Does Corporate Social Responsibility matter to the Consumer? Evidence from Mauritius

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Abstract

The purpose of this study is to analyse the CSR concept and its relative impact on the attitudes and behaviours of consumers. This study seeks to examine how consumers perceive CSR practices of organisations. This is of utmost importance as organisations need to understand their consumers in order to attend to their expectations. Data was collected through a questionnaire survey involving 150 respondents using stratified random sampling based on existing districts and gender in order to be fully representative of the Mauritian population. The outcomes of the analysis revealed that CSR does have a positive impact on consumers but also showed that traditional product attributes are more influential than organisations’ CSR activities in consumers’ purchasing decisions. It was found that CSR and willingness to purchase are positively related. However, no relationships have been found between CSR and willingness to pay a premium price; and between CSR and customer loyalty. Results also show that gender does not influence willingness to sacrifice functionality for socially-acceptable products; and that age does not influence sensitivity to CSR. This work contributes to the scarce literature on CSR in Africa by analysing CSR from a Mauritian consumer perception and proposes some recommendations which are mainly targeted at helping organisations implement CSR or improve existing CSR practices.

Keywords: Corporate Social Responsibility (CSR), Mauritius,

1.0 Introduction

‘Ethical business’, ‘fair-trade’, ‘sweatshops’, ‘sustainable development’, ‘climate change’ or ‘low carbon footprint’ are just a few of the many buzzwords that are attracting and even retaining people’s attention nowadays. It has been recognized that companies have the potential to make a positive contribution to developing countries. This study comes at an opportune time with the Mauritian government implementing new legislation regarding the allocation of 2% of book profit to CSR programs and the extensive local media coverage which is undoubtedly raising public awareness on the CSR concept.

Ensuring sustainable development, (the development that meets the needs of the present without compromising the ability of future generations to meet their own needs - World Commission on Environment and Development 1987, p.43), calls for the global and joint participation of all agents involved. Among these agents, the private sector - multinational as well as national companies - should be held accountable for the impact of its activities on workforce, environment and society in general, through the adoption of Corporate Social Responsibility (CSR).

CSR requires organizations to look beyond the profit-making mindset and to contribute towards the overall development of society. Awareness has lead corporations to recognize the need for CSR and its implementation. In addition consumers, investors, community members and potential employees are all becoming increasingly knowledgeable, leaving corporations with little choice but to be conscious of their obligations towards society.

Whether organizations have a sense of responsibility is no longer the question. What matters now is the degree of responsibility that they will exercise towards their surroundings. This proves to be particularly important in an age where the consumer is becoming more and more demanding and competition is becoming fiercer. Thus, this study will attempt to understand if CSR actually has an impact on consumers’ behaviour and attitude.

The main objectives of the study are:
1. To analyse the role of business from a Mauritian consumer perception.
2. To establish what the term CSR translate into, in the minds of Mauritian consumers.
3. To assess the level of consumer awareness of the CSR concept in Mauritius.

The paper comprises of a thorough literature review of CSR and its evolution during the past years. A brief review on CSR in Mauritius has also been included followed by the methodology and analysis of findings. Finally some recommendations have been made. Limitations of the study have been highlighted followed by future directions for research in this area have been discussed.

2.0 Literature Review and Hypothesis development

The central idea behind CSR is that businesses cannot act as isolated entities detached from the broader issues of society. With public pressure and scrutiny set to mount continuously, it is increasingly important for companies to understand CSR from a consumer point of view.
2.1 Evolution of CSR

Marens (2008) identified the 1950s as the origin of modern CSR, when Bowen (1953) claimed that businesses need to follow those decisions or actions which are desirable in terms of society’s objectives and values. Thereafter, the CSR concept witnessed an expansion (Carroll 1999), giving rise to significant debates as to what is the proper business of business. In other words, discussions focus on “whether business is a single-dimensional entity of profit-maximisation or a multi-dimensional entity serving greater societal interests” (Quazi and O’Brien 2000, p.33).

Advocates of the classical, yet narrow paradigm of CSR agree with Friedman’s (1970) famous claim that businesses have one and only one social responsibility - to use resources and engage in activities to increase profits whilst staying within the rules of the game. Nevertheless, Drucker (1954) asserted that the goal of business is to achieve sufficient profit to cover the risks of economic activity and thus avoid loss.

A broader notion of CSR views businesses, whether small or large, as being governed by their place in society and thus responsible to society (Marrewijk 2003). This reflects the stakeholder-oriented approach put forward by Freeman (1984), who stressed that businesses, with managers serving as trustees, should be accountable to all their stakeholders, not only their shareholders.

2.2 Defining CSR

The notion that businesses have responsibilities to society is firmly established, though with time, the way people view business-society relationships has evolved (Lantos 2001). CSR seems to be an umbrella term incorporating issues such as environmental concerns, employee relations, human rights, corporate ethics and community relations. While linked to sustainability, stakeholders and ethics, there is no single formula for CSR and as noted by Dahlsrud (2006), an uncontested and unbiased definition of CSR is yet to appear in the literature. CSR is rather multi-faceted, dynamic and context-specific (Moon 2007). In Hopkins’ (2007, p.170) words, “what CSR means across different countries, what it means to companies in those countries and the general public varies across the world”. Consequently, an abundance of definitions have emerged over the years to express the role and responsibilities of businesses in society.

The World Business Council for Sustainable Development proposed one of the most quoted definitions of CSR, namely, “the 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 of the local community and society at large” (Holme and Watts 2000, p.8). Likewise, the Business for Social Responsibility defined CSR as “achieving commercial success in ways that honour ethical values and respect people, communities and the natural environment” (cited Srinivasan 2009). The Commission of the European Communities (2002) stated that CSR is a concept whereby companies decide to contribute to a better society and a cleaner environment on a voluntary basis. Thus, CSR implies operating in a way that meets and even exceeds the legal, ethical, commercial and public expectations that society has of business (McWilliams et al. 2006).

Responsibilities of Business

According to researchers such as Carroll (1979), corporations should be judged on both economic and non-economic criteria. In this respect, Carroll (1991) organised businesses’ economic, legal, ethical and discretionary/philanthropic responsibilities into a pyramid construct as depicted in Figure 1.

![Figure 1: Carroll’s (1991) Pyramid of Corporate Social Responsibility](http://labspace.open.ac.uk/mod/resource/view.php?id=365601)

Drivers of CSR

The principles of CSR are universal (Wartick and Wood 1998). As cited by Wood (1991), there are three driving principles of social responsibilities – institutional, organizational and individual. As a social institution, business not only has to use its power responsibly but also be responsible for the outcomes from its operations. Finally, managers, being moral agents, have to exercise discretion in decision making. However, Kinard et al. (2003, p.89) revealed that “today’s captains of industry place no greater importance on social responsibilities than the individuals who occupied their positions thirty years ago”.

Swanson (1995) further outlined three motivations that drive the commitment to CSR. Firstly, following a utilitarian perspective, CSR is a useful mechanism to achieve objectives and improve financial performance. Secondly, according to a negative duty approach, companies adopt CSR to conform to stakeholder norms. Thirdly, the positive duty view advocates that CSR may be self-motivated to have a positive impact on society. These motivations have been categorized by Maugnan and Ralston (2002) as being performance-driven, stakeholder-driven and value-driven respectively.
The Increasing Importance of CSR

CSR has entered the business world, and going by the response to it, it is clearly here to stay. While globalization (Kirton and Trebilcock 2004) and consultants (Hond et al. 2007) are critical factors bringing CSR to the forefront of the global agenda, pressure and scrutiny from Non-Governmental Organisations (NGOs), consumers and the media (Spar and La Mure 2003), also play a very important role in forcing businesses to consider CSR. In the age of corporate scandals such as Enron, it is no longer sufficient for companies to provide good products and services; they also need to be good citizens.

Criticisms targeting companies spread very rapidly, especially due to today’s information technology and ubiquity of global media which give consumers almost instantaneous access to information. For instance, in the 1990s, Nike faced a substantial boycott after the media reported on sweatshops in Asia (Smith 2003). Since then, it has been spending large amounts of money to monitor working conditions in hundreds of overseas factories. Firms have become well aware of the risks they entail if they do not take social responsibility seriously.

Recent concerns focus deeply on climate change and the urgent need for low-carbon economies. The corporate world has a critical role to play in the implementation of climate change activities (Poullon 2009 cited Murray 2009) and it can provide solutions to make it possible to live in both a modern and sustainable society (Hedegaard 2009 cited Murray 2009).

Given financial concerns, an environment policy may be a low priority for organisations, but sustainability is essential for long-term business survival (Jackson 2009). If businesses need to survive by using the resources of society and environment, they need to return the debt and take care of society and environment. As society rethinks the balance between societal needs and economic progress, CSR will continue to grow in importance and complexity.

More companies than ever before are backing CSR initiatives such as corporate philanthropy, minority-support programs and socially-responsible manufacturing practices and they are doing so with real financial and marketing power (Bhattacharya and Sen 2004). In fact, the latter stated that the web sites of more than 80% of the Fortune 500 companies address CSR issues. This reflects business leaders’ pervasive belief that supporting cause-based programs is not only the right thing to do but is also critical for a company’s financial success. Epstein and Roy (2003) reported that leading corporations have recognized the longer-term profitability of CSR initiatives and are paying more attention to these issues by devoting greater energy and resources.

Not only is CSR a strategic tool to improve financial performance, it also provides a sustainable competitive advantage over the long-term (Wood 1991). Association with a non-profit cause can generate positive media coverage, build reputation of compassion and care, enhance company’s integrity, enhance employees’ motivation and productivity and attract community’s preferences (Bhonn and Vrioni 2001). Engaging in CSR also helps to generate brand equity, improve stakeholder relationships and avoid environmental scandals, consumer boycotts or law suits (Heal 2005). Moreover, CSR activities increase consumer willingness to talk positively about the company (Bhattacharya and Sen 2004).

Most importantly, a company’s CSR activities, intentionally or unintentionally, tend to affect the consumer. CSR attracts and retains customers and offers a competitive advantage in a marketplace where consumers demand goods and services produced and delivered ethically (Hancock 2004). The theory is that when faced with a choice between established brands and a competitor selling at the same price but with a percentage going to charity, consumers will pick the fair-trade product (Doherty 2009).

Moreover, a survey commissioned by the Global Reporting Initiative found that 90% of sustainability report readers’ views of a company have been influenced by reading its report, with 85% of them reporting a more positive perception of the company (Student Accountant 2008). Thus, doing what’s in the best long-term interest of consumers is ultimately doing what’s best for the company (Ghillyer 2008).

The relationship between CSR and financial performance has been a topic of both interest and controversy, with findings remaining inconclusive and not completely consistent. While Aupperle et al. (1985) found no relationship between CSR and financial performance, Wright and Ferris (1997) discovered a negative relationship. However, many researchers such as Waddock and Graves (1997) reported a positive relationship. As such, the prospect of greater consumer profits has significantly encouraged the adoption of CSR, shifting the CSR debate from “whether” to “how” (Bhattacharya and Sen 2004).

2.5 The Organisation and its Stakeholders

The integration of ethical, moral and stakeholder considerations into strategic decisions is the essence of today’s CSR (Tettault-Sirsly 2009). The Stanford Research Institute (1963 cited Friedman and Miles 2006) described stakeholders as those groups without whose support the organisation would cease to exist, while for Freeman (1984), stakeholders represent any group who can affect or is affected by the achievement of organisational objectives.
CSR not only affects the organisation's production and commercial activities but also its relationship with a wide array of stakeholders, such as, customers, employees, shareholders, suppliers, government and members of the community where the firm operates, as shown in Figure 2. For example, Starbucks' relatively low employee turnover rate can be partly attributed to its socially-responsible practices (Smith 2003) and the emergence of socially-responsible investing depicts the influence of CSR on investors (Heal 2005).

Stakeholders may advocate issues that affect their own welfare (e.g. consumers calling for improved product safety) as well as those that affect others (e.g. consumers condemning child labour) (Maignan and Ferrell 2004). It is important to note that CSR may mean different things to different stakeholder groups (Smith and Langford 2009). For instance, while to shareholders, CSR may mean profit-maximisation; to consumers, it may mean affordable high-quality products or ethical and philanthropic behaviour. Although it is recognized that the company has responsibility to the society at large, Freeman (1984) stressed that a business' obligation is limited towards the stakeholders with whom it interacts and to areas of expertise and direct influence.

The Consumer
One important stakeholder group that appears to be particularly susceptible to a company’s CSR initiatives is the consumer. As Drucker (1954) observed, the customer is the foundation of a business and keeps it in existence. Changing attitudes of customers, mainly in the developed world, have contributed to the growth in activism and have driven companies to find new ways to make business relevant and responsive to society (Bronn and Vrioni 2001). Auger et al. (2007) stated that consumers are likely to become more socially-conscious and active simply because they have an opportunity to do so, due to greater variety and availability of quality products, appearance of ethical products and higher incomes and educational levels.

Consumers, more than ever, are demanding more value for their money and expecting companies to make a broader contribution to society. They want the companies they do business with to be socially-responsible and want to be convinced that their purchasing behaviour will bring social benefit without harming the environment. Consumers are now looking beyond brand names and more closely at companies who make claims regarding their involvement in social issues (Siperstein et al. 2006).

The Power of Consumers
Most researchers agree that activists and consumers are the driving forces behind the emergence of CSR programs (Harrison 2003). Organizations have implemented CSR as a response to consumer pressure and organized boycotts and protests from groups like Greenpeace and People for the Ethical Treatment of Animals (PETA). Ethical consumption is being used as a force for social and environmental change (Tallontire et al. 2001). This is based on the theory that companies make decisions based on consumer demand, though, this view is constrained by the huge power of large companies which influence, if not create, consumer demand through advertising and branding.

Therefore, ordinary citizens, in their role as consumers, can use their power to ensure that companies are accountable to society (Tallontire et al. 2001). However, Harrison (2003) argued that most substantial CSR programmes are defensive organisational responses to growing pressure from society clearly targeted at governments, regulators, investors and employees in the first instance and consumers and the general public only secondarily.

2.7 CSR and Consumer Characteristics
Maignan and Ferrell (2001) stressed the need to examine the influence of individual consumer characteristics on the evaluation of CSR.

2.7.1 Gender
Mitchell and Walsh (2004) found that male and female consumer decision-making styles vary. Along this line, Meijer and Schuyt (2005) found that women are more sensitive to CSR. Women often still see caring for family as a primary responsibility and so are expected to express stronger concerns about environmental threats, while men, having traditionally played the economic-provider role, are more likely to be concerned about the economy than society or environment (Davidson and Freudenburg 1996).

We therefore put forward the following hypothesis:
H 1: Women will respond more positively to CSR than men.

2.7.2 Age
Meijer and Schuyt (2005) found that being older has a positive influence on sensitivity to CSR. However, Van Liere and Dunlap (1980) argued that because solutions to environmental problems may require significant changes in traditional values and behaviour, it can be expected that younger people will more likely support pro-environmental ideologies than older people.

We therefore hypothesize that:
H 2: The older the consumers are, the less sensitive they will be to CSR.

2.8 CSR and Consumer Purchase Decision
For Auger et al. (2007), what is at issue is not whether consumers have the potential to become socially conscious and active but how social causes can affect their purchase choices. Mohr and Webb (2005) indicated that CSR has an important influence on company evaluation and purchase decisions. However, numerous traditional factors such price, quality, convenience and lack of information moderate this effect (Mohr et al. 2001). Mohr and Webb (2005) also observed that low prices do not appear to compensate for low levels of CSR. Similarly, superior product quality does not compensate for unethical behaviour (Folkes and Kamins 1999).
According to Galinsky (2009), a sufficiently large group of consumers is willing to give incentives to responsible corporations and is prepared to pay premium prices for products or switch brands to support companies offering socially-acceptable products. According to the Nielsen Global Online Consumer Survey (Nielsen 2008), almost 70% of consumers worldwide indicated that they were interested in contributing to CSR through the purchase of ethical products. The survey further stated that there is a growing number of worldwide consumers who are forming opinions about the social responsibility commitment of corporations and making purchase decisions based on these attitudes. Nonetheless, research suggests that ethical brands are only likely to be more successful if they bring no penalty in cost or quality (Page and Fearn 2005).

We therefore put forward the following hypotheses:

H 3: CSR will influence willingness to purchase.

H 4: CSR will influence willingness to pay a premium price.

2.9 Purchase Intention versus Action

Despite broad research investigating the relationship between CSR and the customer, it remains a complex matter. From surveys, Bhattacharya and Sen (2004) suggested that a positive relationship exists between a company’s CSR initiatives and consumers’ reaction to the company and its products. However, they also commented on how consumer reactions to CSR are not as straightforward and evident as the surveys suggest.

There seems to be a contradiction between what the surveys establish in terms of intention to buy products with CSR features and real purchasing (Devinney et al. 2006). Indeed, research reflects stated intention rather than observed behaviour (Page and Fearn 2005). Basil and Weber (2006) found that perception only partially transfers into purchase. Hence, it is hard to assess the extent to which intention actually translates into action.

Added to the fact that the cost of lying is zero, this inconsistency may also be explained by the fact that, when queried, most consumers may not always respond honestly and may choose the more socially-acceptable answers, thereby masking the real nature of customer response to CSR (Devinney et al. 2006).

2.10 CSR and Motivations of Consumers

Consumers may have several motives to purchase products from socially and environmentally responsible companies. However, McWilliams and Siegel (2001) emphasised that if CSR is to act as a point of differentiation, awareness of a firm’s CSR initiatives among consumers is crucial. Aaker (1999) pointed out that many consumers are interested in reflecting their self-images by purchasing certain products and brands. Hence, they may feel good about their purchases because these are consistent with their values (Sen and Bhattacharya 2001). For instance, hybrid car owners may use their cars to make a statement about environmental responsibility. Another reason is impression motivation (Yoon et al. 2006), that is, consumers are concerned with appearances and may wish to influence how others perceive them by choosing products from companies with CSR associations. For instance, purchase of fair-trade products to impress surroundings.

Sen and Bhattacharya (2001) indicated that consumers, who support the social responsibility area to which a company is committed, are more likely to be positively affected by the business’ CSR initiatives. They also revealed that consumers evaluate a company more favourably when CSR activities are relevant to the company’s existing products. However, they found that if a significant proportion of customers believe that such activities are realized at the expense of the company’s ability to make better products, CSR efforts may actually hurt the company.

Mohr and Webb (2005) showed that consumers are more sensitive to negative CSR than to positive CSR, that is, consumers are more sensitive to information about a company lacking CSR than to information about one with greater social commitment. Thus, being perceived as socially-irresponsible can be hazardous for a company's image and potentially for its bottom line.

We therefore put forward the following hypothesis:

H 5: CSR will influence customer loyalty.

CSR in Mauritius

With the active proliferation of CSR, even developing countries, like Mauritius, are not left out. It is increasingly acknowledged that businesses are now better placed than any other institution to act as the principal agent of social justice in much of the developing world (Hertz 2002). Due to the diversity of societal norms, cultures, values, morals and levels of economic development across nations (Welford 2005) and different stakeholder identities and interests (Matten and Moon 2008), the nature of CSR depends on where it is operating. Visser (2006) expressed concern towards applications of CSR as a standardised global practice and concluded that CSR is a localised and socially-embedded construct.

A survey by Deloitte (2008) found that CSR is not yet embedded in corporate culture but is an emerging trend in Mauritius. Nevertheless, Garrioeh (2009) affirmed that the notion that business has responsibilities to society is quite well established in Mauritius, although the term is relatively new. According to Ragoobur (2008), more and more businesses have sought to play an active role in society through CSR. However, most organisations carry out CSR in an informal way reflecting the fact that they do not have a structured CSR policy. With regards to the communication of CSR activities, a majority of companies does so mainly through their annual report and newspaper or magazine while a minority does so through social reports (Deloitte 2008).

The study by Deloitte (2008) found that most organizations in Mauritius initially engaged in CSR, through philanthropy and sponsorship, mainly to enhance their image. In the same study, organisations acknowledged having benefited from their CSR activities; the majority of them reporting
advantages such as better public relations and employee motivation and a few reporting advantages such as better relations with clients and suppliers.

**Future of CSR in Mauritius**

Despite the survey by Deloitte (2008) stating that most often, management teams are involved in CSR, Ragodoo (2009) argued that the active involvement of business leaders and public figures is lacking in Mauritius. On a positive note, Deloitte’s (2008) survey found that companies plan to expand, continue or engage in new CSR activities and none plan to cease or curtail such activities.

### 4.0 Methodology

This chapter discusses the methodology that has been used to conduct the study. The study focuses on consumer perception as without the latter, an organization does not exist. Organizations need to be customer-focus to be able to compete and survive in a fierce market. Thus, they need to understand consumers’ behaviour and expectations as well as the impact of CSR on consumers. In the study, exploratory research has been used for the initial search of the literature through secondary data, which has helped to formulate the research objectives and develop hypotheses. Conversely, descriptive research enables the researcher to describe an accurate profile of persons, events or situations (Robson 2002 cited Saunders et al. 2003). For this study, it has been conducted in the form of a questionnaire to collect primary data which enabled more in-depth analysis to address the research problem. Primary data for the study was gathered through the survey conducted with the target population. To gather data quickly, the survey research has been adopted through the use of questionnaires as research instruments. Much use of secondary data has been made through online databases, textbooks, magazines and newspapers. Multiple choice questions were used to facilitate both respondents’ tasks and data analysis. Dichotomous and likert-scale questions were also used for more flexibility and less biasness. The questionnaire was aimed at determining the respondents’ views on the role of CSR and level of awareness of the CSR concept in Mauritius and assess how far customers are willing to support responsible organisations and seek to establish which factors influence respondents’ purchasing behaviour the most. The questionnaire was pre-tested with six respondents, chosen through convenience sampling. Subsequently, some questions were re-phrased to correct ambiguous words and grammatical mistakes. Finally, an amended questionnaire was re-designed. The chosen population for this study was Mauritian adults, that is, those aged 18 or more, such that views from people from the nine districts and of different age, occupation and education level could be collected and hence be representative of the whole Mauritian community. Based on data obtained from the Central Statistical Office (2009), the population was divided according to two criteria namely district and gender. The Stratified sampling method has been used. A sample of 150 respondents was deemed to be representative of the whole population, given time and costs constraints.

#### District * Gender Crosstabulation

<table>
<thead>
<tr>
<th>District</th>
<th>Gender</th>
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<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Black River</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Flacq</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Grand Port</td>
<td>7</td>
<td>7</td>
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<tr>
<td>Moka</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Pamplemousses</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Plaines Willhems</td>
<td>23</td>
<td>23</td>
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<tr>
<td>Port Louis</td>
<td>8</td>
<td>8</td>
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<tr>
<td>Riviere du Rempart</td>
<td>6</td>
<td>7</td>
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<tr>
<td>Savanne</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Total</td>
<td>73</td>
<td>77</td>
</tr>
</tbody>
</table>

Table 2: Cross tabulation of district and gender of respondents

Table 2 above provides a detailed picture about how responses were collected as planned, taking into consideration district population and gender in order to be representative of the Mauritian population.

### 5.0 Analysis, Findings and Discussion

This part of the research paper contains a detailed analysis and discussion of the questions and findings, obtained from the questionnaire survey carried out with 150 respondents, as well as a thorough testing of hypotheses developed for this study.
5.1 Analysis of Questionnaire

5.1.1 Demographic Profiles

<table>
<thead>
<tr>
<th>Gender</th>
<th>%</th>
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<tbody>
<tr>
<td>Male</td>
<td>51</td>
</tr>
<tr>
<td>Female</td>
<td>49</td>
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<table>
<thead>
<tr>
<th>Age Group</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>18-25</td>
<td>5</td>
</tr>
<tr>
<td>26-35</td>
<td>29</td>
</tr>
<tr>
<td>36-45</td>
<td>16</td>
</tr>
<tr>
<td>46-55</td>
<td>13</td>
</tr>
<tr>
<td>Above 55yrs</td>
<td>37</td>
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<table>
<thead>
<tr>
<th>District</th>
<th>%</th>
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<tbody>
<tr>
<td>Black River</td>
<td>6</td>
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<tr>
<td>Flacq</td>
<td>11</td>
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<tr>
<td>Grand Port</td>
<td>9</td>
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<tr>
<td>Moka</td>
<td>7</td>
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<tr>
<td>Pamplemousses</td>
<td>11</td>
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<tr>
<td>Plaines Wilhems</td>
<td>31</td>
</tr>
<tr>
<td>Port Louis</td>
<td>11</td>
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<td>Riviere du Rempart</td>
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</tr>
<tr>
<td>Savanne</td>
<td>5</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Education Level</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Level</td>
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</tr>
<tr>
<td>Secondary Level</td>
<td>28</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>42</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>7</td>
</tr>
<tr>
<td>Professional</td>
<td>21</td>
</tr>
</tbody>
</table>

As targeted, 51% of the 150 collected questionnaires were filled in by females and 49% by males as shown in above table 1. The age factor was to be at the convenience of the interviewer. Nevertheless, the age groups of the respondents seem to be varied enough to be representative. The majority were from the ranges 18-25 and 26-35 at 37% and 29% respectively, 16% were aged 36-45, 13% were aged 46-55 and finally 5% were above 55 years as depicted.

As planned, the respondents came from all of Mauritius’ nine districts. Response rates from each district varied according to each district’s population, with a major 31% from Plaine Wilhems as shown above. 42% of respondents were undergraduates while a minor 2% were primary educated. Those with secondary education made up 28% of the respondents. 21% were professional qualification holders and the remaining 7% were postgraduates.

Analyse the Role of Business from a Mauritian Consumer Perception

Survey results showed that a majority of respondents either agreed or strongly agreed that a business needs to maximize profits, adhere to legal principles, avoid evading the law, be committed to well-defined ethics principles and play a role in society and environment that goes beyond the mere generation of profits. It is important to note that while 39% respondents agreed that companies must ensure that respecting ethical principles has priority over financial performance even if it negatively affects such performance, only 14% strongly agreed with it. 11% even disagreed and a significant 35% chose a neutral stance. This may be explained by the fact that the saying ‘the business of business is business’ is being more and more rooted in our culture.

According to Figure 3, 52% of the respondents thought it is important for companies to understand the social setting within which they operate and contribute positively to it. 42% believed it to be very important and a small 5% felt it is unimportant.

Establish what the Term CSR Translate into, in the Minds of Mauritian Consumers
Figure 5 illustrates the meaning respondents attached to CSR.

Assessing the Level of Consumer Awareness of the CSR Concept in Mauritius

At 49%, almost half of the respondents rated the level of CSR in Mauritius as poor. While 24% had no opinion on the matter, 20% gave a ‘good’ rating. At the two extremes, 6% thought that the level of CSR is very poor while only 1% rated it as excellent as shown in Figure 6. The fact that most respondents’ knowledge has increased at least quite a little may be due to the recent upsurge in media coverage of the CSR concept following the emphasis on CSR by the government.
The majority of the respondents (73%) were aware of the budget decision relating to the fact that profitable companies would be required to allocate 2% of their profits to CSR projects. Yet, 27% were not aware of this fact as can be seen on Figure 7.

The vast majority of respondents either agreed (58%) or strongly agreed (25%) with the government initiative regarding CSR as illustrated in Figure 8. Respondents’ high level of agreement may originate from the fact that without this government initiative, most companies would not bother to invest in CSR and contribute to the social development of Mauritius. Reasons for disagreement may relate to the fact that respondents are important shareholders or they believe that it should be up to the company, not the government, to decide whether or not to invest in CSR.

5.2 Hypothesis Testing

For the purpose of this study, 5 hypotheses were developed and tested. Before deciding on the test to be used, some assumptions must be met namely variables should be normally distributed. As such, for each hypothesis, the dependent variable was tested for normality with the Shapiro-Wilk test due to the relatively smaller sample size.

Since none followed a normal distribution, all hypotheses were tested with non-parametric tests namely Spearman rank correlation coefficient, Mann-Whitney U test and Kruskal-Wallis H test.

5.2.1 Hypothesis 1: Women Will Respond More Positively to CSR than Men

H_{0}^{1}: There is no difference between male and female with respect to willingness to sacrifice functionality for a socially-acceptable product.

H_{1}^{1}: There is a difference between male and female with respect to willingness to sacrifice functionality for a socially-acceptable product.

Calculation shows sig. p-value equalling to 0.165 (p > 0.05), implying that there is no statistically significant difference in willingness to sacrifice functionality between women and...
men. Thus, it cannot be concluded that women are likely to be more responsive to CSR than men.

5.2.2 Hypothesis 2: The Older the Consumers are, the Less Sensitive they Will Be to CSR

H₀: There is no difference between age groups with respect to sensitivity to CSR
H₁: There is a difference between age groups with respect to sensitivity to CSR

This hypothesis tests the differences in sensitivity to CSR across various age groups. This is usually tested by the One-way Analysis of variance (ANOVA).

Since Shapiro-Wilk sig. p-value equals 0.000, which is less than 0.05, means that data for sensitivity of CSR are not normally distributed, it cannot be used. Thus, Kruskal-Wallis H test, one-way ANOVA’s equivalent non-parametric test, has been used.

Since sig. p-value equals 0.251, which is greater than 0.05, this imply that there is no statistically significant difference in sensitivity of CSR across various age groups. Thus, it cannot be concluded that older consumers are less sensitive to CSR.

5.2.3 Hypothesis 3: CSR Will Influence Willingness to Purchase

H₀: There is no relationship between CSR and willingness to purchase.
H₁: There is a relationship between CSR and willingness to purchase.

From calculation, p-value equals 0.022, which is less than 0.05. This implies that there is a relationship between CSR and willingness to purchase. Since correlation coefficient equals to a positive 0.187, this is a direct relationship, that is, as CSR activities increases, willingness to buy also increases. However, coefficient 0.187 being closer to 0 than to 1, relationship is a weak one. For instance, someone who is impressed by CSR may not necessarily be willing to purchase a socially-acceptable product.

5.2.4 Hypothesis 4: CSR Will Influence Willingness to Pay a Premium Price

H₀: There is no relationship between CSR and willingness to pay a premium price.
H₁: There is a relationship between CSR and willingness to pay a premium price.

Since sig. p-value equals 0.640, which is more than 0.05, this implies that the null hypothesis holds. Correlation is not significant. This shows that consumers will not necessarily be willing to pay a higher price if the company is carrying out CSR activities.

5.2.5 Hypothesis 5: CSR Will Influence Customer Loyalty

H₀: There is no relationship between CSR and customer loyalty.
H₁: There is a relationship between CSR and customer loyalty.

According to calculation, Shapiro-Wilk sig. p-value is 0.000, which is less than 0.05, implying that the data for customer loyalty does not follow a normal distribution. Thus, Spearman rank correlation coefficient has to be used instead of Pearson correlation coefficient.

The sig. p-value of 0.102 means that the null hypothesis holds (p > 0.05). This implies that there is no linear relationship between CSR impression and customer loyalty.

Managerial Implications

For CSR to be most successful there should be commitment to the program from all levels of hierarchy, from directors to non-supervisory staffs. Management must ensure that the values and vision of the CSR program are integrated in the organisation’s culture. Not only managers but employees should also be involved in developing and implementing CSR.

Organisations need to be aware of and understand the complexity of consumers’ responses to CSR initiatives to develop CSR strategies that are optimal. Thus, they should conduct market research so as to understand consumers’ views, expectations and behaviours as well as to assess the impact of their social and environmental contribution on them. Market research will also allow an organisation to determine the personal characteristics of its consumers which will prove to be very important when developing its communication strategy.

A coherent and systematic CSR programme, both internal and external, can have an important effect on organisational performance. As such, companies should develop a proper CSR structure and adopt and comply with a formal CSR policy which will result in more discipline and consistency in CSR activities. To ensure follow-up of CSR plans, evaluation of progress and proper communication, larger organisations can set up CSR committees and SMEs can assign specific persons to overlook CSR activities if they can afford to do so.

It would be harder for companies to venture in external CSR without the help of NGOs, who are assumed to have a better knowledge of CSR-related field-work and are closer to the needy population. Engaging in private-public partnership also represents a quicker and more efficient way to reach goals. A company should be willing to cooperate and learn from the NGO it supports and build a trusting relationship for the CSR programme to work properly.

An organisation should bear in mind that spending more to communicate good deeds than spending on the good deeds themselves will give rise to doubts about whether it is really concerned about the society and environment. To maximise the extent of any CSR benefit, a company's marketing strategy must adapt to the nature of the CSR issue, the company and its consumers and make the link between the cause and the company so that consumers notice the proactive side of the CSR initiative.
7.0 Conclusion

Despite being a remote island geographically, Mauritius follows global trends – including the one regarding CSR - to keep up with the rest of the world. CSR arises out of the implicit social contract binding business with society. Due to its dependence on society, a company can neither survive nor grow without being fully accepted by all the elements of its environment, including consumers.

The extensive literature has covered the CSR concept in general and most importantly its impact on the attitude and behaviour of one of the most, if not the most, important stakeholder of a business, the consumer. Companies need to understand their consumers in order to satisfy their needs and wants. CSR in Mauritius has also been reviewed as it is important to understand the concept in the local context.

A number of research objectives have been set for this study and each of them has been met successfully. Though analysis of questionnaires showed that CSR does make a good impression on consumers; hypotheses testing found that CSR does not have much of an impact on consumer buying behaviour and that there is not much difference in attitude both between gender and across age groups. This indicates that CSR can impact on consumers to some extent but also highlights that companies need to consider a proper mix of CSR and traditional product attributes, which happen to be more influencing in purchase choices.

Finally, key recommendations have been presented, mostly to help organisations integrate CSR in their corporate strategies. In fact, it is important for organisations to think of the longer-term consequences of corporate decisions in order to sustain in the future. Equally important is their need to understand CSR from a consumer point of view and understand what consumer groups expect from them in order to retain and attract consumers.

Considering the fact that consumers are becoming more knowledgeable and powerful, firms should be responsive to society’s long-run needs and wants, optimize the positive effects and minimize the negative effects of its actions on society.

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