

Exploring the Influence of Ethical Branding and Corporate Social Responsibility on Consumer Buying Decisions: An Empirical Study of the Packaged Food Industry in Nagpur District, Maharashtra

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Abstract

In recent years, consumer attitude towards risks in terms of product safety, environmental sustainability and social responsibility of brands has been increasing, making this an important factor in its purchases in packaged food consumption, in particular. In recent years, ethical branding has been a very relevant factor and the ethical aspect of Corporate Social Responsibility (CSR) in consumers' behavior to purchase packaged food products, in particular. Consumer's perception of CSR and effect of ethical branding on consumer's buying choice in packaged food industry in Nagpur district, Maharashtra is studied in this work. The study targets consumers' perception and awareness in relation to: ethical business practice, use of eco-friendly packaging, use of fair trade policies, implementing community development programmes and transparent marketing communication by packaged food companies. The primary data was collected by the consumers and the secondary data was obtained from scholarly articles, industry reports and company publications. The obtained data was analysed using statistical tools; descriptive, correlation and regression analysis. These results show that there is a positive attitude towards brands that are seen as being responsible and actively involved in CSR. All of these intangible elements such as trust, reputation, CSR and social commitment contribute to the purchasing and to brand loyalty. The study reveals the positive effects of companies on their image due to ethical branding and CSR, while some of the benefits include sustainable consumer relationship and gaining a competitive advantage. The results of the study will be beneficial to food system policy makers, marketers and stakeholders in designing and implementing policies to better link business goals with stakeholder aversions.

Keywords: Ethical Branding, Corporate Social Responsibility (CSR), Consumer Buying Decision, Packaged Food Industry, Brand Trust, Consumer Behavior, Sustainable Marketing, Brand Loyalty, Nagpur District.

Introduction

The way consumer buy in the present world of business has undergone a radical change. However, consumers are no longer only concerned with price, quality, convenience and brand, but they are also judging companies based on their ethical behavior, social responsibility and dedication to the sustainable development. Ethical branding and Corporate Social Responsibility (CSR) are growing to become essential strategic enablers that provide an opportunity for organisations to gain trust and foster customer relationships while adding long-term competitive advantage. With the importance of brand choice on the consumers' health, environmental and social good, ethical brand and CSR have specific forms that are increasingly talked about and subject of consumer perceptions and decision-making that is relevant in today's packaged food market.

Ethical branding is marketing of brands and products on ethical principles of honesty, transparency, fairness, social responsibility and consideration for the environment. It includes diverse areas including source control of raw materials, honest advertising, ethical pricing, employee welfare, sustainable packaging and follow of ethical business practices. Ethical brands want to establish an excellent "feeling" among individuals by proving their values are the same as expected in the society. Consumers are more informed about their environment, labour practices and corporate governance, and more inclined to buy brands that align with their beliefs and values, and that take care of their ethical sensitives.

Corporate Social Responsibility is an approach to doing business that involves a business considering social issues, the environment and economics in its business operations and stakeholder relations. Some examples of CSR activities include waste minimization projects, sustainable supply chain practices, educational programs, health awareness campaigns, environmental protection initiatives, community support initiatives, charity initiatives and more. Many modern consumers believe that companies that are well-known for their track record of social responsibility are more trustworthy, reliable and customer-oriented. Hence CSR contribution not only adds value to society but also to the good reputation, brand value/brand loyalty of good companies, its goodwill amongst its customers and society.

As a consequence of lifestyle changes, urbanisation, availability of more convenience foods and disposable income, packaged foods are one of the fastest growing markets in India. High competitive environment because there are many packaged food products available for customers. In such an environment, companies are searching for unfamiliar, innovative and inventive methods of reaching out to customers and providing some added value. These purposes have been accomplished very effectively through ethical branding and CSR efforts. As ethical consumerism spreads across the world, companies are now more conscious of sustainable sourcing, eco-friendly packaging, transparency in nutrition, food safety measures and community development initiatives that help them to build market value and connect with socially-minded customers.

In more recent years, consumer awareness of issues such as 'green-consumption', 'food quality', 'health issues', 'fair-trade', etc. and issues of corporate accountability and responsibility have been on the rise in India. Information about both is readily available and actually accessible to consumers, via digital media and social networking, which enables them to make their buying decisions. As a result, shall we co-assume that people are more likely to be prepared to invest their dollars in every brand they feel embodies truthful, living reversions of its ethics and social good wash. Are consumers' attitudes changing leading to socially responsible corporate actions as part of corporate branding and marketing?

As one of the prominent commercial and urban city of Maharashtra, this district is an ideal area to analyse the attitude of consumers towards ethical branding and CSR in the Packaged Food sector. The district has a varied consumer base, varying socio-economic and educational levels and varying demographic make-up. Learning consumers in Nagpur perceptions towards ethics and CSR giving a clear insight of factors affecting consumers to purchase the product. These details will be useful for the people involved in marketing, policy makers and players of the industry to develop strategies which can cater the increasing demand of the consumers while satisfying the demands of the society.

The present work is an attempt towards exploring how ethics operations and CSR affects the buying decisions of consumers in the food packaging business in Nagpur District, Maharashtra. This research aims to explore the awareness, perception and attitude of these consumers, regarding ethical actions of food companies in their business and CSR activities. Furthermore, it investigates the impact these factors have on the customers' purchase decisions, brand selection, trust in the brand and brand loyalty. The study builds on previous research on ethical brands, CSR and consumer reactions by looking at the relationship between ethical branding, CSR and consumers' reactions. The findings of the research will be practically applicable to the organizations, which are trying to achieve business results as well as social responsibility in an increasingly conscious and competitive market.

Literature Review

Interest in ethics and Corporate Social Responsibility (CSR) skills have risen to become important motivational elements for consumers' decisions in modern times. Today, consumers or the public are more aware of environmental, social and ethical issues and want organizations to be more responsible in their business actions to gain a positive reputation and impact their transactions. The links among business ethical behaviors, CSR programs, consumer beliefs, brand loyalty and buying intention in various industries and geographical settings have been studied by a number of researchers.

Alwi, Ali and Nguyen (2017) emphasized on the value of ethical branding in building up a company's positive reputation and in addition to that, a potent brand loyalty can be created. During their research, they came to the conclusion that the more brands have a consistent and ethical approach, transparency and social responsibility,

the more consumers feel connected to this brand over time, subconsciously. In this mediation, the importance of ethical branding in building customer loyalty and consent to paying a price premium for brands that are perceived to be having positive ethical values was highlighted.

When evaluating the nature of ethical purchasing behaviour, Andersch, Arnold, Seemann and Lindenmeier (2019) proposed a modification of the stage model they claimed that their consumers follow during the buying process involving a moral consequence. Ethics and environmental concerns were found to be more becoming component of shopping decisions by consumers though situational barriers might have a role to play in the actual purchasing decision.

The aim of this study proposed by Ahmad et al. (2023) is to examine the relationship between CSR programs and green consumption behaviors on customer satisfaction and loyalty. According to their research, there is a positive impact of CSR activities on customer satisfaction, which ultimately increases the customers' loyalty towards brands. Additionally, the importance of ethics as an influencing factor on CSR initiatives on consumers' attitudes was stressed.

Aldulaimi et al. (2025) studied a number of ethical issues which that are observed from the perspective of the customers including the customer perceived ethical issue, electronic WOM, customer trust and customer loyalty. Results showed the mediating role of customer trust based on perceived ethical behavior of the organizations in establishing customer loyalty in long term prospect. General ethical issues relating to business operations in general is seen to be a key element towards establishing sustainable customer relations.

Fernando et al. (2022) made their research on sustainable practices in the social supply chain and its impact on the social performance of the organization. They discovered that the ideas of Orlando's SR (socially responsible sourcing), FLP (fair labour practise) and EFO (environmentally friendly operation) have a positive impact on the reputation of their organisations and on the trust that stakeholders place in the organisations. These are activities that are instrumental in building the trust and purchasing tendency of consumers towards brands.

Consumers as the stakeholders were mentioned, Holloway (2024) looked at how ethical supply chain affects brand equity. Holloway (2024) studied the effect of ethical supply chain on consumers' brand equity. There is an emerging trend toward transparency and responsible sourcing products, the study concluded. It can improve brand reputation and brand intent, and these companies are perceived as more credible and trustworthy when signaling in their suppliers.

The topic of sustainable consumption has been widely discussed in academic circles as well. Cuomo et al., 2019 investigated the perception of consumers on luxury brands and sustainable consumption. They identified that the more a brand can be seen as taking on sustainability and social responsibility the more appealing they are to the consumer. Such promises can help bolster brand rep and customer interactions.

One factor that has come up other than the purchasing process is the consumer engagement. The researchers, Islam and Rahman (2016), concluded that building a positive brand image has a positive effect in two ways; first in the level of customer engagement; second in the level of brand attachment. Individuals connected with a specific brand in a favorable manner are more likely to go out and purchase something from the brand as well as be loyal in the future. Similarly, Islam and Zaheer (2016), noted that social media communities play an important role in facilitating relationship between customers and brands and this influences their intention to purchase and recommend the brand.

Islam, Rahman and Hollebeek (2019) and Islam et al. (2020) emphasized the importance of engagement to create positive customer experiences, so as to build trust with consumers. From a consumer perspective, one may consider that these studies demonstrate a consumer's willingness to be loyal to brands that have been shown to be open, accountable and ethical in their relationships.

Kaur et al. (2020) did a study on virtual 'brand community' and concluded that 'Brand community identification' plays an important role in increasing the involvement and loyalty of the consumers towards brands. Their work has shown that "ethical" and "social good" brands work better at connecting with more loyal and faithful communities, and in building brands.

Haryanto, Moutinho and Coelho (2016) studied the brand loyalty case in the different markets and found that trust, emotion, and brand experience were key determinants for brand loyalty. Ethical Practices and socially responsible behaviour are integral part of both these relationships.

Jinga (2022) has presented Environment, Social, Governance (ESG) as the new criteria of sustainable business operations. The research revealed that consumers are increasingly anxious about the organisations' environmental and social efforts and programmes that align with ESG are critical to the organisation's success and consumers' acceptance.

Though most of Adewumi's et al. (2024) paper was about business intelligence tools of the finance sector, the review outlined the emerging significance of data-informed decision-making in comprehending consumer preferences and assessing the impact of CSR and ethical branding strategies. Consumer attitudes can be measured by Business Intelligence (BI) systems and their effectiveness can be boosted in order to use them in the right manner in responsible business marketing.

The results of literature review indicate that the connection between the concept of ethics in branding, CSR activities, sustainable business practices and consumer buying behavior, consumer trust and consumer loyalty is quite well. However, a few empirical studies have examined such relationship in the packaged food industry in India that have focussed on the town of Nagpur, Maharashtra. An attempt this study hazes to make an academic and managerial contribution through the study of the impact of ethical branding/csr campaign on the purchasing behavior of the packaged eaten food products.

Objectives of the Study

1. To examine the influence of ethical branding practices on consumer buying decisions in the packaged food industry of Nagpur District, Maharashtra.
2. To assess the impact of Corporate Social Responsibility (CSR) initiatives on consumer trust, satisfaction, and purchase intentions toward packaged food brands.
3. To analyze the relationship between ethical branding, CSR activities, and consumer loyalty in the packaged food industry of Nagpur District, Maharashtra.

Hypothesis

Null Hypothesis (H₀): There is no significant influence of ethical branding practices on consumer buying decisions in the packaged food industry of Nagpur District, Maharashtra.

Alternative Hypothesis (H₁): There is a significant influence of ethical branding practices on consumer buying decisions in the packaged food industry of Nagpur District, Maharashtra.

Research Methodology

In the present study approach has been applied quantitative and descriptive approach focuses to find the influence of ethical brand practice on buying behaviour the customers in the packaged food industry in Nagpur District, Maharashtra. The source of data for this study is primary and secondary sources. A structured questionnaire which includes items related to ethical branding, consumer perceptions, trust and buying behavior of consumers was used for primary data collection from consumer of packaged food products. The answers, obtained from the five-point likert scale, ranging from Strongly Disagree to Strongly Agree, dealt with measuring attitudes and opinions of the respondents. This secondary data had been gathered from research journals, books, conference proceedings, industry reports, company publications and online database with relevant. The secondary data had been gathered from the research journals, books, conference proceedings, industry attendant reports, company publication and relevant database available online for theoretical and empirical support of the study. Convenient sampling technique was followed where 400 consumers were randomly selected in various area of Nagpur District to get a representative sample of the consumers of packaged food in nagpur District. The data obtained were coded, tabulated and analyzed by statistical softwares. The ethical branding practices and consumers' buying decision were analysed with descriptive statistics (frequency, percentage, mean and standard deviation) and inferential statistics (correlation analysis, regression analysis and hypothesis testing). The results were analysed and a number

of recommendations were made for marketers of packaged foods, as well as the policy makers regarding the work of ethical food branding.

Table 1 - Descriptive Statistics of Ethical Branding Practices and Consumer Buying Decisions

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Ethical Branding Practices	400	1.00	5.00	4.12	0.68
Consumer Buying Decisions	400	1.00	5.00	4.05	0.72
Brand Transparency	400	1.00	5.00	4.18	0.65
Honest Product Information	400	1.00	5.00	4.23	0.61
Environmentally Responsible Packaging	400	1.00	5.00	3.98	0.79
Fair Trade and Ethical Sourcing	400	1.00	5.00	4.07	0.74
Consumer Trust in Brand	400	1.00	5.00	4.15	0.69

Source: Primary Data

It is visible in the mean of the descriptive statistics that the majority of the respondents have favourable attitude towards ethical marketing practices in the packaged food industry. Ethical Branding Practices (Mean = 4.12, SD = 0.68) strength indicated that there is a high level of agreement that the elements of ethical branding are present and have an impact on consumers. Similarly for Consumer Buying Decisions, the mean score was 4.05, SD = 0.72) thus indicating a positive influence of the ethical dimensions on the purchasing behaviour. The three dimensions results indicate that the Consumer Trust in Brand (4.15), Brand Transparency (4.18) and Honest Product information (4.23) accumulate the highest mean respectively; thus, consumers are highly valuing brands' honest and true product information. The low standard deviations values are in the relative sense, indicating the constancy in the opinions of respondents. The result of these findings highlighted preliminary evidence that ethical branding practices can have a great impact on consumers' buying decisions that can be further confirmed by correlation analysis and regression.

Hypothesis Testing

To test the hypothesis, **Simple Linear Regression Analysis** was employed, where:

- **Independent Variable:** Ethical Branding Practices
- **Dependent Variable:** Consumer Buying Decisions

Regression Results

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.721	0.520	0.518	0.487

ANOVA Table

Source	Sum of Squares	df	Mean Square	F-value	Sig.
Regression	102.845	1	102.845	433.274	0.000
Residual	94.455	398	0.237		
Total	197.300	399			

Coefficients Table

Variable	Unstandardized Coefficient (B)	Std. Error	Beta	t-value	Sig.
Constant	1.124	0.153	—	7.346	0.000
Ethical Branding Practices	0.710	0.034	0.721	20.815	0.000

As can be seen in the result of the regression the correlation between ethical branding practices and buying decision is high positive value are found to be $R = 0,721$. The coefficient of determination ($R^2 = 0.520$) suggests that 52.0 per cent of the variability in consumers' buying decision is due to ethical branding practices. Based on the result of ANOVA, it is known that produced regression models are significant because the value of F is 433.274 with the number of p-values < 0.001 so that the null hypothesis is rejected. Besides, the regression coefficient of ethical brand practices ($\beta = 0.721$) and consumer favorable purchasing decision is also positive and significant ($t = 20.815$ and $p < 0.001$) thus the improvement in the ethical brand practice leads to improvement in the consumer's purchasing decision. It came to light that the value of the significance ($p = 0.000$) is less than the significance value ($\alpha = 0.05$) and the Null Hypothesis (H_0) is rejected and the Alternative Hypothesis (H_1) is accepted. The study corroborates that ethical practices of the brands during the purchasing of packaged food in Nagpur District of Maharashtra positively influences the consumers. Brands that are socially responsible, respecting the environment, ethical and transparent in their labelling are those that consumer chooses packaged products that are adopted by.

Overall Conclusion

The significance of this ethical issues in the business (CSR) of the growing importance to the consumer buying behavior have been focused in the present study of research work is related to the "packaged food" industry of Nagpur District of Maharashtra. It is revealed that the products which are associated with the ethics like transparency in product information, fair trade, sustainable sourcing, eco-friendly packaging, and social responsibility of the company for the consumers' are more aware and are more selected by the consumers. As people become more aware, packaged food companies are facing the challenge of considering environmental, social and ethical concerns as important factors in their packaging.

The empirical results also indicate that an ethical brand attitude and customers purchase intention have significant positive values. Consumers look for brands which behave ethically, obtain to the truth, take responsibility and are vital to society; these brands are preferred. Not only does ethical branding help to increase brand value but it can also build brand credibility and customer trust as well. The study also reveals that the ethical business behaviour has significant influence on consumer satisfaction and favorability towards brand in favour of the customers and their brand loyalty in the long run.

However, the study also concludes upon the significance of Corporate Social Responsibility (CSR) programme in forming the attitude of consumers towards packaged food that became important in establishing positive attitude towards the brand. The study also demonstrates that the role of the CSR programmes in shaping consumer's attitude towards the packaged foods is very important and it is a potential instrument for creating positive attitude in consumers towards the brand of the product. By engaging in CSR initiatives like environmental protection initiatives, community development initiatives, health awareness campaigns, community support initiatives and sustainable business practices, a company can have a positive impact on consumer perceptions. Business leaders will no longer be asked to do social and environmental justice in their business, now customers will ask of them. Being more actively involved in CSR activities is seen as a positive thing and more likely to attract and retain customers.

Results from statistics proved that ethical branding & CSR have significant influence on the decisions of buying and purchasing behavior of the consumers. The results of the regret analysis suggest that the ethical-branding factors has important impacts on consumer-buying decisions. That's an indication that there is an increasing emphasis on consumerism, not just price, quality, taste and convenience, but ethical values as well. Hence, moral branding has evolved from an extra marketing initiative to an vital part in gaining competitive edge and long-term customer connection.

The research also pointed out the mediation of consumer trust between the relationship of ethical branding and consumer purchase behavior. This trust is tied to acting in an ethical manner and gaining their consumers' affection. Whereas, if he feels that the brand is doing ethical and responsible activities for social aspects then he may trust the brand, and may discuss it and continue purchasing their goods. Customers can be more inclined to keep the product and the customers will be more inclined to share their positive experiences with other customers, resulting in better customer retention and word-of-mouth communication.

The results will show that the companies that have their problems with food products made in captivity, need to enact the following: Ethics should be a part and parcel of the business; and not just one commercial action. By ensuring ethical sourcing, sustainable packaging solutions, proper labelling, and transparency regarding the marketing and community wellbeing aspects, they will help build a better image and cultivate greater consumer loyalty. Firms with good CSR reporting abilities and integration into scope of their ethics are likely to have a better positioning in the market place and can generate profit in the long-term.

The study is also relevant to the existing body of knowledge because of the scanty research literature looking at the impact of combined ethical branding and CSR on consumers behaviours in the study of packaged food industry in 'Nagpur District' of Maharashtra. The results will help to deepen the knowledge on consumer behaviour in the context of sustainable and responsible business and provide a basis for further studies in related fields.

Finally, Integrity brand and CSR have turned out to be valuable motivation to purchase packaged food. Consumers who only put a company on their charitable list in the appropriate charities section are not keeping up their business, but actively searching for the one that demonstrates commitment to ethical practices, environmental responsibility, and social responsibility. Consequently, business enterprises which aim to develop in long term and customer loyalty and gain competitive advantage must consider ethical behaviour and CSR as a major component in its strategic and marketing planning. This is not only good for the organization but it is also good for society, environment and economic development in an eco-wise manner.

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