
Corpreputation * Percvqualtiy	4.749	3	1.583	14.652	.000
Corpreputation * CSR	2.315	2	1.158	10.713	.001
Percvqualtiy * CSR	.168	2	.084	.779	.477
Corpreputation * Percvqualtiy * CSR	.000	0	.	.	.
Error	1.621	15	.108		
Total	22251.000	160			
Corrected Total	975.844	159			
a. R Squared = .998 (Adjusted R Squared = .982)					

According to the General Linear Model ( $p < 0.001$ ), firm reputation, perceived quality, and corporate social responsibility (CSR) have a substantial impact on consumers' tendency to purchase. In terms of propensity to purchase, gender and brand do not correlate significantly. The influence of company reputation on desire to buy varies across levels of perceived quality and CSR.

The existence of substantial interaction effects between business reputation and perceived quality and CSR lend credence to this idea. On the other hand, there was no statistically significant association between CSR and perceived quality. The model's



robust explanatory ability is shown by its adjusted  $R^2$  value of 0.982, which explains 99.8 percent of the variance in purchase intention.

## **V. SUGGESTIONS**

This study may not have generalizable findings because of its limited sample size (160 people from the Gwalior region). To address this, future studies should aim to recruit a bigger and more representative sample. To ensure the findings hold up in diverse settings, researchers can replicate the study in other cities and areas. It is also possible to test the generalizability of the results by repeating the study with other items and services from different industries. Future studies can potentially shed more light on customer behavior and increase the study's explanatory power by including more demographic factors.

## **VI. IMPLICATIONS OF THE STUDY**

Both theoretical and applied communities stand to benefit greatly from this study's conclusions. Additional academic research may be built upon from the listed sources. This research sheds light on the strategic areas that need to be prioritized in order to enhance purchase intention and helps organizations, especially manufacturing enterprises, understand the aspects that consumers consider when making purchases. As a whole, the study lends credence to well-informed decision-making and paves the way for further investigation into relevant topics.

## **VII. CONCLUSION**

Using corporate reputation, perceived quality, and corporate social responsibility as independent variables and purchase intention as a dependent variable, this research set out to examine the relationship between gender and brand awareness. The study population consisted of brand customers from the Gwalior region. The reliability and data KMO and Bartlett tests were used to standardize the measures of all the research variables. Among the dependent variables on purchase intention, multivariate analysis of variances revealed that corporate reputation, perceived quality, and corporate social responsibility all had significant impacts. Research suggests that brands may improve their perceived quality and corporate reputation by increasing their investments in corporate social responsibility. To further guarantee the customer's intent to buy.

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