

6.21 The Impact of Corporate Social Responsibility (CSR) on the Brand Loyalty: A Case Study on Insurance Sector of Sri Lanka

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ABSTRACT

The insurance sector, involving in risk collection, is highly competitive due to the fact that aggressive marketing and sales promotions. The customer service and loyalty programs have become a must to retain the customers in this scenario. Insurance companies promote their brand values and safety professionalism to attract and retain the customers proactively and reactively. The trend of the CSR contribution to the stakeholders like community development, environment concerned, ethical consideration and other general social welfare has become more significant in terms of the corporate values of the businesses.

Then, this research studied the degree of impact of the companies' contribution to social responsibility for making customers loyal to the brand. Here, the degree of awareness on CSR activities, perception towards the social benefits and the customers' attitude for the brand as a socially concerned entity were highly examined to determine the impact for the brand loyalty.

Research was based on a sample of 60 respondents from Colombo and suburbs, and those interviewees were the existing customers for more than 5 years for the brand. Primary data were collected through the self-administered questionnaire that had some attitude testing scales too. Researches conducted few informal discussions with some customers and the companies to get a comprehensive insight. Statistical tools were used to analyze the primary data

Study revealed that customers do not consider the CSR activities implemented by the insurance companies to perceive the brand values and to be the brand loyal. Further, the awareness level of CSR activities among the existing customers was very low. However, high involvement business sector (B2B) customers had an average awareness, but they are also not significantly considering CSR practices to be brand loyal. Further, study disclosed that there is higher degree of awareness on social welfare CSR practices among the customers and the frequency of communicating through the advertising had a direct impact for the awareness level too.

Keywords: CSR, Brand loyalty, Profile image, Brand Perception