

ANALYSIS ON THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON CUSTOMER SATISFACTION: EVIDENCE FROM FOOD AND BEVERAGE INDUSTRY IN AMHARA REGION, ETHIOPIA.

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Abstract

The researcher has researched the Effects of corporate social responsibility on Customer Satisfaction: Evidence from the Food and Beverage Industry in the Amhara Region, Ethiopia. The study's principal objective was to investigate the effect of corporate social responsibility practices on Customer satisfaction from some selected Food and Beverage processing Industries. To accomplish this study, both primary and secondary data sources were used. Moreover, a multi-stage sampling technique was employed to select Five Food and Beverage processing Companies as a sample. The researcher took three hundred eighty-five sample respondents based on the convenience sampling technique. A structured questionnaire schedule was used to collect primary data from the respondents. And data analysis was carried out using descriptive statistics like frequency, mean, and standard deviation employed with SPSS software version 26 and Amos 23 to investigate factors that influence the Customer satisfaction of Food and Beverage Companies. CSR-engaged organizations are more likely to improve consumer satisfaction. This research has practical consequences for managers and organizations. First, the outcomes stress integrating CSR into corporate strategies and operations. Responsible and ethical behavior improves customer satisfaction and corporate effectiveness. The findings of this research are expected to contribute to the literature on CSR and customer satisfaction in emerging market contexts, provide practical guidance to food and beverage companies in the Amhara Region to enhance customer satisfaction through CSR initiatives, and inform policymakers about the importance of promoting responsible business practices for sustainable economic development.

Keywords: Corporate Social Responsibility, Customer Satisfaction, Food and Beverage Industry, Amhara Region.

1. INTRODUCTION

Businesses increasingly understand that market-oriented yet responsible behavior is more critical for long-term performance and shareholder value than focusing only on maximizing short-term earnings. CSR is about how companies are conducted, not an optional "add-on" to their core business. In today's competitive economic world, organizations are quickly discovering the significance of Corporate Social Responsibility (CSR) to improve their image and reputation. "Corporate social responsibility" lets companies address social and environmental issues beyond their legal obligations (Carroll & Shabana, 2010). CSR is becoming more popular since it can boost consumer loyalty, company image, and long-term sustainability (Brammer et al., 2007).

Furthermore, the business has embraced Corporate Social Duty (CSR), emphasizing companies' social and environmental responsibility. "The voluntary measures that corporations undertake to address the economic, social, and environmental repercussions of their activities" is CSR (Archie B. Carroll, 2018). Organizations must show their CSR commitment to improving their image and consumer interactions. CSR is a style of doing business that companies must willingly and honestly adopt to achieve long-term economic and social success (Cha & Jo, 2019).

Additionally, according to the Commission of European Communities, most definitions of corporate social responsibility suggest that corporations voluntarily incorporate social and environmental issues into their operations and relationships with stakeholders (Communities, 2001). Corporate social responsibility is driven by large organizations, even though socially responsible practices exist in all sorts of firms, public and private, including SMEs and co-operatives. CSR and customer satisfaction affect the business image, although more research is needed on their relationship. This study addresses this gap by investigating how CSR programs affect consumer satisfaction and company image. Understanding how customer satisfaction mediates can help you understand how CSR actions improve a company's brand and image (Hoeffler & Keller, 2002).

Customer satisfaction is unquestionably one of the main goals of every business in maintaining long-term customer relationships in terms of customer retention and loyalty because it not only helps the business retain the customers who pay the bills but also helps it fulfill its social obligations to the customer segment of society. Every company aspires to include customer satisfaction in its Corporate Social Responsibility (CSR) agenda to attain the goal of increased customer happiness and remain economically and socially viable (Sharma, 2022).

CSR appears to improve consumer happiness across industries and regions. However, the dynamics and results of Amhara Region food and beverage CSR efforts are unstudied. Thus, firms in this region lack a comprehensive grasp of how their CSR activities affect customer satisfaction, hampering their capacity to design effective CSR strategies to boost market competitiveness. This study addresses this research gap by examining how CSR affects customer satisfaction in the Amhara Region's food and beverage industry. This research will survey and interview customers and industry representatives to determine how CSR initiatives affect customer satisfaction. The findings will improve CSR and customer satisfaction knowledge for Amhara Region food and beverage companies.

Moreover, CSR appears to improve consumer satisfaction across industries and regions. Studies show that customers are better satisfied with companies and their products or services when they act socially responsibly. Ethiopia's food and beverage industry creates jobs and boosts its economy. This Industry's CSR initiatives might affect consumer satisfaction as customers become more aware of companies' social and environmental responsibilities. However, research on CSR and consumer satisfaction in the food and beverage business in the Amhara Region of Ethiopia is scarce. To address this gap, this study examines the region's food and beverage sector and CSR's impact on consumer satisfaction.

2. REVIEW OF RELATED LITERATURE

2.1. Introduction

As firms strive to balance economic goals with social and environmental responsibilities, corporate social responsibility (CSR) has garnered attention. "Companies' acts that help society" are CSR (Carroll & Shabana, 2010). Companies must evaluate how CSR affects their image, consumer satisfaction, environment, and society. Corporate image is defined as "perception and opinions held by internal and external stakeholders regarding a firm's traits, capabilities, and overall quality" (Violina & Charles, 1999). According to Rindova et al. (2005), Credibility, trust, and brand perception are included. A company's long-term success depends on its corporate image, influencing consumer preferences, brand loyalty, and engagement.

Customer satisfaction might mediate the CSR-corporate image link. Client loyalty depends on customer satisfaction (Oliver, 2010). Satisfied customers are more likely to recommend a company, its products and maintain long-term relationships. Consumer satisfaction mediates the relationship between CSR practices and corporate image, which might help explain CSR's mechanisms and benefits.

This study reveals how CSR affects consumer satisfaction. Companies may improve their customers' satisfaction by making customers happy by understanding these dynamics and their CSR initiatives. The research's subsequent sections analyzed relevant material and proposed a theoretical framework.

2.2. Definition of Corporate Social Responsibility

Corporate social responsibility is the continual commitment by businesses to conduct ethically. It contributes to economic progress while improving the quality of life of employees, their families, the local community, and society (DWBCSD, 1999). Kotler & Lee (2005) describe company social responsibility as a commitment to community well-being through independent business practices and corporate resources. A firm meets its corporate social responsibility (CSR) obligations through large-scale social activities.

Corporate social responsibility encompasses society's current economic, legal, ethical, and philanthropic demands of organizations. Accordingly, decision-makers should act in ways that benefit the community and themselves (Archie B. Carroll and Ann K. Buchholtz, 2008). A corporation's social duty goes beyond its legal and economic obligations. Company social responsibility involves making judgments about specific issues or problems that (by some normative criterion) benefit relevant company stakeholders. Corporate social responsibility has prioritized normative correctness in commercial outcomes.

Despite numerous attempts to define CSR objectively, there is still considerable ambiguity. CSR definitions explain reality but don't offer solutions to its problems. The company struggles less to define CSR than to understand how it is socially constructed in a particular environment and how to incorporate this into business strategy. A study reviewed 37 CSR definitions and found five primary dimensions: motivation to pursue CSR, stakeholder, social, economic, and environmental factors (Dahlsrud, 2008).

CSR emphasizes ethical stakeholder relations. "Ethically or responsibly" means treating stakeholders as sophisticated civilizations would social and financial accountability. Companies have internal and external stakeholders. Ecosystems are stakeholders. Social responsibility is to improve living circumstances for employees and customers while maintaining profitability. A company's morality toward stakeholders is its CSR. "Corporate social responsibility" has several meanings, and no definition exists (Hopkins, 2012). Socially responsible corporations support some social development. Increasing the attraction of its products and services, such as financial services, to all consumers will boost a company's profits. The benefits of CSR implementation may outweigh the costs. "Corporate social responsibility" (CSR), according to Alexander et al. (2014), characterizes how corporations behave concerning their communities, social causes, and the environment. Many firms act responsibly toward society in their daily operations. These activities include doing good deeds for communities, societal concerns, and the environment. Corporate social responsibility has gained new impetus in the global economy and drawn interest from all around the world.

2.3. The Origin of Corporate Social Responsibility

In its current incarnation, corporate social responsibility (CSR) has been a significant and evolving topic since the 1950s. Of course, businesses have frequently sought to assist society, the community, or certain stakeholder groups (Carroll et al. 2012). There is evidence that CSR is also used in other countries, frequently with different names, customs, and explanations. The majority of the literature on CSR and what it comprises was produced in the United States. Currently, the idea is being adopted in various forms in Europe, Asia, Australia, Africa, South America, and many other developing nations. CSR is a concept that has endured and is becoming more popular. It must be remembered that many professionals have previously questioned the CSR concept. (Carroll, 2017, 1991) established a pyramidal organizational structure for the four social responsibility categories that comprise a company's CSR: economic, legal, ethical, and discretionary or charitable.

Theodore Levitt examined "The Dangers of Social Responsibility" in a significant 1958 Harvard Business Review article when he said that business has two obligations: (1) to provide financial advantage and (2) to uphold face-to-face civilities like honesty and good faith, he made his point quite clearly. According to Levitt, both in principle and in practice, the sole important goal of business is to maximize long-term profits (Levitt, 1958). Milton Friedman, an economist, is the most well-known opponent of social responsibility. He argued that businesspeople shouldn't be concerned with social issues and that the free market system should be allowed to operate unrestrictedly to create solutions to these difficulties (Friedman, 1962).

2.4. Customer Satisfaction

Customer satisfaction refers to the degree of fulfillment customers experience after interacting with a company's products, services, or CSR initiatives. CSR initiatives are viewed as aspects that promote consumer satisfaction, resulting in beneficial effects on the corporate image (E. W. Anderson & Sullivan, 1993).

2.4.1. Customer Satisfaction Measurement

Information regarding the degree or level of customer satisfaction with the services offered by the company is produced by the process of gathering data. There are numerous ways to collect and analyze this data. Numerous businesses regularly track customer satisfaction levels to monitor progress over time and assess the impact of service performance/quality. According to Henley Center Headlight Vision (Kim Smith and Chenhall, 2007), five tells are likely relevant to all firms when measuring customer satisfaction. This is according to a study done in the UK in public sector organizations. Delivery of the service (how issues were resolved, dependability, and results); Timeliness (length of queue times, frequency of contact); Information (accurate, complete, and sufficient; kept informed); Professionalism (competent staff, fair treatment); and Attitude of Staff (friendly, polite behavior, attractiveness, sympathetic).

2.4.2. Determinants of Customer Satisfactions

Specific characteristics of a product or service, the perception of quality, and a customer's emotional reactions, attributions, and perspective all affect how satisfied they are with the purchase. Customer evaluation of a product or service feature involves customer satisfaction with that product or service (Parasuraman et al., 1985). Customer Emotion: Customers' feelings can influence their satisfaction with the goods and services they receive. These feelings may be enduring prior feelings. Credit for Service Success or Failure: How Attribution Affects Satisfaction Customers frequently search for the causes of unexpected results (service that is either much better or significantly worse than anticipated) and make judgments about how those factors may affect their pleasure. (Ibid)

According to research, customer satisfaction is also influenced by the customer's opinion of the service's equity and justice. Was my treatment comparable to that of other customers? Did other customers receive better service, better deals, higher quality products, etc.? Customers' perceptions of fairness are crucial to their satisfaction with goods and services. (Parasuraman et al., 1985) Customer service standards are determined by organizations using various methods, and they differ in detail. Robert-Phelps follows the model "SPECIAL (Speed, Personality, Exceed expectations, Competence and courteous, Information, Attitude, Long-term relationship)" to please clients.

2.4.3. Increased Sales and Market Share

Surveys undertaken by (Cone, 2004) have offered solid evidence that corporations can profit significantly from linking themselves to a cause, as evidenced in the following (now commonly quoted) findings from their benchmark study of consumers in 1993/1994: Eighty-four percent of respondents claimed to have a more favorable opinion of businesses that contribute to a better society, "78 percent of adults indicated they would be more likely to purchase a product linked to a cause they were passionate about.", "66 percent stated they would switch companies to help a subject they were passionate about.", "62 percent stated they would change retail locations to promote a cause." And According to a study, 64 percent of respondents felt that cause-related marketing should be a regular feature of a company's activities (Kotler & Lee, 2005).

2.5. Review of Related Theories

2.5.1. Stakeholder Theory

The stakeholder theory emphasizes that organizations should consider the interests and needs of various stakeholders, including customers, in their decision-making processes. This theory suggests that companies engaging in socially responsible practices, such as CSR initiatives, can positively influence customer satisfaction by meeting their expectations for ethical and accountable behavior (Freeman, 1984). Stakeholder identification, salience, and engagement are important ideas in stakeholder theory. Stakeholders are essential in influencing CSR activities, and firms are more likely to create efficient and long-lasting CSR practices when they interact with stakeholders (Mitchell et al., 1997). Stakeholders significantly impact a company's reputation and image, and positive interactions and engagement can improve it (Bhattacharya et al., 2009).

2.5.2. Attribution Theory

Customers evaluate CSR practices based on their motivations, such as social issues, ethical concerns, and strategic goals (Sen et al., 2006). Customer attributions are essential for evaluating the efficacy and impact of CSR operations, as internal motives such as genuine caring can lead to higher ratings and support (Du et al., 2007). Customers' attributions of motives influence how they view a company's CSR initiatives, affecting their views, purchasing intentions, and brand loyalty.

2.5.3. Social Identity Theory

Social identity theory focuses on how group membership and social categorization affect people's sense of self and identity. Social comparison, social categorization, and social identification are fundamental principles in this theory (Sen & Bhattacharya, 2001). CSR practices can impact customer identity, promoting a sense of social identity with the brand and its values. Research shows that customers view organizations engaging in CSR as more trustworthy, reputable, and socially responsible (Sen & Bhattacharya, 2001). CSR programs can boost customer happiness and corporate image by developing a shared identity between the company and its consumers (Tajfel, H., & Turner, 1986).

2.6. Corporate Social Responsibility and Customer Satisfaction

Kotler and Keller noted that "satisfaction is a person's sentiments of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations"(Keller, 2016). The consumer is unhappy if the performance or experience does not meet their expectations. If it fulfills expectations, the customer is thrilled. If it surpasses expectations, the client is delighted. The degree of loyalty a customer has to a brand is one characteristic that determines how well customers receive a product or service. Consumers usually have more favorable perceptions of a product from a brand they already trust. Research has also revealed an asymmetry relationship between product performance and expectations and consumer happiness: When expectations are not satisfied, the negative impact on customer satisfaction is disproportionately more prominent than the positive impact. According to another study

by Alafi and Hasonah (2012), customer satisfaction is positively improved by CSR initiatives. Customers are more satisfied with a product or service from a socially conscious firm, all else equal, and with superior customer satisfaction (Alafi & Al Sufy, 2012).

CSR has the potential to be a valuable and significant marketing tool for enhancing customers' satisfaction, good opinions of the brands, and purchasing decisions; This can assist organizations in generating distinctive qualities and excellent views that could result in a significant financial advantage. Studies suggest that CSR favors corporate image, consumer happiness, and pricing premium (Wang, 2020). Additionally, by boosting brand recognition and customer satisfaction, CSR can alter customer behavior (purchase intent and price premium) (purchase intent and price premium). Change noted that rather than only being a slogan in current economic globalization, corporate social responsibility has evolved into a standardized and meaningful phrase and has permanently become a vital worry linked to operating firms. Businesses embracing greater accountability will have happier customers, claims (Chang, 2009). Taking on social commitments can help high-tech industries increase their economic performance and corporate image, according to the analysis described above.

According to their research, Razak and Nirwanto (2016), enhancing product quality and offering competitive prices could lead to more satisfied customers. When a customer is happy with a trustworthy toothpaste that stresses a standardized quality followed by a fair price, it makes sense that customer pleasure will improve and customers will continue repurchasing the product. These research studies prove that CSR initiatives must place Customer Satisfaction considering the company's societal concern and desire to engage in CSR activities to impact corporate image positively. Customer Satisfaction is positioned as mediator on the effects of the four CSR program categories on the business image.

3. RESEARCH METHODOLOGY

3.1. Research Design and Strategy

The study design aids in accomplishing research targets and answers to research questions (Adams et al., 2012). In other words, it's a master plan defining the data collecting and analysis steps. It guarantees that the study comprises methodologies that are both economical and suitable to the topic.

A descriptive research design was adopted in this study. Describing the present condition is the principal objective of descriptive research. This study addressed and critically assessed the effects of CSR practices on customer satisfaction in the research regions. According to Saunders et al. (2019), mixing qualitative and quantitative approaches can mitigate one method's shortcomings with gains from the other. Many researchers integrating quantitative and qualitative research methodologies benefit greatly (Kothari, 2004). This study used a combination of qualitative and quantitative research methodologies, as stated by Creswell (Creswell, 2009).

3.2. Target Population of the Study

From a statistical standpoint, "population" refers to the information sought. In contrast, "universe" refers to the sum of the elements or units in any research subject. The units that hold the features that are the focus of the study are known as elementary units, and the attributes are known as the characteristics. Population is the umbrella term used to describe the aggregation of various units (Kothari, 2004). Uma Sekaran and Roger Bougie (2016) explain that a population is a collection of people, events, or interests the researcher intends to evaluate. It has one or more features. The population is made up of Padang natives. Because Padang has a vast population, a sample is necessary.

It's crucial to have a target population in mind when deciding on a sample. "Population" refers to a specific set of persons critical to the study's subject. The study's target audience is consumers in the Amhara region's food and beverage businesses. The area has 101 food and beverage production industries, five of which are involved in the study. Due to time, resources, and data availability, this study selected 101 food and beverage manufacturing companies as the universe to build the sampling frame and five organizations as the sample size for this research.

The researcher used an infinite population of responders, where it is theoretically impossible to monitor every component. We, therefore, refer to a population that cannot be enumerated in a reasonable length of time using the term "infinite population" from a practical standpoint (Kothari, 2004). In this strategy, we estimate a massive finite population using the theoretical notion of an infinite population. This research included respondents who were consumers of food and beverage outputs that cannot be specified in an exact number.

3.3. Sample Size and Sampling Techniques

Within the limitations of random error, the researcher extrapolates findings from a drawn sample back to the population using data from the survey (Il et al., 2001). Multi-stage sampling approaches examined how CSR efforts affect customer satisfaction in the Amhara region. Due to time and resource limitations, a sample of five Food and Beverage manufacturers (Burie Baguna Moha Soft Drinks, East Africa Bottling S.C, BGI Ethiopia Brewery, and Dashen Brewery) were chosen from the target population of twenty companies involved in the Industry in stage three of Food and Beverage processing. Researchers used a mathematical method to determine an acceptable sample size for a big population, which is recommended for investigations with infinite populations (Cochran 1977). A purposive sampling technique was used to select a sample of customers with diverse demographic characteristics. And for a large population, the sample was calculated using the following statistically representative sample size determining formula:

$$n = \frac{Z^2 pq}{e^2} \quad (\text{Cochran, 1977})$$

Where: n = sample size

Z= the value for the selected alpha level corresponding to the level of confidence at 95% required from the statistical table (1.96)

p = is the estimated proportion of attributes that is present in the population, which is (50%) or (0.5)

e = is the desired level of precision required which is (0.05)

q = is 1-p is the estimated variance

$$n = \frac{1.96^2 (0.5)(1 - 0.5)}{0.05^2}$$

$$n = 384.16 \approx 385$$

3.4. Methods of Data Analysis

The study employed descriptive and inferential analysis to determine how corporate social responsibility affects the corporate image and how consumer satisfaction mediates the relationship. Before implementing a structural equation model, this study's sample respondents' data was assessed using descriptive statistics such as frequency, mean, percentage, standard deviation, and chi-square.

This study relied on quantitative and qualitative data. The study used qualitative and quantitative methods. Before analysis, the data was fed, screened, coded, and with appropriate software (e.g., SPSS, AMOS). After evaluating statistical hypotheses, the researcher took reasonable steps based on quantitative data (such as multicollinearity, convergent, discriminant, and normality tests). Qualitative notes were read, transcribed, identified as being in the respondents' language, and organized.

4. RESULT, INTERPRETATION, AND DISCUSSION

4.1. Factors of Economic Responsibility

Table 1 shows a 385-person survey. Each respondent rated four economic responsibility items for the studied companies. The product quality (or service) seems to be regularly increasing, has a system that responds to customer complaints, helps national economic growth through profit maximization, and puts great effort into employment components of the economic responsibility under review. "The product quality (or service) seems to be constantly improving" obtained a mean rating of 3.56 (M = 3.56, SD = 0.983), indicating that respondents saw a positive trend. The item "Seems to have a system that answers to customer complaints" obtained a mean rating of 3.46 (M = 3.46, SD = 1.005), indicating that respondents perceived the presence of a system that responds to customer complaints, albeit the ranking showed some variability. Respondents gave the item "Contributes to national economic progress through profit maximization" a mean rating of 3.51 (M = 3.51, SD = 1.000). "Puts much effort into employment" received a mean rating of 3.45 (M = 3.45, SD = 0.932), indicating respondents believed the company supported employment.

Table 1: Factors of Economic Responsibility

Items	Mean	St. deviation	No. of Respondents
The product quality (or service) seems to be improving constantly	3.56	.983	385
It seems to have a system that reacts to customer complaints	3.46	1.005	385
Contributes to national economic growth through profit maximization	3.51	1.000	385
Puts much effort into employment	3.45	.932	385
Grand Mean	3.495	0.98	

Source: Survey result, 2023.

The Grand Mean, the average rating across all four items, was 3.495 (M = 3.495, SD = 0.98). These findings suggest that respondents generally see a positive trend in product quality improvement, relatively positive but slightly lower system responsiveness to customer complaints, positive contributions to national economic growth through profit maximization, and significant effort toward employment. However, each item's values vary, suggesting that respondents may view these elements differently.

4.2. Factors of Ethical Responsibility

Table 2 displays four ethical responsibility problem averages, standard deviations, and responders. "Has solid overall ethics standards and practices" had a mean value of 3.68 (M = 3.68, SD = 0.831), suggesting respondents felt the company is ethical. "There are no excessive advertising or deceptive ads" received a mean rating of 3.39 (M = 3.39, SD = 0.793), suggesting that the company avoids such ads. Respondents said the company "conducts transparent business" with a mean value of 3.67 (M = 3.67, SD = 0.631). "Carries out fair transactions with business partners" had a mean rating of 3.34 (M = 3.34, SD = 1.064), indicating some variation in respondents' opinions of the company's business ethics. Grand Mean: 3.52 (M = 3.52, SD = 0.829). Respondents generally like corporate ethics.

Table 2: Factors of Ethical Responsibility

Items	Mean	St. deviation	No. of Respondents
Has high overall ethics standards and protocols.	3.68	0.831	385
There are no excessive ads or false ads.	3.39	0.793	385
Conducts transparent business.	3.67	0.631	385
Carries out fair transactions with business partners	3.34	1.064	385
Grand Mean	3.52	0.829	

Source: Survey result, 2023.

The company is considered ethical and transparent and avoids deceptive advertising. Business partner fairness varies. These findings affect the company's reputation, trust, and long-term performance. Ethics and openness can increase a company's Credibility and customer relations. Address excessive or deceptive advertising to maintain client trust. The company may need to enhance its systems to maintain ethical business connections. Business ethics helps companies identify strengths and flaws. It can guide ethical, transparent, and customer-business partner decisions.

4.3. Factors of Legal Responsibility

Table 3 shows the averages, standard deviations, and responders for four items assessing firms' legal responsibility. Respondents rated items on an unknown scale. On average, respondents thought "Products satisfy legal standards" scored 4.10. The item's standard deviation of 0.748 indicates strong agreement among responders.

"Contributes to social welfare programs as stipulated by law" scored 4.18. Respondents believed the product or service supports social welfare programs as required by law. This item's evaluations have a moderate standard deviation of 0.768. The item "Seems to fulfill the responsibilities mentioned on their contracts with other partners" received a mean score of 4.11, suggesting that respondents believed the product or service met its contractual obligations. This item's evaluations have a moderate standard deviation of 0.790.

Finally, "Management seems to put effort into ethical company management, complying with product-related regulations," scored a mean of 4.05. On average, respondents believed management prioritizes ethical business practices and product regulations. The related standard deviation of 0.765 suggests modest rating variability. The grand mean score is 4.11, reflecting a good product or service assessment. The grand mean's 0.768 standard deviation implies moderate response variability across all questions.

Table 3: Factors of Legal Responsibility

Items	Mean	St. deviation	No. of Respondents
Products meet legal standards	4.10	0.748	385
Contributes to social welfare systems as mandated by law.	4.18	0.768	385
Seems to fulfill the responsibilities indicated in their contracts with other partners.	4.11	0.790	385
Management seems to put effort into ethical business management, complying with the product-related regulations	4.05	0.765	385
Grand Mean	4.11	0.768	

Source: Survey result, 2023.

These data suggest that respondents generally believe that products meet legal criteria, contribute to social welfare systems as required by law, fulfill contractual obligations and

that management practices ethical business management and conformity with rules. The low to moderate variability in item ratings shows respondents agree with these favorable views.

4.4. Factors of Philanthropic Responsibility

Table 4 shows the averages, standard deviations, and number of respondents for four items examining regional community philanthropy. Respondents rated items on an unknown scale. Respondents gave the item "Encourages collaboration of business with the area community and other institutions" a mean score of 4.10. This item's evaluations have a moderate standard deviation of 0.793.

"Sponsors sports and cultural events" had a lower mean score of 3.99, indicating that respondents thought the firm sponsored such events. This item's evaluations have a moderate standard deviation of 0.795. The item "Encourages charity services benefiting regional communities" had a mean score of 4.11, suggesting that respondents believed the firm supports regional charities. This item's evaluations have a moderate standard deviation of 0.805.

Finally, the item "Gives back to society" received a mean score of 4.06, indicating that respondents believed the firm gives back. This item's evaluations have a moderate standard deviation of 0.791. Business engagement with the area community is rated positively by the grand mean score of 4.065. The grand mean's 0.796 standard deviation implies moderate response variability across all items.

Table 4: Factors of Philanthropic Responsibility

Items	Mean	St. deviation	No. of Respondents
Encourages collaboration of business with the regional community and other institutions.	4.10	0.793	385
Sponsors sports and cultural events.	3.99	.0795	385
Encourages charity services supporting regional communities.	4.11	0.805	385
Gives back to society	4.06	0.791	385
Grand Mean	4.065	0.796	

Source: Survey result, 2023.

These data suggest that respondents generally believe the firm promotes collaboration with the regional community and other institutions, sponsors sports and cultural events, supports regional communities through charitable services, and contributes to society. The moderate variety in item ratings shows that respondents' views and evaluations vary. These findings emphasize the importance of businesses sponsoring regional social activities. The good reviews indicate that the company is well-liked for its collaboration, sponsorship, philanthropy, and social contributions. Such engagement can improve business reputation, community relations, and social effect.

4.5. Factors of Customer Satisfaction

The table shows the means, standard deviations, and number of respondents for seven company service satisfaction criteria. Respondents rated items on an unknown scale. "I am satisfied with the service/product supplied by the company" had a mean score of 3.13, indicating moderate satisfaction. This item's evaluations have an average standard deviation of 0.960. "I am content with the timeliness of delivery" had a slightly higher mean score of 3.20, indicating moderate satisfaction. This item's evaluations have a reasonable standard deviation of 0.949.

On average, respondents felt that their opinions were moderately appreciated at the organization. This item's evaluations have a moderate standard deviation of 0.973. "I'm happy with the company's recognition" scored 3.15; This shows that respondents were moderately satisfied with their business recognition. This item's evaluations have a moderate standard deviation of 0.953. "I am content with the information supplied on product/service" had a mean score of 3.14, indicating reasonable satisfaction. This item's evaluations have a mild standard deviation of 0.978. "I find that I treated fairly compared with other customers" had a mean score of 3.19, suggesting that respondents felt appropriately treated. This item's evaluations have a moderate standard deviation of 0.951.

Finally, "I am content with how the organization handles clients," with a mean score of 3.18, indicates moderate satisfaction. This item's evaluations have a reasonable standard deviation of 0.975.

Table 5: Factors of Customer Satisfaction

Items	Mean	St. deviation	No. of Respondents
I am satisfied with the service/product delivered by the company	3.13	0.960	385
I am satisfied with the timeliness of delivery	3.20	0.949	385
I find that my opinions are respected at the company	3.15	0.973	385
I am satisfied with the recognition I get for the company	3.15	0.953	385
I am satisfied with the information provided on the product/service	3.14	0.978	385
I find that I am treated fairly compared with other customers	3.19	0.951	385
I am satisfied with the way the company handles customers	3.18	0.975	385
Grand Mean	3.16	0.963	

Source: Survey result, 2023.

The grand mean score across all elements is 3.16, indicating modest consumer satisfaction. The grand mean's standard deviation of 0.963 suggests some response

variability across all aspects. These data suggest that respondents were somewhat satisfied with the company's service or product, punctuality, respect for their opinions, recognition, knowledge, fairness of treatment compared to other customers, and customer service. The moderate variety in item ratings implies that respondents' views of customer satisfaction vary.

These findings show where the organization may improve customer happiness. To boost customer satisfaction, improve service/product quality, punctuality, respect for customer opinions, recognition, information, fair treatment, and customer handling. The organization can exceed consumer expectations, increase customer loyalty, and boost corporate performance by addressing these issues.

5. CONCLUSION

"Effects of Corporate Social Responsibility on Customer Satisfaction" examined CSR activities and customer satisfaction. This study has helped us comprehend CSR's impact on customer satisfaction by analyzing the literature and related theories. The research illuminates the relationship between CSR and consumer satisfaction for academia and practice.

CSR-engaged organizations are more likely to improve consumer satisfaction. This research has practical consequences for managers and organizations. First, the outcomes stress integrating CSR into corporate strategies and operations. Responsible and ethical behavior improves customer satisfaction and corporate effectiveness. The research also emphasizes the need to communicate CSR initiatives to customers and stakeholders. Companies can improve customer perceptions by clearly discussing CSR actions.

The study emphasizes integrating CSR initiatives with customer expectations and values. Addressing social issues and showing a real commitment to social and environmental issues can strengthen customer relationships and enhance satisfaction.

Implications and Further Research

Corporate social responsibility (CSR) and customer satisfaction research have many ramifications and opportunities for additional study. Customer-centric CSR, business strategy, effective communication, and brand distinctiveness are managerial implications. Brand identity and reputation are marketing and branding issues. Future studies will expand our understanding of how CSR affects customer happiness. Cross-cultural analysis, longitudinal studies, multi-stakeholder views, and mediating and moderating factors. These study directions attempt to promote CSR initiatives by providing insights for academics and practice.

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