A Study on Impact of CSR Practices Adopted by Water Purifier Manufacturers for Building their Brands in Pune City

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ABSTRACT
There are many definitions of Corporate Social Responsibility (CSR) evolved over the period of time. There were extensive research, discussions and deliberations made amongst academicians, corporates, consultants and research scholars to understand and study the concept of CSR. The historical trail of CSR found as late as 1950’s and first documentation of CSR has been done in the year 1999 by Carroll in USA.

In India, CSR looked as a social duty or charity. Hence, during early independence years corporate houses only focused on the concept of social wellbeing. India has seen four phases of CSR evolution. The changes witnessed in how businesses are being managed bringing in impact of CSR on the society, culture and environment.

Purpose: The purpose of the study is to understand the concept of CSR and the recent developments in the water treatment companies with special reference to CSR activities. This paper examines how water purifier manufacturing companies view CSR practices. Also how consumer reacts towards these CSR activities and its impact on company’s Brand.

Methodology: This research paper is exploratory in nature. The primary data is collected through one on one interview using structured questionnaire. The target population covered is current users of water purifiers of various brands. The content analysis technique is used to analyze the secondary data to access the CSR practices of water purifier manufacturing companies.

Findings: The main finding of the study of this research paper reflects the marketing strategies of water purifier manufacturing companies. The key finding of a paper denotes the impact of CSR practices of water purifier manufacturing companies on the current users.

Practical aspects: The study includes 120 current users of water purifiers of various brands responding the structured questionnaire.

Keywords--- Corporate Social Responsibility, Water purifier manufacturer and CSR, Brand recall and Brand building.

I. INTRODUCTION
Corporate Social Responsibility is generically defined as the charitable activities undertaken by a company to operate in an economic, social and environmentally sustainable manner. Any business organizations leave its impact of their policies and strategies on the internal as well as external environmental factors. In view of reducing the societal gap, companies involved themselves in carrying out CSR activities relevant to society.

The research undertaken — ‘A study on impact of CSR practices adopted by water purifier manufacturers for building their brands in Pune City’ is to understand the generic strategies adopted by water purifier manufacturers to build their brand and also to study the relevance of CSR in building the brand. In this research study the researcher tried to study the CSR developments in the Indian context. The main objective of the research was to recognize the CSR activities carried out by the water purifier manufacturing companies. In this researcher tried to identify the impact of the CSR activities on building the company’s brand.

The systematic investigation was done through gathering relevant primary as well as secondary data. The primary data was collected by using structured questionnaire responded by 120 users of the water purifiers of different brands from Pune city.

II. OVERVIEW AND DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY
CSR has identified as corporate morality, corporate citizenship, social enactment, and sustainable responsible business. The academicians, business corporates, social associations and government tried to define CSR as a single term, but failed. Through this diverse understanding and interpretation CSR’s scope has evolved and grown. Businesses should be responsible for their social and environmental impacts and should seek to accomplish and monitor those impacts accordingly.

The definitions of Corporate Social Responsibility discussed in this chapter are evident enough to put-forth the different understandings of the term CSR. In the early version of Bowen (1953) [1], CSR referred as an obligation to the firm’s objective to act towards the society’s wellbeing. As per (Friedman, 1962) [2] CSR is a business strategy to earn and increase profits of the firm by keeping themselves within the rule of the business with healthy competition without frauds till Philip Kotler and Nancy Lee, (2005) [3] define CSR as a contribution of organizational resources for the wellbeing of the society. In this study, it was observed that no research scholar of Corporate Social Responsibility established a correlation between the brand building and CSR of the organization. Even though, the researchers tried to sum up CSR as a business strategy to increase in their firm’s revenues and profits.

III. CSR IN INDIAN CONTEXT

There is little documentary evidence about the CSR activities undertaken by the Indian companies in the initial period of trade. Indian business shown concerns towards society right from the beginning as the country’s economy is socialist one. Some of the customary traders initiated the native industrialization in India long back in the first few decades of 19th century. During this period, traders believed in Gandhian philosophy introducing trusts. The trusts then worked towards the interest of community. They contributed and supported social cause to support schools, colleges and hospitals and rural development along side of their main business purpose (Mohan 2001) [4].

As Indian economy moved forward towards more of industrialization, the apprehensions of business proposition and social cause were discussed. The activities undertaken under the CSR by the companies during this period has made CSR as a part of their important strategy. During IIC (India International Center) conference held at New Delhi in the year 1966, it was stated that social responsibility of an enterprise is responsible to itself, its customers, workers, shareholders and the community (IIC 1966) [5].

According to Infosys founder, Narayan Murthy, “social responsibility is to create maximum shareholders value working under the circumstances, where it is fair to all its stakeholders, workers, consumers, the community, government and the environment.” The 2001 State of Corporate Responsibility in India Polla, a survey conducted by Tata Energy Research Institute (TERI), the evolution of CSR in India has followed a chronological evolution of 4 thinking approaches:

1. Ethical Model (1930 – 1950)
2. Statist Model (1950 – 1970s)
3. Liberal Model (1970s – 1990s)
4. Stakeholder Model (1990 – Present)

The phases are mentioned below:

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
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<tr>
<td>Pure philanthropy and charity during industrialization</td>
<td>CSR as social development during the independence struggle</td>
<td>CSR under the “mixed economy” paradigm</td>
<td>CSR in a globalized world in a “confused state”</td>
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Source: (Tatjana Chahoud, 2007) [6]

IV. WATER – NEED FOR HUMAN BEING

Water is one of the vital elements of the life on the earth. Prehistoric year’s societies established and set up themselves around water sources and water bodies. During those periods, the need for drinking water and water for other purposes was apparent to our dynasties. As the understanding of drinking water quality was not well known or documented but historical records have recorded issues which were noted problems related to an unpleasant appearance, taste or smell with regard to drinking water. In fact, it took thousands of years for the society to identify that the problems mentioned above cannot define the quality of water.

Water is a precious commodity. 97.5% of the earth is occupied by sea water. Rest about 2.5% of the water is fresh water. Out of which, two third of water is in frozen ice caps and glaciers form. In aggregate only 0.01% of the total water of the earth is accessible for human consumption. The fresh water further shared amongst the usage in agricultural, industrial and domestic consumption. Clean and pure drinking water is a basic human need. Regrettably to mention, more than one sixth of total population of earth still dearth of consistent access to this precious resource in its clean and safe form.
According to United States Geological Survey, most of the fresh water (84.9 per cent) is locked up as ice in glaciers. Of the balance, 14.16 per cent constitutes ground water, while that in lakes and reservoirs amounts to 0.55 per cent. Another 0.33 per cent is in form of soil moisture and atmospheric water vapor. Thus, only a very small fraction of fresh water, viz., and 0.004 per cent flows through rivers and streams. The volume of sea water is fifteen times greater than that of fresh water. Hence, the need for the conservation of available fresh water is obvious. (K.S. Venkateswarlu, 1996)[7]. As far as India is concerned, its share in population is almost around the 16% of world’s population, but accounts for only 4% of water resources of the world. Currently India's population is growing at a pace of 2% per annum, and expected to be 1.5 billion by 2050.

V. CSR ACTIVITIES UNDERTAKEN BY WATER TREATMENT COMPANIES

CSR at Tata Swach
1. Sir Ratan Tata Trust and USAID promotes awareness about safe drinking water among children in schools.

(Source: http://www.tata.in/article/inside/9tnCZQe8keE=/TLYVr3YPkJMU=)

CSR at EFL
Company believes to value community and environment. Some of the CSR initiatives at EFL are:
- Rainwater harvesting.
- Eureka Forbes community projects are designed to empower the communities.
- Today, there are more than 70 Eureka Forbes reverse osmosis plants and 40 ultraviolet water treatment plants in 35 rural and four urban communities.

(Source: http://www.eurekaforbes.com/We-Care/Community-Fulfillment/Potable-water)
- EFL empower the community with sustainable solution. 'Eurodiya' is one of our initiatives by promoting solar lighting system as an alternative resource to kerosene and electricity.

(Source: http://www.eurekaforbes.com/We-Care/Community-Fulfillment/Solar-Lighting)

CSR at Kent
- Kent Ro System Ltd. has announced to support about 8,500 rural population through a project called WASH covering six States and eight villages.
- Kent RO and the Art of Living have entered into a mutual agreement for WASH.

(Source: http://www.indiacsr.in/en/kent-ros-wash-campaign-for-rural-areas/)

CSR at HUL
- Out of 38 HUL factories, 33 became zero discharge in 2013.
- A total of 86 tea estates in Assam, Darjeeling and Tamil Nadu were certified 'Sustainable Estates' by the Rainforest Alliance™.
- 14 million† fewer cubic meters of water abstracted in 2013 than in 2008 (a reduction of 29%† per tons of production).

(Source: http://www.hul.co.in/sustainable-living-2014/water-use/)

CSR at Thermax
Partnering Delhi Metro for water management

Along the 144 km stretch of the Delhi metro line, over 100 Thermax products and systems for water and sewage treatment service 33 stations.

Thermax expertise for rural drinking water project

Thermax is using its water treatment expertise to provide potable drinking water in villages and has installed some units in the villages of four districts of the Indian state of Andhra Pradesh.

Smarter municipal sewage treatment plants

Thermax is commissioning a sewage treatment facility (STP) for Greater Visakhapatnam Municipal Corporation in Andhra Pradesh.

Corporate Social Responsibility

The CSR programme of the company got a formal structure and a governing body when the Thermax Social Initiative Foundation (TSIF) was formed in March 2007 with objectives:

- Provide quality education to underprivileged children.
- Create an environment that respects communities and the natural environment
- Involve and encourage employees and their families to participate in various social initiatives of the company.
- In 2012, the Thermax Board decided to increase its contribution from 1% to 3% of its profit for various CSR initiatives implemented through its CSR arm, TSIF

VI. DATA ANALYSIS AND OBSERVATIONS

Following are the main observations drawn on the basis of the data analysis of structured survey of 120 users of water purifiers of different brands constituted 79% female and 21% male respondents. 55% of respondents are post graduates and 32% respondents’ graduates. 91% of them are of salaried group and 69% of the respondents are having monthly income upto Rs. 80,000/-.
The above graph (Figure No.1) indicates most of the respondents are using Aquaguard water purifiers at their residential use.

![Period of usage](Image)

Figure No. 2: Since how long you are using the above brand?

The above graph indicates that most of them are using the current water purifiers for last more than two years.

![Awareness of CSR of their Brand](Image)

Figure No. 3: Are you aware about the CSR practices of your Water Purifier manufacturing company?

The above graph indicates that the most of the respondents are not aware about the CSR activities of their own brand.

![Customer Satisfaction Survey](Image)

Figure No. 4: Please indicate your opinion by putting (√) tick against your buying perspective of water purifier brand:
(Strongly agree – 5, Agree – 4, Some-what agree or somewhat disagree – 3, Disagree – 2, Strongly disagree – 1, Can’t say – 0)
The above graph specifies that the current users of water purifiers bought the product because of its product offerings and price and not because of the CSR activities undertaken by the company.

**Figure No. 5: Please rate the following CSR activities which need to be focused by the Water purifier manufacturing companies**

The opinion of users of water purifier’s regarding their company’s CSR focus is captured in the above graph. The opinion is not leading towards any one area and the opinion is distributed more or less evenly distributed as far as the CSR activities are concerned.

**Figure No. 6: How you have careful thought while making a purchase decision** (Strongly agree – 5, Agree – 4, Somewhat agree or somewhat disagree – 3, Disagree – 2, Strongly disagree – 1, Can’t say – 0)
The above graph indicates that the customer feels loyal to the brands which are practicing CSR.

Figure No. 7: Opinion on the overall branding practices in water treatment industry preferred option as: Strongly agree – 5, Agree – 4, Neither agree nor disagree – 3, Disagree – 2, Strongly disagree – 1

The above graph shows that the brand is strongly associated with customer satisfaction and customer relationship along with company’s marketing mix proposition.

Figure No. 8: Brand Image perception of the water purifier bought by you as 5) Strongly agree 4) Agree 3) Neither agree nor disagree 2) Disagree 1) Strongly disagree

The above graph indicates that the current users are not satisfied with the service support of their brand but they can recall their brand when water purifier manufacturers are considered.
In the last year, how often have you heard other people talking about your brand?

In the above graph the attempt is made to capture the Brand recall of their brand. Most of the users heard about their brand talked often in last one year.

Price, perceived quality and company reputation in the market are the major areas of consideration while buying the water purifier. This is being reflected from the responses of the current users but not as word to mouth communication about the community services carried out by the company.

VII. CONCLUSION AND DISCUSSION

Water purifier manufacturing companies across India focused on the customer’s requirement. The brand establishment and promotion is a big task for those companies. The responses received from the current users are clear and loud that most of them are not aware about the CSR practices of their own companies. But on the other hand they feel they would be more loyal to their brand if they know that their brand is associated with the community development activities. The research paper also focused on the generic strategies of building the brand.

The literature review of this paper shows the trend of CSR development in India through four phases from pure philanthropy and charity during industrialization to CSR in a globalized world in a “confused state”. There are
several water purifier manufacturing companies in India involved in varied activities in the field of healthcare, adult literacy and education for deprived society, rural development, hygiene and sanitation, microcredit, and women empowerment. Analysis of several research carried out in India suggest that though water purifier manufacturing companies in India have undertaken CSR activities but still it is in the confused state. The studies also suggest that various water treatment companies define CSR in their own language and to their particular circumstances.

Some of the prominent observations related to the CSR practices and their brand building practices noted. The majority of the respondents are not aware about the CSR activities of their own brand and they feel that product offerings and price are the main areas of decision making rather than the CSR activities undertaken by the company. But at the same they tend to become loyal to the brands which are strongly associated CSR activities for the upbringing of the society. Customer satisfaction and customer relationship along with company’s marketing mix proposition are key to success of their brands.

The current users are not satisfied with the service support of their brand but its recall value is strong as they heard of their brand very often from media or other person talking about it. Mouth publicity with regard to community service is not important for the users instead they feel price, quality and company reputation drive their brand value.

REFERENCES