



A Study on the Influence of Corporate Social Responsibility on Consumer Behavior: with special reference towards Insurance Brokers in Malawi

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ABSTRACT

Corporate Social Responsibility (CSR) has become a pivotal element in shaping business practices and consumer perceptions worldwide. This study explores CSR's impact on consumer behavior within Malawi's insurance brokerage sector, where its effects are not well-documented. The research addresses this gap by examining how CSR initiatives affect consumer trust, loyalty, and purchasing decisions. Utilizing a mixed-methods approach, the study combines quantitative surveys and qualitative interviews to provide a comprehensive view. Surveys captured demographic data, CSR awareness, and behavioral responses from consumers, while interviews offered deeper insights into perceptions and the authenticity of CSR practices.

The findings reveal that CSR activities significantly influence consumer behavior in Malawi. Consumers who perceive insurance brokers as socially responsible show higher levels of trust, loyalty, and willingness to purchase insurance products. The study underscores the importance of ethical practices, community involvement, and environmental sustainability in shaping consumer attitudes. It provides empirical evidence from a developing country context, highlighting CSR's strategic importance for insurance brokers in Malawi. The research suggests actionable recommendations for enhancing CSR practices, emphasizing the need for authentic engagement with local community needs and effective communication of CSR efforts to boost consumer trust and market performance.

Keywords: Corporate social responsibility

INTRODUCTION

Corporate social responsibility (CSR) is the key to a company's success (Maqbool & Zameer, 2018; Paek et al., 2013). Corporate Social Responsibility (CSR) is defined as a company's commitment to operate in an economically, socially, and environmentally responsible manner (Carroll, 1991). Traditionally, CSR involved charitable contributions and community support, but it has evolved to encompass a wider range of activities, including environmental sustainability, ethical labor practices, and stakeholder engagement (Porter & Kramer, 2006). This evolution reflects a growing recognition of the need for businesses to address broader societal issues beyond their immediate economic interests. The term of CSR refers to certain obligations of firms to pursue or make decisions that are desirable by the interests and values of the society. (Bowen, H. 1953). It includes different responsibilities towards community, environment, customers, and suppliers, as well as social contributions and corporate environmental ethics. CSR provides various advantages to companies, such as enhancing brand loyalty, trust, and positive attitudes towards a brand and countering negative publicity (McWilliams & Siegel, 2001; Sen, 2006; Sen & Bhattacharya, 2001).

Consumers use corporate CSR in making purchase and usage decisions (Alvarado-Herrera et al., 2017). CSR activities can be an important component of corporate public relations. The concept of CSR has gained prominence as consumers and other stakeholders increasingly demand that companies take responsibility for their actions and contribute positively to society (McWilliams & Siegel, 2001). This shift is supported by evidence suggesting that CSR can enhance corporate reputation, improve customer loyalty, and lead to competitive advantages (Lichtenstein et al., 2004). Awareness - beliefs, attitudes, and loyalty of customers increase even in the current excellent crisis period. However, there have been many scientific and technical studies and business discussions of leaders related to social responsibility and business aspects of enterprises. However, the actual relationship between CSR and loyalty customer perspective research has not been explained in an integrated framework.

LITERATURE REVIEW

Evolution of CSR: Historical Perspective

The concept of Corporate Social Responsibility (CSR) has undergone significant evolution since its inception. Initially, CSR was primarily associated with philanthropic activities where businesses would contribute to social causes, often through donations and community support programs. This early form of CSR was largely discretionary, with businesses choosing to engage in charitable activities as a way to give back to society. However, as the role of businesses in society began to be scrutinized more closely, the expectations for corporate behavior evolved.

In the 1950s and 1960s, scholars like Howard Bowen began to explore the social obligations of businesses, leading to the development of the concept of "social responsibilities of the businessman" (Bowen, 1953). This period marked the beginning of a more structured approach to CSR, where businesses were expected to consider the broader impact of their operations on society.

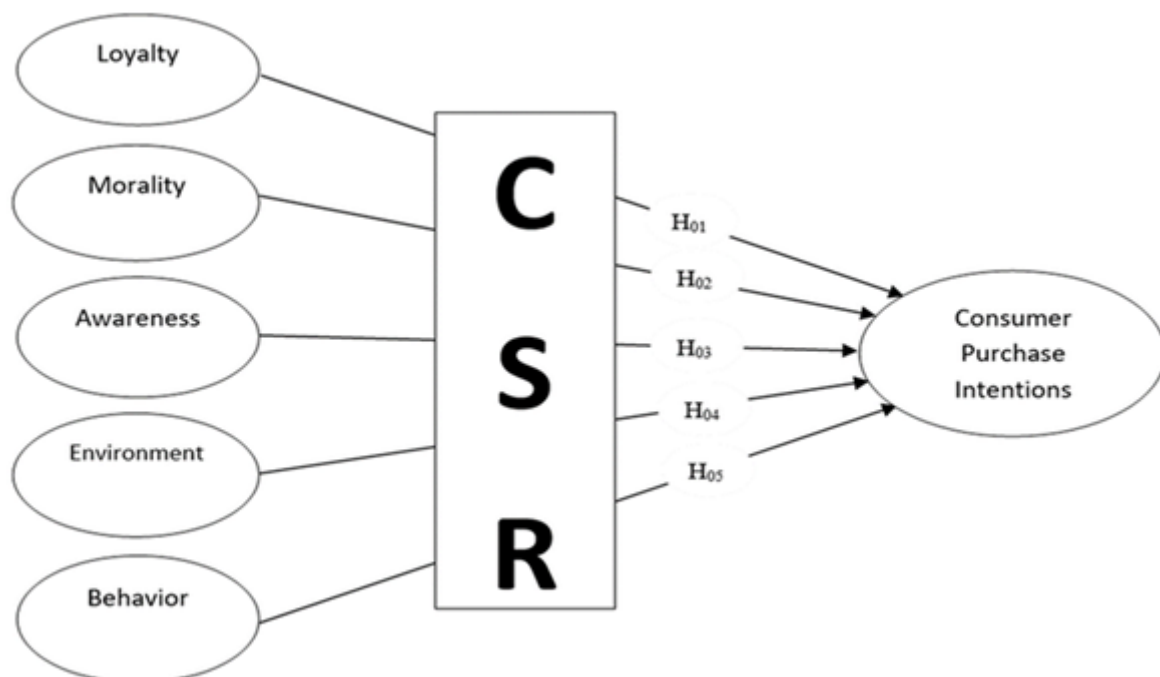
The 1970s and 1980s saw further development of CSR as a concept, with the introduction of various models and frameworks that sought to define and categorize the responsibilities of businesses. One of the most influential frameworks to emerge during this period was Carroll's CSR Pyramid, which categorized CSR into four dimensions: economic, legal, ethical, and philanthropic responsibilities (Carroll, 1991). Initially, the concept was exclusively associated with economic aspects, understood as the firm's obligation to maximise shareholder value (Zenisek, 1979). In this perspective we include (Friedman's, 1962) position, for whom corporate responsibility is simply carrying out actions that increase profits while respecting the rules of the game. However, (Mcguire, 1963) defends the idea that firms have responsibilities towards their environment that go beyond their legal and economic obligations.

CSR and Consumer Behavior

Research has consistently shown that CSR can positively influence consumer attitudes and behaviors. (Deng et al., 2016) found that consumers are more likely to purchase products from companies perceived as socially responsible. The study highlighted that CSR activities enhance the company's image and build consumer trust, which in turn increases purchase intention. This finding is supported by (Xiang Rong, 2017), who argues that CSR initiatives aligned with consumer values lead to stronger brand loyalty and higher purchase intentions. (S. Choi & Ng, 2011), stated that consumers consider a company's CSR image in their purchase and consumption decisions.

CSR is not only a tool for enhancing a company's image but also a means to differentiate from competitors. (Sun Xiaoli, 2019) conducted an empirical analysis of the food industry and found a strong correlation between CSR and brand value. The study demonstrated that consumers are more inclined to purchase products from brands that they perceive as contributing positively to society. This indicates that CSR can be a critical factor in competitive markets where brand differentiation is essential.

CONCEPTUAL FRAMEWORK



Objectives

1. To study the importance of CSR activities.
2. To identify the factor influencing CSR activities in Insurance Brokers in Malawi.
3. To find the relationship between CSR activities with Consumer Purchase Intention.
4. To provide suitable suggestions to Insurance Brokers in Malawi.

5. To evaluate the influence of CSR on consumer loyalty towards insurance brokers.
6. To determine the effect of CSR initiatives on consumer purchasing decisions in the insurance brokerage sector

Hypothesis Framed

Ho1: There is a relationship between Loyalty and Consumer Purchase Intention.

Ho2: There is a relationship between Morality and Consumer Purchase Intention.

Ho3: There is a relationship between Awareness and Consumer Purchase Intention

Ho4: There is a relationship between Environment and Consumer Purchase Intention

Ho5: There is a relationship between Behavior and Consumer Purchase intention

RESEARCH METHODOLOGY

Research tools are crucial for collecting data and ensuring that the research objectives are met effectively. For a study investigating the influence of Corporate Social Responsibility (CSR) on consumer behavior, especially within the context of insurance brokers in Malawi, the construction of research tools involves careful consideration of the research questions, objectives, and the specific characteristics of the target population. Approach: Mixed-methods approach combining quantitative and qualitative data.

Surveys and Questionnaires

Definition: Structured instruments used to collect numerical data from respondents. Surveys and questionnaires are often employed to gather data on opinions, behaviors, or demographics. Surveys and questionnaires are fundamental tools in quantitative research used to collect data from specific populations. These tools consist of a series of structured questions designed to gather information about respondents' behaviors, attitudes, opinions, demographics, or other characteristics. The structured nature of surveys and questionnaires allows for the collection of standardized data, which can be analyzed statistically to identify patterns, trends, and relationships among variables. Surveys and questionnaires are essential for gathering quantitative data from a large sample. They provide structured information that can be statistically analyzed to identify patterns and relationships between CSR practices and consumer behavior. To explore existing knowledge on CSR and its impact on consumer behavior, focusing on insurance brokers in Malawi.

Structure and Design

Surveys and questionnaires typically include closed-ended questions, where respondents select from predetermined options, and open-ended questions, where respondents provide free-text answers. The design process involves careful consideration of question wording, response formats (e.g., Likert scales, multiple-choice), and the overall layout to minimize bias and ensure clarity.

(Fowler, 2014) emphasizes the importance of clear and unambiguous questions to avoid misinterpretation and ensure the reliability of responses. The design should also consider the cognitive load on respondents, balancing the need for comprehensive data with the ease of completion. (Groves et al., 2009) discuss the necessity of pilot testing surveys to identify potential issues in question wording, order effects, and respondent understanding, which can significantly impact data quality.

RESULTS AND DISCUSSIONS

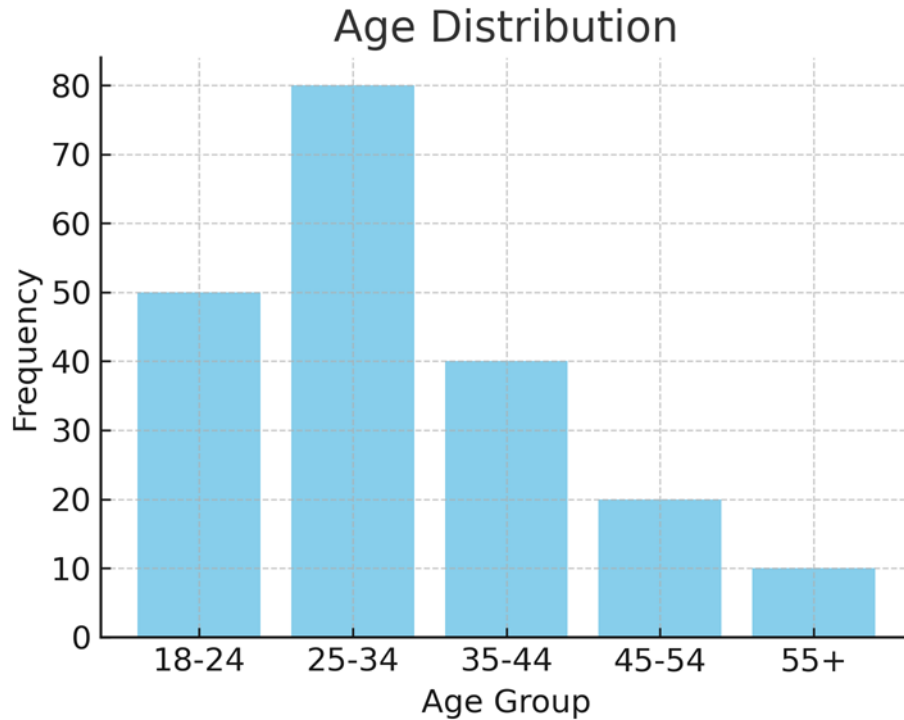
Response rate

Table 1: Demographics of Survey Respondents

Variable	Category	Frequency	Percentage (%)
Age	18-24	50	25%
	25-34	80	40%
	35-44	40	20%
	45-54	20	10%
	55+	10	5%
Gender	Male	120	60%
	Female	80	40%
Education Level	Diploma	30	15%

	Bachelor's	100	50%
	Master's	50	25%
	Doctorate	20	10%

Understanding the demographic profile of the survey respondents is essential for contextualizing the findings and ensuring the validity and generalizability of the results. The data collected reflects diverse age groups, gender, and educational backgrounds, providing a comprehensive overview of the population sampled in this study.

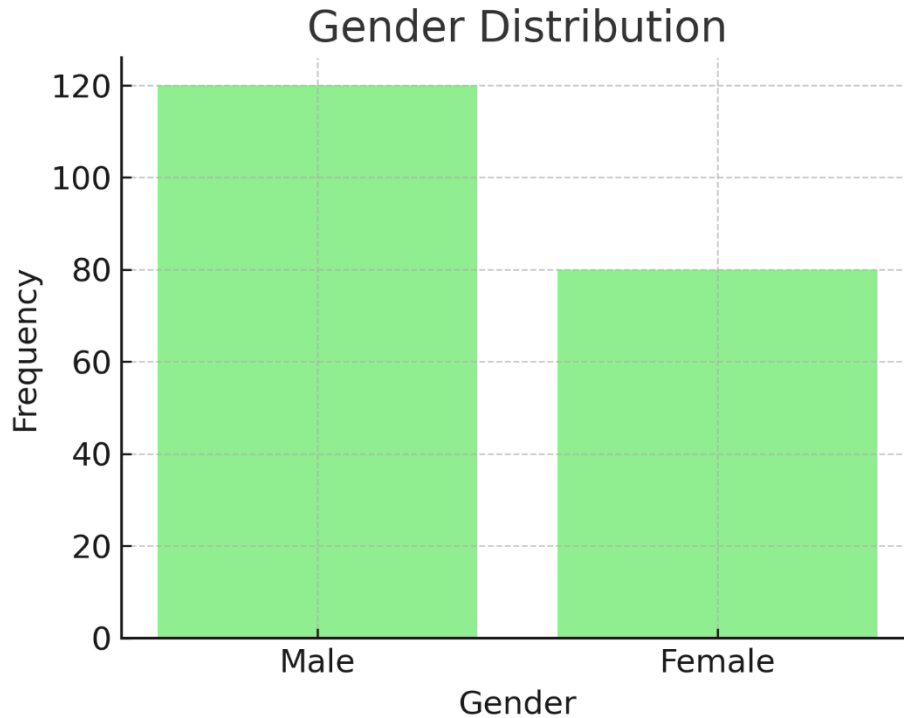


The age distribution of the respondents is as follows:

- 18-24 years: 50 respondents (25%)
- 25-34 years: 80 respondents (40%)
- 35-44 years: 40 respondents (20%)
- 45-54 years: 20 respondents (10%)
- 55+ years: 10 respondents (5%)

The survey reveals a significant concentration of respondents in the 25-34 age group, comprising 40% of the sample. This group is likely to be in the early to mid-stages of their professional careers, potentially making them more attuned to corporate practices, including CSR initiatives. The 18-24 age group also constitutes a substantial portion (25%) of the respondents. These younger individuals are often emerging into adulthood and the workforce, where they are forming opinions and loyalties towards brands and companies.

The remaining respondents are distributed across the older age groups, with 20% in the 35-44 age bracket, 10% in the 45-54 range, and only 5% aged 55 and above. The relatively lower representation of older age groups suggests that the survey findings might be more reflective of the views and behaviors of younger consumers. This demographic skew towards younger adults could influence the results, especially regarding attitudes towards innovation, sustainability, and corporate responsibility.



Gender representation within the survey sample is as follows:

- Male: 120 respondents (60%)
- Female: 80 respondents (40%)

The survey sample is predominantly male, with 60% of respondents identifying as male and 40% as female. This gender distribution may have implications for the interpretation of the results, particularly in areas where gender could influence perceptions of CSR activities. For instance, previous research suggests that women may place higher importance on ethical business practices and community development initiatives. Therefore, the male dominance in the sample could mean that the findings may lean towards perspectives more common among male consumers.

Given the gender imbalance, it is essential to consider how this might impact the generalizability of the findings. While the results provide valuable insights, further research might be needed to explore potential differences in how male and female consumers perceive and react to CSR activities, ensuring a more balanced understanding of consumer behavior across genders.

MAJOR FINDINGS

The project aimed to explore how Corporate Social Responsibility (CSR) influences consumer behavior, specifically within the context of insurance brokers in Malawi. The investigation involved a comprehensive review of existing literature, meticulous data collection, and precise sampling techniques. This discussion synthesizes the key findings from these activities, highlighting the implications for both theoretical understanding and practical application.

The analysis of data revealed a significant correlation between CSR activities and consumer loyalty in the insurance sector. As outlined in the literature, CSR initiatives can positively influence consumer perceptions and behaviors by enhancing trust and satisfaction (Carroll, 1999; Kotler & Lee, 2005). The empirical findings from this study corroborate these theories, demonstrating that consumers in Malawi are more likely to engage with insurance brokers who actively participate in CSR activities.

SUGGESTIONS AND RECOMMENDATIONS

Based on the comprehensive analysis of CSR's influence on consumer behavior in the Malawian insurance sector, the following detailed recommendations are proposed. These recommendations are designed to guide insurance brokers in enhancing their CSR strategies and maximizing their impact on consumer loyalty and brand reputation.

1. Enhance CSR Awareness and Communication

Recommendation: Develop and implement a robust CSR communication strategy to increase consumer awareness and engagement.

Rationale: The strong correlation between CSR awareness and consumer loyalty underscores the importance of effectively communicating CSR initiatives. McWilliams and Siegel (2001) argue that CSR awareness creates a favourable company image, which is crucial for fostering consumer loyalty. By increasing awareness, brokers can enhance consumer engagement and differentiate themselves in the market.

CONCLUSION

The study provides a nuanced understanding of how CSR influences consumer behavior within the insurance sector in Malawi. By highlighting the importance of CSR awareness, effective communication, and alignment of CSR activities with consumer values, the findings offer practical recommendations for insurance brokers seeking to enhance consumer loyalty and trust. The insights gained from this research contribute to the broader understanding of CSR's role in consumer behavior and provide valuable guidance for companies aiming to leverage CSR as a strategic tool.

Insurance brokers in Malawi can benefit from adopting targeted CSR strategies that address the diverse needs and preferences of their consumer base. By focusing on effective communication and aligning CSR activities with consumer values, brokers can build stronger relationships with their clients, improve brand perception, and achieve long-term success in a competitive market.

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