

**A STUDY ON INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY
ON CUSTOMER ATTITUDES OF THE CEYLINCO INSURANCE
COMPANY**

**“WITH SPECIAL REFERENCE TO MANMUNAI -NORTH BATTICALOA
DIVISIONAL SECRETARIAT AREA”**



MR.THEVAMANOCHARAN SOBANA THINESH



**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE & MANAGEMENT
EASTERN UNIVERSITY, SRILANKA**

2010

Abstract

Since Corporate Social Responsibility (CSR) has become a vital and evolving concept in today's world, companies are involving CSR activities with the intention of gaining competitive advantage. Therefore identifying consumer attitude towards CSR is important. Therefore, society and customers expect marketers to be involved their business in socially responsible manner. Thus, it becomes necessary for the corporate social responsibility businesses to adopt customer attitude to fulfill the social expectations of their customers and society. Hence, marketers are expected to develop a socially responsible business behavior. This study examined the research problem of whether CSR influences customer attitude in Ceylinco Insurance. This research was carried out with the objectives of analyzing& evaluating the influence of CSR on customer attitude in Ceylinco Insurance Company.

This study examined the research problem of this study is to identify the consumers' attitude towards different aspects of CSR in Ceylinco Insurance. With special reference to the Mannunai -North Divisional secretariat area. Furthermore, conceptual model has been developed to understand the level of influence of the four research variables on CSR.

Four research questions were formed to test the influence of CSR on customer attitude of the Ceylinco Insurance Company. Quantitative methodology has been applied for this research and questionnaires were used to collect data. 200 questionnaires were issued and collected data were analyzed and evaluated as low, moderate, and high level influence of research variables on CSR on customer attitude of the Ceylinco Insurance Company. This study found that there is a positive influence of CSR on customer attitude at a moderate level.

Key Words: Customer Attitude, Economic Responsibility, Legal Responsibility, Ethical Responsibility, Philanthropic Responsibility, Corporate Social Responsibility

Contents

	Page No
Acknowledgement-----	iv
Abstract-----	v
Index of Table-----	ix
Index of Figures-----	xi

Chapter One- Introduction

1.1 Background of the study-----	1
1.2 Problemstatement-----	3
1.3 Research questions-----	3
1.4 Purpose of the study-----	4
1.5 Research objectives-----	4
1.6 Scope of the study-----	5
1.7 Researchmethodology-----	6
1.7.1 Selection of sample-----	6
1.7.2 Data collection-----	6
1.7.3 The questionnaire-----	7
1.8 Limitations of the research-----	7
1.9 Summary-----	7

Chapter Two- Literature Review

2.1 Evolution of CSR-----	9
2.2 Aspects of CSR-----	11
2.2.1 Economic CSR-----	13
2.2.2 Legal CSR-----	14
2.2.3 Ethical CSR-----	15
2.2.4 Philanthropic CSR-----	17
2.2.5 Evaluation of four aspects-----	20
2.3 Importance of CSR-----	21
2.4 Marketing and CSR-----	22
2.5 Customers' attitude towards CSR-----	23

2.5.1 Impact of demographic factors on consumer attitudes toward CSR	26
2.6 Research Methodology	27
2.7 Conclusion	28

Chapter Three- Research Design

3.1 Introduction	29
3.2 Conceptual Framework	29
3.3 Operationalization	31
3.4 Definitions of key terms	32
3.4.1 Independent Variables	32
3.4.2 Dependent Variable	35
3.5 Summary	36

Chapter Four- Research Methodology

4.1 Introduction	37
4.2 study setting and study design	37
4.2.1 Study Setting	37
4.2.2 Study design	38
4.3 Data collection	38
4.3.1 Types of data	38
4.3.2 Data Collection Methods	39
Sample size and Frame work	40
4.3.4 Questionnaire	44
4.4 Data presentation and analysis	45
4.4.1 Method of Data presentation	45
4.4.2 Method of Data Analysis	46
4.5 Method of Data Evaluation	46
4.6 Summary	47

Chapter Five- Data presentation and Analysis

5.1 Introduction	48
5.2 Demographic Composition of the Sample	49
5.2.1 Gender	49
5.2.2 Age	50

5.2.3 Education	51
5.2.4 Present Status	52
5.3 Research Information	53
5.3.1 Identifying the Importance of Different Aspects and Its Each Indicators	54
5.3.2 Identifying the importance of different aspects and its each factors	80
5.3.3 Overall Analysis of the Influence of CSR on the Customer Attitudes in Ceylinco Insurance company in Mannunai-North Batticaloa	88
5.4 Cross tab Analysis (Personal Information with Research Information)	91
5.4.1 Gender	91
5.4.2 Age	92
5.4.3 Education	92
5.4.4 Present state	93
Summary	94

Chapter Six- Discussion of Findings

6.1 Introduction	95
6.2 Discussion of Personal information	95
6.3 Discussion of Research information (Overall analysis)	97
6.3.1 Economic Responsibility	97
6.3.2 Legal Responsibility	99
6.3.3 Ethical Responsibility	101
6.3.4 Philanthropic Responsibility	103
6.4 Influence of corporate Social Responsibility in Ceylinco Insurance company customer attitude	106
6.5 Summary	108

Chapter Seven- Conclusions and Recommendations

7.1 Introduction	109
7.2 Conclusions	110
7.3 Conclusions on the Characteristics of Influence of CSR on Ceylinco Insurance company on Customer Attitude	110
7.3.1 Conclusion on Economic Responsibility	110
7.3.2 Conclusion on Legal Responsibility	111
7.3.3 Conclusion on Ethical Responsibility	112

7.3.4 Conclusion on Philanthropic Responsibility	112
7.4 Recommendations for Ceylinco Insurance company to enhance the Influence of CSR	113
7.4.1 Recommendations on Economic Responsibility	113
7.4.2 Recommendations on Legal Responsibility.....	114
7.4.3 Recommendations on Ethical Responsibility	114
7.4.4 Recommendations on Philanthropic Responsibility	114
7.5 Some common recommendation to increase the effective CSR activities.....	115
7.6 Implications of Research	115
7.7 Summary	116

Index of Table

Table 3.1 Operationalization.....	31
Table:4.3.3.2 Batticaloa-Manmunai-North Divisional secretariat area Sampling frame work	42
Table: 4.5.1 Thus, the decision rule for the CSR can be formulated as follows.....	47
Table 5.2.1 Gender Composition of the Sample.....	49
Table 5.2.2 Age composition of the Sample.....	50
Table 5.2.3 Education level composition of the Sample	51
Table 5.2.4 Present status of the Sample	53
Table 5.3.1 Fair return for investors	54
Table 5.3.2 Fair return for investors	55
Table 5.3.3 Provide quality services.....	56
Table 5.3.4 Provide quality services.....	57
Table 5.3.5 Provide jobs	58
Table 5.3.6 Provide jobs	59
Table 5.3.7 Contribute to economic growth	60
Table 5.3.8 Contribute to economic growth	61
Table 5.3.9 Ground rules & laws.....	62
Table 5.3.10 Ground rules & laws	63
Table 5.3.11 Basic notions of fairness	64
Table 5.3.12 Basic notions of fairness.....	65