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Influence of Corporate Social Responsibility on Customer Loyalty and Sustainability in Pothys Textiles

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Abstract: ***This study examines the influence of Corporate Social Responsibility (CSR) on customer loyalty and sustainability in Pothys Textiles. The research investigates how CSR initiatives, such as environmental sustainability, community development, and employee welfare, impact customer loyalty and perceived sustainability. The findings suggest that CSR plays a significant role in shaping customer loyalty and sustainability perceptions, highlighting the importance of integrating CSR into business strategies.***

Index Terms: Corporate Social Responsibility (CSR), Customer Loyalty, Sustainability, Pothys Textiles, Environmental Sustainability

I. INTRODUCTION

Pothys Textiles, a leading textile retailer in India, has been at the forefront of CSR initiatives, aiming to create a positive impact on the environment, society, and its customers. The company's commitment to CSR is reflected in its various initiatives, such as sustainable manufacturing practices, community development programs, and environmental conservation efforts. In today's competitive business landscape, companies are increasingly recognizing the importance of Corporate Social Responsibility (CSR) in driving customer loyalty and sustainability. The textile industry, in particular, has faced intense scrutiny for its environmental and social impacts, making CSR a critical component of business strategy.

II. STATEMENT OF THE PROBLEM

Despite the growing importance of Corporate Social Responsibility (CSR) in the textile industry, there is a lack of understanding about the impact of CSR initiatives on customer loyalty and sustainability in the context of Pothys Textiles. There is a lack of research on the specific CSR initiatives undertaken by Pothys Textiles and their impact on customer loyalty and sustainability. While CSR is expected to enhance customer loyalty, the exact mechanisms by which CSR initiatives influence customer loyalty in the context of Pothys Textiles are not well understood. However, there is a lack of research on the impact of CSR initiatives on sustainability in the context of Pothys D. While there is evidence suggesting that CSR initiatives can enhance customer loyalty and sustainability, there is a need for systematic and empirical research to confirm these findings in the context of Pothys Textiles.

III. SCOPE OF THE STUDY

The scope of this study is to explore the influence of Corporate Social Responsibility (CSR) on customer loyalty and sustainability in Pothys Textiles, a leading textile retailer in India. The study will examine the relationship between CSR initiatives and customer loyalty, as well as the impact of CSR initiatives on sustainability outcomes. Specifically, the study aims to identify the key CSR initiatives that contribute to customer loyalty and sustainability in Pothys Textiles. The study will contribute to the existing literature on CSR and sustainability in the textile industry, providing insights into the relationship between CSR initiatives and customer loyalty.

IV. OBJECTIVES OF THE STUDY

1) To examine the relationship between CSR and sustainability in Pothys Textiles.
2) To investigate the impact of CSR initiatives on customer loyalty in Pothys Textiles.
3) To identify the key CSR initiatives that drive customer loyalty and sustainability in Pothys Textiles.
4) To assess the level of awareness and perception of CSR initiatives among customers of Pothys Textiles.
5) To analyze the CSR initiatives undertaken by Pothys Textiles and their impact on customer perceptions, loyalty and sustainability.

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V. RESEARCH METHODOLOGY

1) Research Design - Descriptive research design.
2) Source of Data - Primary data & Secondary data.
3) Sampling Technique - Snowball sampling technique.
4) Sampling Size – 150 respondents.
5) Asrea of the Study – Pothys textile ,Coimbatore.

Tools For Analysis
The research paper involved certain tools like

- Simple percentage analysis.
- Correlation analysis.
- Rank analysis.
- Chi-square.
- One way ANOVA.

VI. LIMITATION OF THE STUDY

1) The study is limited to Coimbatore city so the findings cannot be generalized.
2) The findings of the study are entirely based on primary data. So, the results are subject to limitations of primary data.

VII. REVIEW OF LITERATURE

Rajesh Sharma and Vranda Jain (2019)-This empirical study investigates the impact of perceived CSR initiatives on brand loyalty and consumer-based brand equity in the Indian sportswear market. Conducted in the Delhi NCR region, the research reveals positive relationships between CSR activities and consumer trust, brand loyalty, and brand equity. Although focused on the sportswear industry, the findings provide valuable insights applicable to the textile sector, emphasizing the role of CSR in building customer loyalty.

Rao, M. (2021)-A study found that CSR initiatives can contribute to sustainability by promoting sustainable materials, reducing waste, and improving working conditions. This literature review provides an in-depth analysis of various CSR initiatives in the textile and manufacturing industries, focusing on their role in sustainability. The study highlights key CSR practices such as the adoption of sustainable raw materials, waste reduction strategies, and ethical labor policies. This study explores the impact of Corporate Social Responsibility (CSR) on customer loyalty within the textile industry, focusing on how CSR initiatives influence consumer behavior and brand perception. The research highlights that CSR activities, such as ethical sourcing of raw materials, sustainable production processes, and fair labor practices.

Deshmukh, K. (2018)- A study found that CSR initiatives can enhance customer loyalty by creating a positive brand image and promoting customer trust. This study explores the relationship between CSR initiatives, brand image, and customer loyalty, emphasizing the importance of corporate ethics and sustainable business practices. The study concludes that CSR-driven emotional connections play a significant role in enhancing customer loyalty, as consumers increasingly prefer brands that reflect their personal values and commitment to social responsibility.

TABLE NO 4. 1
Rating Of Pothys' Involvement In Csr Activities

S. No	RATING LEVEL	NO. OF RESPONDENTS	PERCENTAGE (%)
1.	Excellent	113	75.3%
2.	Good	33	22%
3.	Average	4	2.7%
4.	Poor	0	0%
	TOTAL	150	100%

SOURCE: QUESTIONNAIRE

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- Interpretation: The data reveals that a significant majority of respondents (75.3%) rate Pothys' involvement in CSR activities as excellent, demonstrating strong approval of the company's initiatives. Additionally, 22% of respondents consider it good, indicating a largely positive perception. A small percentage (2.7%) rate the involvement as average, while there are no respondents who rated it as poor. This suggests that Pothys' CSR initiatives are highly appreciated by customers, reinforcing the brand's commitment to corporate social responsibility. However, continued efforts in innovation and communication could further strengthen customer engagement.
- Inference: A majority of respondents (75.3%) rate Pothys' involvement in CSR activities as excellent.

CHART 4.1
RATING OF POTHYS' INVOLVEMENT IN CSR ACTIVITIES

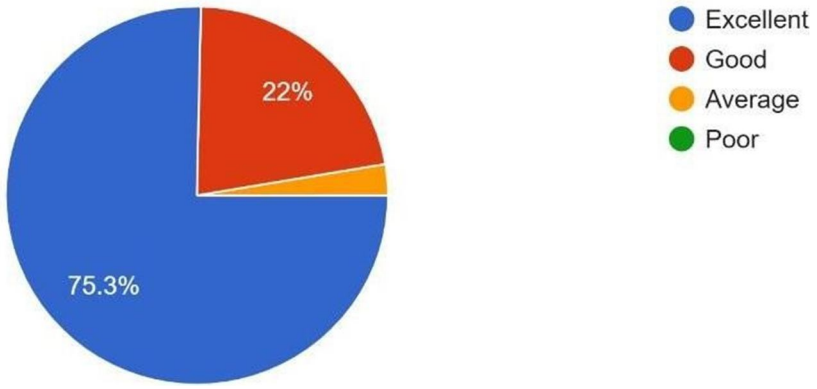


TABLE 4.2
Likelihood Of Continued Shopping If Csr Efforts Improve

S. No	LIKELIHOOD LEVEL	NO. OF RESPONDENTS	PERCENTAGE (%)
1.	Very Likely	107	71.3%
2.	Likely	8	5.3%
3.	Neutral	35	23.3%
4.	Unlikely	0	0%
	TOTAL	150	100%

SOURCE: QUESTIONNAIRE

- Interpretation: The data indicates that a significant majority of respondents (71.4%) are very likely to continue shopping at Pothys if the company improves its CSR efforts, while 5.3% are likely to do so. This suggests that CSR plays a vital role in shaping customer loyalty and retention. Additionally, 23.3% of respondents remain neutral, implying that while they do not strongly favor CSR as a deciding factor, they are not opposed to it either. Notably, there are no respondents who stated they are unlikely to continue shopping, reinforcing the positive impact of CSR initiatives on customer loyalty. However, further engagement and communication efforts could help convert neutral respondents into loyal customers.
- Inference: A majority of respondents (71.4%) are very likely to continue shopping at Pothys if the company improves its CSR efforts.

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Chart 4.2
Likelihood Of Continued Shopping If Csr Efforts Improve

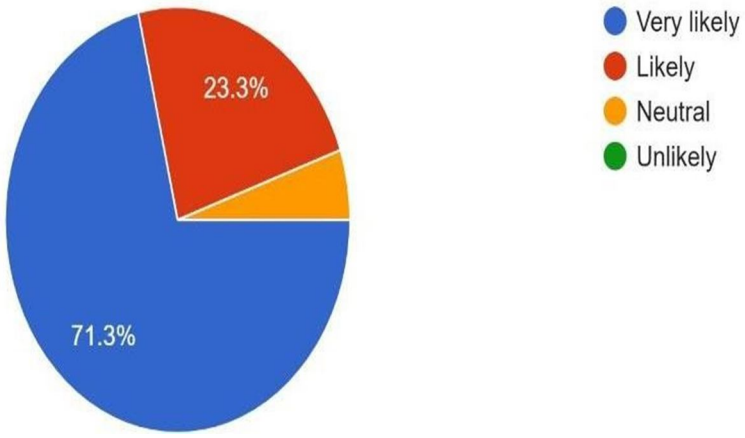


Table 4.3
Correlation Between Importance Of CSR In Purchase Decisions And Impact On Customer Loyalty

CORRELATION ANALYSIS			
		How important is CSR to you when making purchase decisions?	What is the primary impact of CSR initiatives on Customer Loyalty?
How important is CSR to you when making purchase decisions?	Pearson Correlation	1	0.022
	Sig. (2-tailed)		0.790
	N	150	150
What is the primary impact of CSR initiatives on Customer Loyalty?	Pearson Correlation	0.022	1
	Sig. (2-tailed)	0.790	
	N	150	150

HYPOTHESIS:
H_0 (Null Hypothesis): There is no significant relationship between the importance of CSR in purchase decisions and its impact on customer loyalty.
H_1 (Alternative Hypothesis): There is a significant relationship between the importance of CSR in purchase decisions and its impact on customer loyalty.

- Interpretation: At a 5% significance level ($p < 0.05$), the correlation coefficient ($r = 0.022$) shows a very weak positive relationship between the importance of CSR in purchase decisions and its impact on customer loyalty. Since the p-value (0.790) is greater than 0.05, we fail to reject the null hypothesis (H_0).This suggests that while CSR may be important to some customers, it does not have a strong influence on customer loyalty at Pothys. Other factors such as product quality, price, or customer service might play a more significant role in shaping loyalty.

Table 4.4
Correlation between loyalty factors vs. Impact of CSR on customer loyalty

CORRELATION ANALYSIS			
		What factors influence your loyalty to Pothys Textiles?	What is the primary impact of CSR initiatives on Customer Loyalty?
What factors influence your loyalty to Pothys Textiles?	Pearson Correlation	1	-0.079
	Sig. (2-tailed)		0.334
	N	150	150
What is the primary impact of CSR initiatives on Customer Loyalty?	Pearson Correlation	-0.079	1
	Sig. (2-tailed)	0.334	
	N	150	150

HYPOTHESIS:
H_0 (Null Hypothesis): There is no significant relationship between CSR initiatives as a loyalty factor and the impact of CSR on customer loyalty.
H_1 (Alternative Hypothesis): There is a significant relationship between CSR initiatives as a loyalty factor and the impact of CSR on customer loyalty.

- Interpretation: At a 5% significance level ($p < 0.05$), the correlation coefficient ($r = -0.079$) indicates a very weak negative relationship between CSR initiatives as a loyalty factor and the impact of CSR on customer loyalty. Since the p-value (0.334) is greater than 0.05, we fail to reject the null hypothesis (H_0).This suggests that CSR initiatives as a factor influencing loyalty do not significantly impact how customers perceive CSR's effect on their loyalty to Pothys. While CSR may play a role in customer loyalty, other factors like product quality, price, and service might have a more substantial impact on overall customer retention.

TABLE 4.5
Relationship Between Gender & Awareness Of CSR Initiatives

		Awareness Of CSR Initiatives				Total
		Very aware	Somewhat aware	Not very aware	Not at all aware	
Relationship Between Gender	Male	35	30	2	1	68
	Female	27	45	9	1	82
Total		62	75	11	2	150

HYPOTHESIS:
H_0: There is no relationship between gender and the main health problems experienced due to waste picking.
H_1: There is a relationship between gender and the main health problems experienced due to waste picking.

CHI-SQUARE TEST

FACTOR	CALCULATION	DIFFERENCE	TABLE VALUE	REMARK
Gender	0.990	3	7.815	Accepted

- Interpretation: At a 5% significance level, the calculated chi-square value is 0.990, and the table value is 7.815. Since the calculated value is lower than the table value, the null hypothesis (H_0) is accepted, meaning there is no significant relationship between gender and the main health problems experienced due to waste picking.

TABLE 4.6
Relationship Between Occupation & Influence of CSR On Shopping Decision

		Influence Of CSR On Shopping Decision			Total
		No impact	Somewhat	Yes significantly	
Occupation	Business	5	16	22	43
	Others	2	11	19	32
	Profession	2	17	24	43
	Student	5	12	15	32
Total		14	56	80	150

HYPOTHESIS:
H_0 : There is no relationship between occupation and the influence of CSR initiatives on shopping decisions.
H_1 : There is a relationship between occupation and the influence of CSR initiatives on shopping decisions.

CHI-SQUARE TEST

FACTOR	CALCULATION	DIFFERENCE	TABLE VALUE	REMARK
Occupation	3.624	6	12.592	Accepted

Interpretation: At a 5% significance level, the calculated Chi-Square value is 3.624, and the table value is12.592. Since the calculated value is lower than the table value, the null hypothesis (H_0) is accepted, meaning there is no significant relationship between occupation and the influence of CSR initiatives on shopping decisions.

TABLE 4.7
Anova Between Occupation & Satisfaction With CSR Initiatives

ANOVA					
How satisfied are you with Pothys Textiles CSR initiatives?					
	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Between Groups	5.779	4	1.926	2.383	0.040
Within Groups	96.386	146	0.660	-	-
Total	102.164	150	-	-	-

HYPOTHESIS:
H_0 (Null Hypothesis): There is no statistical difference between occupation and satisfaction with CSR initiatives.
H_1 (Alternative Hypothesis): There is a statistical difference between occupation and satisfaction with CSR initiatives.

Interpretation: At a 5% significance level, the calculated F-value is 2.838 and the p-value is 0.040. Since the p-value is less than 0.05, we reject the null hypothesis (H_0). This indicates that occupation has a significant influence on satisfaction with Pothys' CSR initiatives. Different occupational groups perceive CSR initiatives differently in terms of satisfaction.

Table 4.8
Anova Between Income Level & Likelihood Of Continued Shopping

ANOVA					
How likely are you to continue shopping at Pothys if they improve their CSR efforts?					
	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig. (p-value)**
Between Groups	0.553	3	0.184	1.207	0.320
Within Groups	5.958	147	0.041	-	-
Total	**6.512**	**150**	-	-	-

HYPOTHESIS:
H_0 (Null Hypothesis): There is no statistical difference between income level and the likelihood of continued shopping at Pothys.
H_1 (Alternative Hypothesis): There is a statistical difference between income level and the likelihood of continued shopping at Pothys.

Interpretation: At a 5% significance level, the calculated F-value is 1.207 and the p-value is 0.320. Since the p-value is greater than 0.05, we fail to reject the null hypothesis (H_0). This indicates that income level does not significantly influence the likelihood of continued shopping at Pothys if they improve their CSR efforts. In other words, customer income levels do not play a strong role in determining whether they will continue shopping based on CSR improvements.

TABLE 4.9
RANK THE FOLLOWING CSR INITIATIVES BY POTHYS TEXTILES

CSR Initiative	I	II	III	IV	TOTAL SCORE	RANK
Social Welfare Programs	52	45	27	26	4.44	1
Education and Skill Development Programs	48	43	31	28	4.46	2
Health and Wellness Programs	40	38	33	35	4.58	3
Environmental Sustainability Programs	35	30	28	27	4.82	4

- Interpretation: From the above ranking analysis of CSR initiatives by Pothys Textiles, the highest-ranked initiative is Social Welfare Programs, followed by Education and Skill Development Programs. Health and Wellness Programs rank third, while Environmental Sustainability Programs rank lowest. This indicates that customers prioritize CSR initiatives that have a direct social impact, such as welfare and education, over environmental efforts. While sustainability remains important, Pothys may benefit from strengthening its focus on social impact initiatives to align with customer preferences and enhance brand loyalty.

VIII. FINDING

A. Percentage Analysis

- A majority of respondents (75.3%) rate Pothys' involvement in CSR activities as
- excellent.
- A majority of respondents (71.4%) are very likely to continue shopping at Pothys if the company improves its CSR efforts.□□

B. Correlation Analysis

- There is an relationship between the importance of CSR in purchase decisions and its impact on customer loyalty.
- There is an relationship between CSR initiatives as a loyalty factor and the impact of CSR on customer loyalty.

C. Chi-Square

- There is a relationship between gender and the main health problems experienced due to waste picking.
- There is a relationship between occupation and the influence of CSR initiatives on shopping decisions.

D. One Way Anova

- There is a difference between occupation and satisfaction with CSR initiatives.
- There is a difference between income level and the likelihood of continued shopping at Pothys.

E. Ranking Analysis

- The Ranking analysis of CSR initiatives by Pothys Textiles, the highest-ranked initiative is Social Welfare Programs, followed by Education and Skill Development Programs.

F. Suggestions

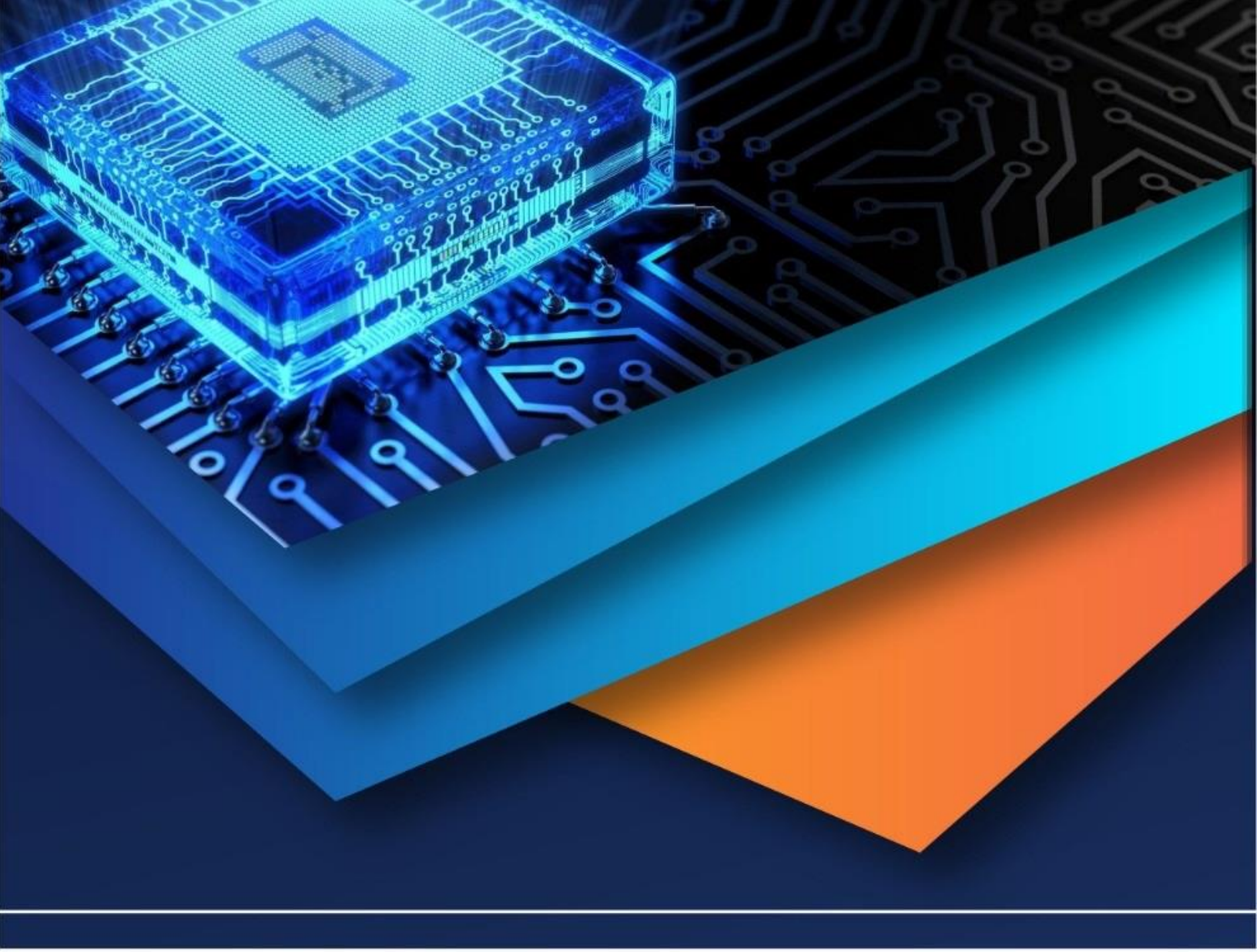
- Enhance Customer Awareness
- Strengthen the Link Between CSR and Loyalty
- Focus on Social Welfare and Education Programs
- Improve Customer Engagement
- Sustainability as a Long-Term Goal
- Leverage Digital Marketing for CSR Awareness

IX. CONCLUSION

The study explored the role of Corporate Social Responsibility (CSR) initiatives at Pothys Textiles and their impact on customer loyalty and sustainability. The findings indicate that while CSR is an essential aspect of modern business strategy, its influence on customer behavior varies.Although awareness of CSR initiatives does not strongly influence shopping decisions, customers who recognize and appreciate these efforts tend to exhibit higher levels of loyalty. Furthermore, CSR programs focusing on social welfare, education, and health received the highest customer preference, highlighting the importance of community-driven initiatives. However, the weak correlation between CSR and loyalty suggests that other factors, such as product quality and pricing, play a more significant role in customer retention.

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