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The Impact of Corporate Social Responsibility (CSR) on Consumer Behavior in the Pharmaceutical Industry

Abstract

The research aims to investigate the impact of Corporate Social Responsibility (CSR) on consumer behavior in the pharmaceutical industry. The main question is how CSR

influences consumer purchasing behavior, loyalty, and trust toward brands. The question is timely with emphasis placed on ethical corporate conduct and the requirement for pharmaceutical corporations to establish strong consumer relationships. A quantitative method is used to answer the question by administering a structured questionnaire. The questionnaire was centered around consumer attitudes toward CSR activities, trust towards the brand, and purchasing behavior.

The findings proved consumer behavior is directly shaped by CSR actions and that consumer loyalty and buying behavior are linked with CSR values. There are doubts regarding the genuineness of CSR actions within the pharmaceutical industry. Transparency and ongoing commitment towards CSR are recognized as the major drivers for consumer trust. Pharmaceutical corporations must integrate CSR into their core operations to win the trust and loyalty of consumers. The aspects behind sustained success within the highly competitive industry is CSR with authenticity, open communication, and consumer value.

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Chapter 1: Introduction

1.1 Introduction: Background of Research

The pharmaceutical industry is a driving force for global healthcare with the manufacture of vital products influencing the welfare and health of the people. Apart from the supply of medicinal products, the pharmaceutical industry is also under increased scrutiny for its ethical conduct and corporate social responsibility (Urias, 2017). Corporate Social Responsibility (CSR) is now a central element in managing consumers' and stakeholders' social, environmental, and ethical expectations. With consumers becoming aware of issues relating to environmental sustainability, ethical sourcing, and social responsibility, their

consumption habits are becoming aligned with these elements. This study discusses how CSR impacts consumer behavior within the pharmaceutical industry with emphasis placed upon how CSR activities affect consumer attitudes, loyalty, and purchasing behavior. This interaction is relevant for pharmaceutical corporations seeking to establish trust and enhance their relationship with consumers, which will further enhance brand reputation and market performance (Lee et al., 2019).

1.2 Rationale for the Study

The context here is the increasing role of CSR as a driver of consumer behavior in the pharmaceutical industry. CSR is no longer simply a marketing tool; it is the very basis for gaining consumer trust and loyalty, particularly for sectors with direct implications for public health. There is an increasing expectation placed upon the pharmaceutical industry to prove responsible behavior consistent with consumer values (Khaleel et al., 2017). The purpose of this study is to provide an answer to the following research question:

What are the advantages and impacts of Corporate Social Responsibility (CSR) on the behavior of consumers in the pharmaceutical industry?

The study aims to provide valuable insights into the relationship between CSR and consumer behavior in the pharmaceutical sector, offering practical recommendations for companies to better align their practices with consumer expectations.

1.3 Statement of the Research Objectives

The primary objective of this research is to assess how CSR initiatives affect consumer behavior in the pharmaceutical industry. Specifically, the research aims to:

- Investigate how CSR actions influence consumer purchasing decisions and perceptions.
- Analyze the role of CSR in fostering consumer loyalty and brand trust.
- Examine how pharmaceutical companies can effectively integrate CSR into their marketing strategies.
- Explore the role of technology, particularly artificial intelligence (AI), in enhancing CSR efforts and consumer engagement.
- Assess the ethical and strategic implications of CSR within the pharmaceutical sector.

1.4 Information Gathering & Data Collection Technique Used

This study uses a quantitative data collection method. The survey is used to capture consumer behavior, attitudes, and opinions toward CSR in the pharmaceutical sector (Nardi, 2018). The questionnaires include closed questions employed to evaluate the extent to which CSR is factored into purchasing decisions, loyalty, and trust toward the company. The approach offers the potential for collecting comparable data for examination with clear findings concerning the influence of CSR on consumer behavior.

1.5 Expected Outcomes of the Study

This study aims to find out how CSR activities affect consumer behavior in the pharmaceutical industry. The study is expected to determine the CSR activities most likely to generate consumer trust, loyalty, and purchasing behavior. The study will also give pragmatic guidance to pharmaceutical corporations about how to apply CSR to their marketing strategies for the improvement of brand perception and the building of better consumer relationships.

1.6 Chapter by Chapter Overview

Chapter 1 sets the context and purpose for the study. Chapter 2 reviews the literature on CSR, consumer behavior, and the pharmaceutical industry and provides the theoretical framework for the study. Chapter 3 sets out the research design, data collection process, and the method used for data analysis. Chapter 4 presents the findings from the survey, examining the data for patterns and trends within consumer behavior. Chapter 5 concludes the study and offers advice for pharmaceutical companies about how best to maximize CSR strategies to build consumer trust and loyalty.

Chapter 2: Literature Review

2.1 Introduction

This literature review discusses existing literature on Corporate Social Responsibility (CSR) and its influence on consumer behavior, with emphasis placed on the pharmaceutical industry. CSR is now a major driver of consumer attitudes and purchasing behavior, particularly in industry sectors such as the pharmaceutical industry, where ethics and trust are essential. The chapter is organized around a series of themes, such as the connection between CSR and consumer behavior, the influence of CSR communication strategies, the role of technology within CSR, and the ethical and strategic aspects of CSR within the pharmaceutical industry. The literature review discusses each theme through the examination of existing literature with the identification of the most essential findings and gaps covered by this study. Through

synthesis, the chapter sets the stage for the survey questions and guides the primary data collection process in the later stages of the study.

2.2 Theme 1: Consumer Behavior and CSR

The relationship between Corporate Social Responsibility (CSR) and consumer behavior is crucial for understanding how CSR initiatives impact purchasing decisions and brand loyalty. Consumer-company identification is critical for bridging the gap between consumer loyalty and CSR activities (Fatma, Khan, and Rahman, 2018). Consumers identifying with the CSR values of a company are likely to establish brand loyalty since the brand is associated with social responsibility and ethical behavior. The link is extremely strong within the pharmaceutical industry, where consumer trust is directly associated with ethical behavior. The pharmaceutical industry, with direct implications for public health, requires consumers to trust the company not only produces good products but also operates ethically (Min, Desmoulins-Lebeault and Esposito, 2017).

Zec (2024) expands upon this idea by showing how CSR impacts consumer attitudes. Pharmaceutical consumers are also very reliant upon trust associations with the company's products and how these are aligned with their values, namely with ethical sourcing and product safety. Wang (2018) note that consumers will not grant credibility to CSR strategies unless the company shows true commitment and tangible results. CSR significantly contributes to consumer purchases, most significantly where consumers are most concerned with the quality of the product and corporate accountability. The pharmaceutical industry can leverage CSR by aligning its campaigns with consumers' concerns about ethical sourcing, product safety, and transparency. Through this, the company can retake consumer trust and boost the image of its brand.

Demir and Min (2019) further argue that CSR activities not only enhance consumer loyalty but also aid the management of ethical sensitivity-related risks. For industries like the pharmaceutical industry, where there is high regulatory and public scrutiny, CSR is a reputation management instrument and a way of mitigating negative impressions. Consumers are likely to support brands with genuine CSR undertakings, particularly where such undertakings are towards the public good or the environment. The implications are that CSR not only decides consumer satisfaction but also enhances brand loyalty, advocacy, and competitiveness within the industry. Pharmaceutical corporations can not only gain consumer trust through the inclusion of CSR into their operations but also create long-term consumer-company relationships with ethically-conscious consumers.

2.3 Theme 2: Marketing Strategies in CSR Communication

Corporate Social Responsibility (CSR) communication is vital to affecting consumer attitudes and loyalty. Proper CSR communication can significantly enhance customer attitudes and stakeholders' trust. Sahu and Pratihari (2015) point out the need for CSR and strategic branding congruity, most notably within the pharmaceutical industry, where ethical and legal matters are paramount. They argue that congruity between CSR and a company's branding establishes trust with consumers, most significantly where openness within corporations is highly scrutinized. For the pharmaceutical firm where public trust is the bedrock, CSR must be made a central part of a company's operations and not an afterthought. Its inclusion ensures CSR is viewed as authentic and thus establishes brand credibility and consumer loyalty.

While Sahu and Pratihari (2015) focus on external communication, others, such as (Hossain, Yahya, and Khan (2019) suggest that the effect of CSR on consumer behavior is mediated by employees who are the primary carriers of CSR values. This is highly relevant in the pharmaceutical industry where medical experts such as doctors and pharmacists directly interact with consumers. Through the internalization of CSR values into employees, the company can ensure its CSR activities are translated into day-to-day operations such that a consistent and reliable image is built. The challenge here is how the employees internalize the values and live them daily, particularly in the context of large organizations where alignment may not be ensured across departments and the country.

Moreover, the digital and social media revolution has changed the strategies used for CSR communication. D'Andrea et al., (2019) discuss how digital platforms facilitate two-way communication with the potential for businesses to communicate with consumers immediately, update consumers about CSR activities, and address customer concerns. Social media, for example, facilitates direct interaction between consumers and businesses with CSR made accessible and interactive. However, this also creates authenticity issues. Businesses must ensure their CSR communication does not appear superficial or ego-centric. Authenticity is critical when it comes to CSR communication and how brands must be careful not to inflate their actions or mislead consumers because this could create a backlash and destroy trust (Teah, Sung and Phau, 2021).

Ardiansyah and Alnoor (2024) support the notion that CSR needs to be integrated into the brand identity of a company, especially within highly competitive markets like the pharmaceutical industry. By incorporating CSR into the core identity, a company can create long-term loyalty and establish a competitive edge. Brands are distinguished within the

marketplace through integrated CSR communication strategies because they communicate a genuine commitment towards social and environmental accountability. However, with the benefits of integrated CSR communication, its performance remains difficult to measure.

2.3 Theme 3: CSR in the Pharmaceutical Industry

The pharmaceutical industry is subject to a stringent code of ethics and the law, thus making CSR a critical part of its business model. Ahen (2015) identifies the dual function of the pharmaceutical industry as a provider of ethical provisioning and global health, with emphasis placed on the fairness of the distribution of essential medicines. CSR can be employed to counter the unequal distribution of medicines, particularly in underdeveloped regions. However, while CSR can be employed as a mode for change, pharmaceutical corporations whose CSR actions are introduced late are seen as whitewashing their past unethical actions. Proactive and authentic CSR approaches are necessary for minimizing reputational risks, most significantly in a highly criticized industry with high drug prices and ethics scandals. However, CSR cannot be used as a defense mechanism but as a genuine attempt towards corporate responsibility and public health.

Sustainability during drug production is also a vital element of CSR for the pharmaceutical industry. The role green chemistry plays in reducing the environmental footprint associated with drug production. It is indicated that the use of sustainable strategies not only benefits the environment but also the company's reputation by becoming environmentally friendly (Saxena, Balani, and Srivastava, 2021). However, while these activities might get positive attention from environmentally conscious consumers, the challenge is the balance between sustainability and the economic needs of drug production. The cost of using a sustainable strategy may not always align with the company's profit-oriented goals, and this might trigger the resistance of stakeholders. Therefore, while CSR activities based on sustainability might increase the longer-term relationship with environmentally conscious consumers, these might also call for high investment and appropriate management of stakeholders' expectations (Kar et al., 2021).

CSR can help alleviate the unequal distribution of the resources used for healthcare within developing economies. He suggests the pharmaceutical industry can make low-cost medicines accessible in underserved communities by adopting CSR strategies with social value prioritization over profits. This shift towards the construction of shared value between the company and society is necessary where the infrastructure is poor and the public health concerns are severe. However, while CSR strategies can generate goodwill and create a source

of differentiation for the pharmaceutical industry, the actual implementation is marred by political uncertainty, regulatory problems, and logistical constraints within developing economies (Saxena, Balani, and Srivastava, 2021).

Despite the potential benefits of CSR, the pharmaceutical industry is confronted with the challenge of obtaining consumer trust and, most significantly, the authenticity of CSR actions. Craddock et al., (2022) cite consumer distrust as the largest challenge, most significantly where the industry's unethical practice has shaped public perception. Consumers are likely to distrust CSR actions within the industry with the perception that the actions are marketing-led and not driven by social and environmental issues. The distrust calls for open communication and transparency of CSR actions. Without transparency and continuous communication, pharmaceutical corporations are likely to be viewed as opportunists rather than truly committed to social good. Good CSR communication is not just the promotion of actions but the perception by consumers and stakeholders alike that the actions are authentic.

2.5 Theme 4: Technology and Artificial Intelligence in CSR

The application of AI makes it easier to analyze, act upon, and monitor CSR activities and increase the efficiency and effectiveness of the activities. AI assists in the identification of areas for improvement, including targeting underserved demographic or geographic markets. The application of predictive analytics assists pharmaceutical corporations in targeting actual needs and maximizing the impact of their CSR activities. While the application of the technology can be beneficial, it also raises concerns about data privacy and the potential for algorithmic bias that can skew CSR results and minimize the impact of such strategies (Pesqueira, 2024).

AI is also essential for consumer engagement through the potential for personalization of communication. AI can help pharmaceutical companies create CSR-oriented marketing strategies. This would increase consumer awareness and build the company's relationships. However, while AI could enhance the perception of authenticity of CSR actions, consumers could find the use of AI-generated CSR disingenuous if it is too transactional or automated, particularly within the pharmaceutical industry where trust is essential (Gao and Liu, 2022).

Moreover, stakeholder alignment can be facilitated through the implementation of decision-support systems based on artificial intelligence. Hogg et al., (2023) explain how these systems can facilitate the prioritization of stakeholders' needs and make CSR activities more relevant. While this aligns CSR with other business goals, it also indicates the challenge of

harmonizing the interests of various stakeholders whose interests may sometimes be conflicting.

Lastly, AI also promotes transparency in CSR reporting, which is a vital component within the pharmaceutical industry where there is high suspicion regarding corporate intent. Emma, (2024) explains how data collection and reporting can be streamlined through the use of AI and make CSR activities more open and build consumer trust. Nevertheless, the dependence of AI on precise data input and the possibility of mistakes or manipulation questions the validity of such transparency measures, provided it is not handled effectively.

2.6 Theme 5: Ethical and Strategic Implications of CSR

Ethical issues are critical in the formulation of appropriate Corporate Social Responsibility (CSR) plans, particularly in the pharmaceutical company where ethical concerns are frequent. Pasricha, Singh, and Verma (2018) indicate the need for CSR to be deeply rooted within the organizational culture through proper procedures and training. The inclusion ensures CSR is not merely a superficial component of company image but a core component of the company's moral structure. The challenge lies in how employees can be made to follow these moral principles at all organizational levels all the time, which may require constant interaction and surveillance.

Droppert and Bennett (2015) further identify the need for CSR strategies to be aligned with the distinct requirements of the local communities, especially for multinational pharmaceutical companies operating within different markets. The strategy offers the firm the opportunity to address societal issues while enhancing the company's ethical accountability. It also questions the capability of the firm to balance the contradictory demands of the different local markets with the demand for global ethical standards. CSR must also be complemented with policy mechanisms enforcing ethical practices such as the conservation of the environment and equitable accessibility of medicine. While this ensures accountability, it also causes problems for drug corporations that must balance regulatory compliance with profitability. Balancing profitability with ethical responsibility remains the biggest challenge for the industry (Dubey, 2024).

2.7 Conclusion

This literature review discusses major themes of CSR in the pharmaceutical industry. The first theme identifies how CSR heavily influences consumer behavior, with CSR values promoting brand trust and loyalty. The second theme explains the need for proper CSR communication strategies through internal and external communication channels for improving

brand perception and consumer interaction. The third theme identifies how CSR activities in the pharmaceutical industry need to cater to ethical and sustainability issues, especially for underserved markets. The fourth theme explains how the pharmaceutical industry can use AI for the betterment of CSR strategies with increased transparency and stakeholder interaction. The last theme identifies the pivotal role played by ethics and policy in the establishment of CSR.

Chapter 3: Methodology

3.1 Theoretical Paradigm / Philosophy Employed

This study adheres to a positivist paradigm under the assumption that knowledge can be obtained through the collection and study of data that is measurable and observable. Positivism favors measurable data and looks for patterns, correlations, and causal mechanisms within a structured and systematic process. The aim of this study is the exploration of the interaction between Corporate Social Responsibility (CSR) and consumer behavior in the pharmaceutical industry. The positivist approach is suitable for this study as it enables the researcher to measure the impact of CSR practice on consumer behavior using numerical data and make the findings based on concrete facts (Park, Konge, and Artino, 2020).

This study follows a deductive approach where literature and existing theories are employed to create relations with the aid of empirical data. The deductive approach begins with a theory and tests the hypotheses against data confirming or denying the assumptions. The relationship between CSR and consumer behavior is established through existing literature, and the researcher aims to expand upon these findings by looking into the relationship within the pharmaceutical industry. The positivist and deductive approach ensures the study's objectivity, clarity, and replicability when looking into how CSR activities affect consumer attitudes, purchasing behavior, and brand loyalty (Pandey, 2019).

3.2 Research Method

This study uses the quantitative survey approach for data collection, which is common and highly effective for the collection of measurable and reliable data for social sciences studies. The reason behind the use of the method is the requirement for data collection from a diverse and extensive group of consumers within the pharmaceutical industry. Surveys are a cost-effective way of measuring perception, behavior, and attitude on a large scale, particularly when the purpose is to identify correlations and patterns within the data. The survey instrument

is employed for measuring consumer opinions about CSR activities within the pharmaceutical industry and how the latter influences consumer trust, purchase behavior, and brand loyalty (Watson, 2015).

The questionnaire is a set of close-ended, structured questions aimed at eliciting participants' attitudes and behavior toward CSR actions within the pharmaceutical industry. The questions are aligned with the objectives of the study by examining consumer attitudes toward CSR, the effect of CSR on their buying behavior, and their trust towards pharmaceutical corporations through CSR actions. The questions touch upon various dimensions of CSR, ranging from ethical procurement through product safety and environmental responsibility to the transparency of CSR communication. The questionnaire also includes demographic questions about the country and place of residence to facilitate segmentation and cross-comparison of responses across segments (Taherdoost, 2022).

A quantitative approach is used because it allows the researcher to test relations between the variables. The use of Google Surveys makes the data collection process cost-efficient and reaches a diverse population. The focus on quantitative data makes the study objective and the results generalizable for a larger population. While qualitative methods such as interviews or focus groups may give richer insights into the feelings and experiences of the participants, the quantitative approach is used here because it offers a clear and structured method for analyzing the influence of CSR on consumer behavior (Lim, 2024).

3.3 Sample Size and the Sampling Technique

Convenience sampling is employed as the primary sampling method. It is the selection of available and willing participants for the survey. Convenience sampling is the most viable method with the study's time and resource constraints for the collection of a viable sample size. The participants are selected from different locations like Brazil, Portugal, and Ireland based on their willingness and availability for the survey. Convenience sampling is employed to obtain a diverse sample of respondents and make the data collection process viable (Stratton, 2021).

A sample of 100 respondents is proposed for this study, with sufficient data collected for valid analyses. The sample is adequate to identify patterns and trends in consumers' attitudes toward CSR activities within the pharmaceutical industry. The respondents are intended to be selected from different age groups and demographic backgrounds to gain a complete picture of how different segments of the population think and respond to CSR activities by

pharmaceutical organizations. The survey is administered online through Google Surveys with instant access to a pool of many respondents and ease of data collection on a large scale.

Even though convenience sampling is not as robust as random sampling, it is appropriate for this study because the emphasis of the study is consumer behavior within a particular industry. The sample is adequate to produce statistically reliable results and captures various consumer perspectives toward CSR practice within the pharmaceutical industry. Convenience sampling also provides the ability to focus on acquiring data from a diverse group of respondents within the time constraints of the study (Emerson, 2015).

3.4 Data Analysis

For this study, a quantitative approach to analysis is used to analyze the survey data through patterns of response and percentages. Descriptive statistics, such as the frequency distribution of the answers, are the primary mode of analysis used here to present a summary of consumer behavior and attitudes toward CSR in the pharmaceutical industry. Despite the study involving the use of a structured survey questionnaire, the overall percentages of the responses are the target to establish the level of effectiveness of the questions used for data collection.

3.5 Ethical Section

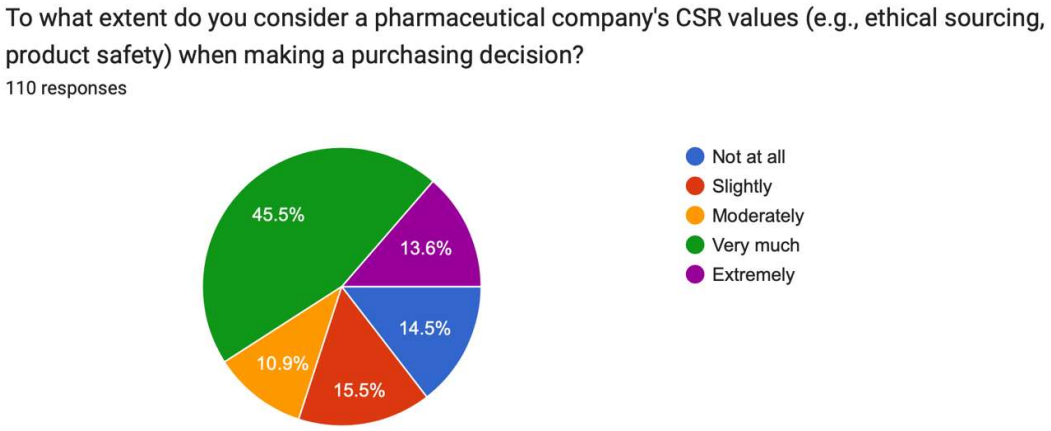
The study design adheres to ethical guidelines to make the study and data collection valid and reliable. Validity and reliability are ensured through the use of clear and consistent questions within the survey for the collection of measurable data from the participants. To avoid bias, the survey is prepared in a neutral tone, with questions carefully worded, not leading the participants towards any particular answer (Karunarathna, 2024).

Reflexivity is essential for promoting objectivity as the researcher identifies his biases. The researcher also reflects upon his role within the process and makes sure the survey design, data collection, and data analysis are devoid of his interpretation. The study incorporates member checking, where the participants verify their answers and give their feedback on how their responses are represented. A simple language statement is also given to inform the participants about the purpose and the procedures employed in the study (Thomas, 2017). Lastly, all the participants are provided with informed consent, ensuring their complete understanding of their voluntary engagement in the study and their right to withdraw from the study whenever needed without any penalty (Xu et al., 2020).

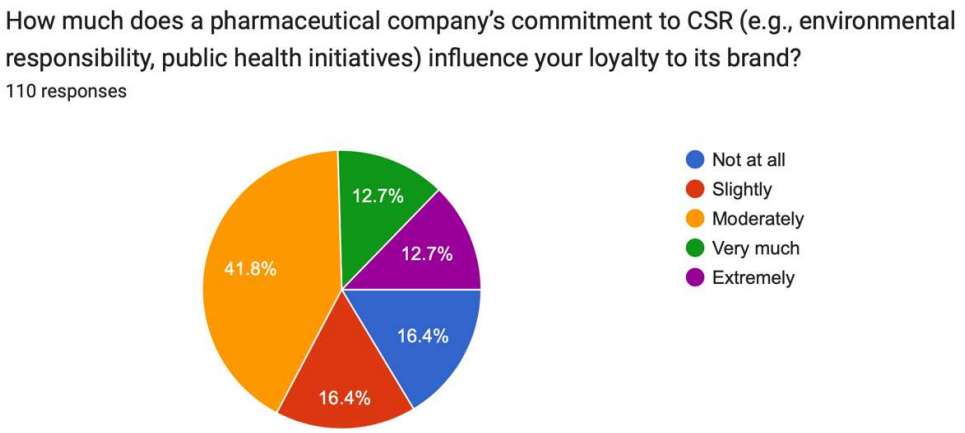
Chapter 4: Findings and Discussion

4.1 Consumer Behavior and CSR

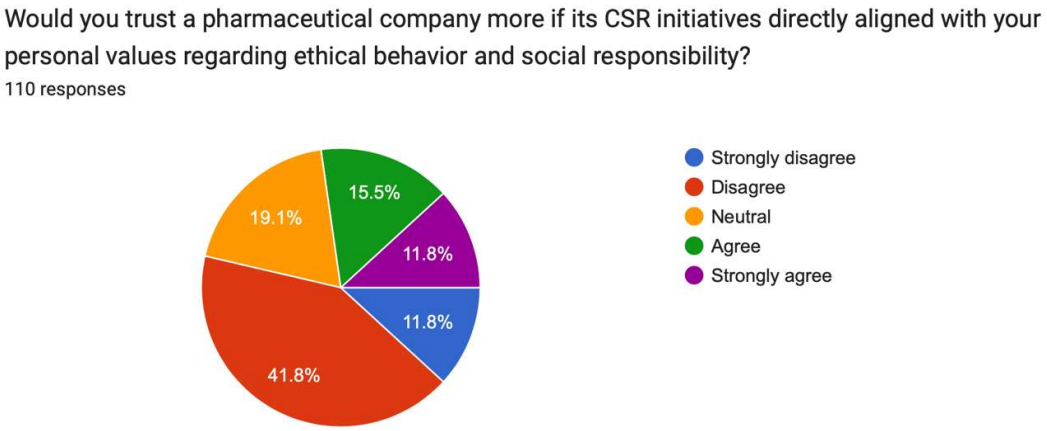
The findings of the survey are informative concerning the role CSR plays in consumer behavior concerning the pharmaceutical industry. A high percentage (45.5%) very highly considers a pharmaceutical company's CSR values when making purchases, and 13.6% find them "extremely" essential. The findings are aligned with the literature where the role CSR plays in consumer behavior is highly ranked. Fatma, Khan, and Rahman (2018) note that consumers who identify with the CSR values of a company are likely to be loyal to the brand, and this is supported by the findings. The high percentage of consumers who consider CSR values essential when making purchases reinforces the connection between consumer loyalty and CSR in the pharmaceutical industry.



The literature also states that consumer trust within drug corporations is directly associated with the ethical conduct of the company because the industry directly influences public health (Min, Desmoulins-Lebeault, and Esposito, 2017). This aligns with the findings from the survey where 41.8% of the respondents say CSR promises have a strong influence on their loyalty towards a brand, with 12.7% reporting that it does so "extremely" or "very much." The alignment with the literature shows CSR activities such as ethical sourcing and product safety contribute towards trust and long-term consumer-pharmaceutical brand relationships.

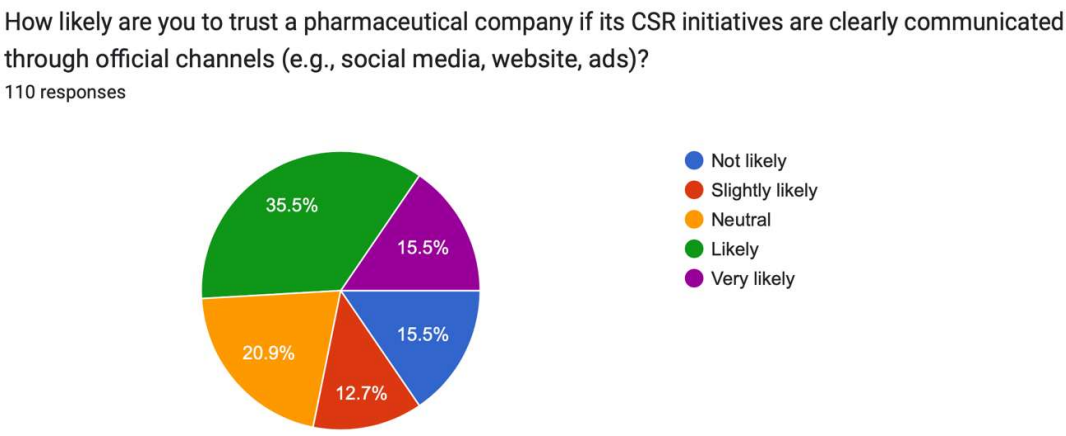


However, there are some contradictions when examining the question of trust. The results of the survey suggest that only 27.3% of the respondents either "agree" or "strongly agree" with the suggestion that they would trust a pharmaceutical company more were its CSR actions aligned with their values concerning ethical practice and social responsibility. The fact is that a comparatively high percentage of respondents (53.6%) either "disagree" or "strongly disagree". Wang (2018) argues consumers will only assign credibility to CSR approaches where the company is shown to have genuine commitment and tangible outcomes, which would imply CSR would need to be a strong driver of trust. The lower agreement within this survey could suggest consumers might see the value in CSR but not directly link it with trust, or consumers are doubtful about CSR actions because the company is not perceived as authentic. This inconsistency may be a function of the complexity of consumer attitudes toward CSR. Consumers do value CSR, but there is still some degree of skepticism regarding the authenticity of CSR actions, most prominently within sectors like the pharmaceutical industry, where there are constant controversies surrounding ethics and prices. Therefore, although the literature suggests CSR as a primary driver of trust, these findings suggest consumers may not always inherently equate CSR actions with trust, most significantly within the pharmaceutical industry.

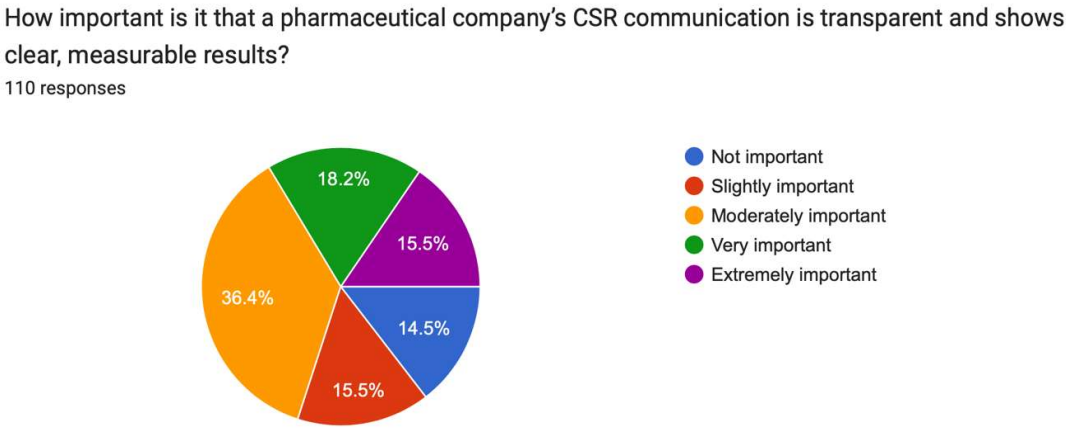


4.2 Marketing Strategies in CSR Communication

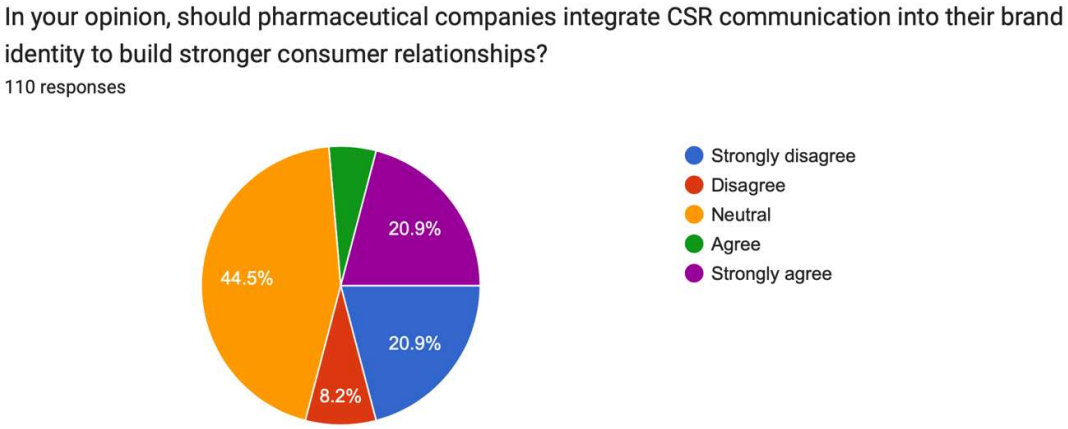
The results from the survey reveal the contribution made by CSR communication within the pharmaceutical industry and the value attributed to the inclusion of CSR within the brand identity. The results indicate that 35.5% are "likely" to trust a pharmaceutical company where its CSR activities are effectively communicated through official channels and 15.5% are "very likely" to trust the company. The results are complemented by literature, which establishes the contribution made by CSR communication towards the creation of consumer trust and loyalty. Sahu and Pratihari (2015) observe that the alignment between CSR and strategic brand is crucial in establishing trust, particularly within industries such as the pharmaceutical industry, where public trust is closely monitored.



Furthermore, 36.4% of the respondents consider CSR communication "moderately important," and 18.2% consider it "very important." This aligns with D'Andrea et al. (2019), who argue that transparency and clear communication through CSR increase consumer trust and engagement. The 54.5% of the respondents who consider CSR communication either "moderately" or "very" important is a clear indication that transparency and clear communication are crucial for the establishment of consumer trust and loyalty in the pharmaceutical industry.



While 44.5% are neutral and 20.9% strongly disagree, 20.9% agree with making CSR a part of a company's brand identity. This is somewhat contrary to the literature of Ardiansyah and Alnoor (2024), who claim that the inclusion of CSR within the brand identity is essential for the creation of long-term loyalty and competitiveness within extremely competitive markets like the pharmaceutical industry. The fact the percentage of respondents who are either neutral or disagree is relatively high suggests that not all consumers recognize CSR as part of the brand identity or as a critical consideration for their purchasing behavior. Consumers might appreciate CSR actions but not recognize them as a critical element within a company's identity, perhaps through skepticism or a preference for actions over words.

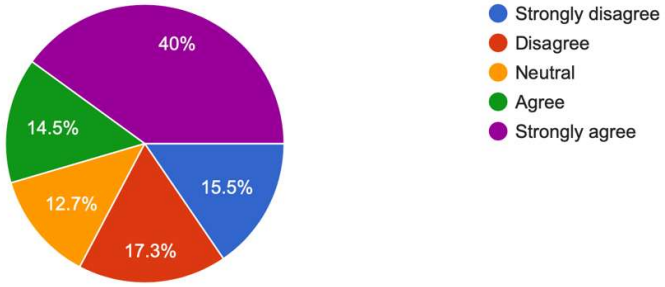


This inconsistency can be the consequence of a feeling of lack of authenticity in CSR communication. Teah, Sung, and Phau (2021) state that CSR actions can sometimes come across as superficial unless backed by concrete actions, which could be the reason for the neutral or negative attitudes toward CSR incorporation into company identity.

4.3 CSR in the Pharmaceutical Industry

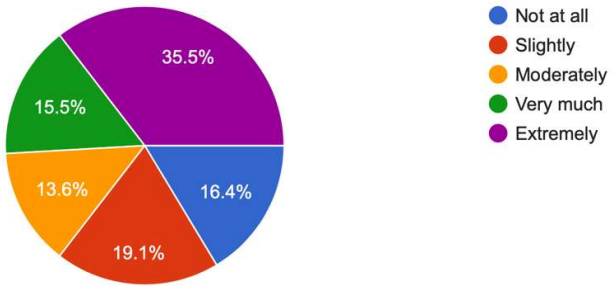
The question asking whether pharmaceutical companies should prioritize CSR initiatives, such as providing affordable medicines, over maximizing profits reveals that 40% of respondents strongly agree, and 14.5% agree. This aligns closely with the literature, particularly Ahen (2015), who emphasizes the dual function of the pharmaceutical industry as both a provider of essential medicines and a participant in global health initiatives. The high support for prioritizing CSR suggests that consumers expect pharmaceutical companies to contribute to societal welfare, particularly in underserved regions, rather than focusing solely on profit maximization. This finding supports the notion that consumers increasingly expect ethical responsibility from companies, especially those involved in sectors critical to public health.

Do you think pharmaceutical companies should prioritize CSR initiatives, such as providing affordable medicines, over maximizing profits?
110 responses

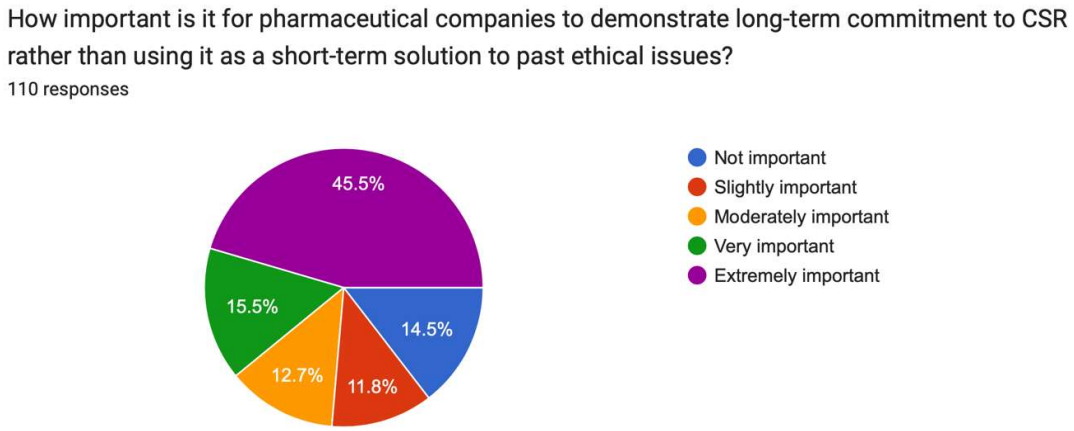


The second question regarding the impact of sustainability efforts, such as green chemistry, on purchasing decisions, reveals that 35.5% of respondents state that sustainability efforts "extremely" affect their purchasing decisions, and 15.5% say "very much." This strong response is consistent with the literature, particularly Saxena, Balani, and Srivastava (2021), who argue that sustainability strategies, such as reducing the environmental footprint, enhance the company's reputation among environmentally conscious consumers. However, while the survey shows that sustainability is an important factor for consumers, it also reflects that there is still a segment of the population (16.4%) for whom sustainability does not impact their decisions. This indicates that while sustainability is a growing concern, it may not yet be a universal priority for all consumers, which suggests that pharmaceutical companies must balance their sustainability initiatives with other factors that influence consumer purchasing behavior.

How much does a pharmaceutical company's sustainability efforts (e.g., green chemistry, reducing environmental impact) affect your purchasing decisions?
110 responses



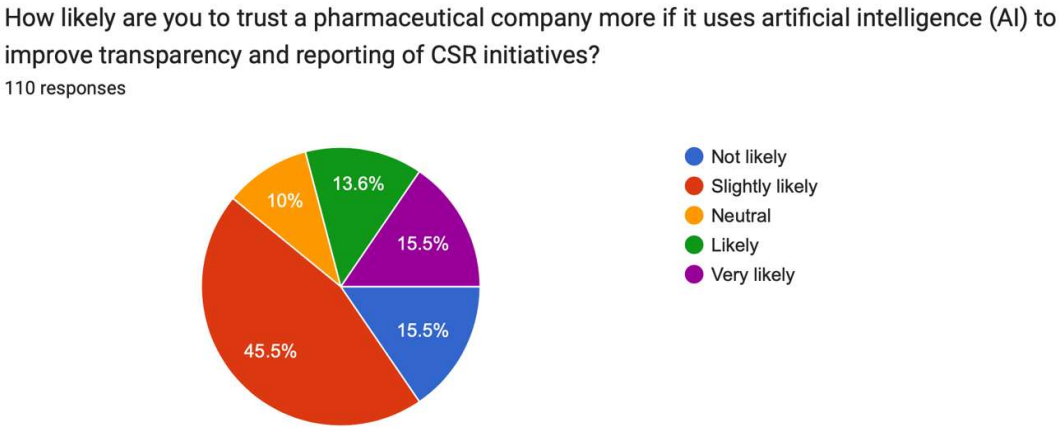
The final question, asking about the importance of long-term commitment to CSR, shows that 45.5% of respondents consider it "extremely important" for pharmaceutical companies to demonstrate sustained commitment to CSR, while only 14.6% deem it "not important." This aligns well with the literature on CSR in the pharmaceutical industry, where the need for genuine and consistent CSR practices is critical to maintaining consumer trust (Craddock et al., 2022). The widespread preference for long-term commitment over short-term solutions to ethical issues reflects the increasing consumer demand for authenticity in CSR efforts. Consumers are skeptical of CSR actions, reinforcing the idea that companies must integrate CSR into their business model rather than using it as a tool for image management or to "whitewash" past unethical actions (Ahen, 2015). However, the data also highlight potential challenges in CSR implementation. While there is strong support for long-term CSR commitments, the literature notes that CSR initiatives are often met with skepticism, particularly in industries like pharmaceuticals that have faced ethical and regulatory scrutiny. The lack of transparency or superficial CSR actions can lead to consumer distrust, as emphasized by Craddock et al. (2022).



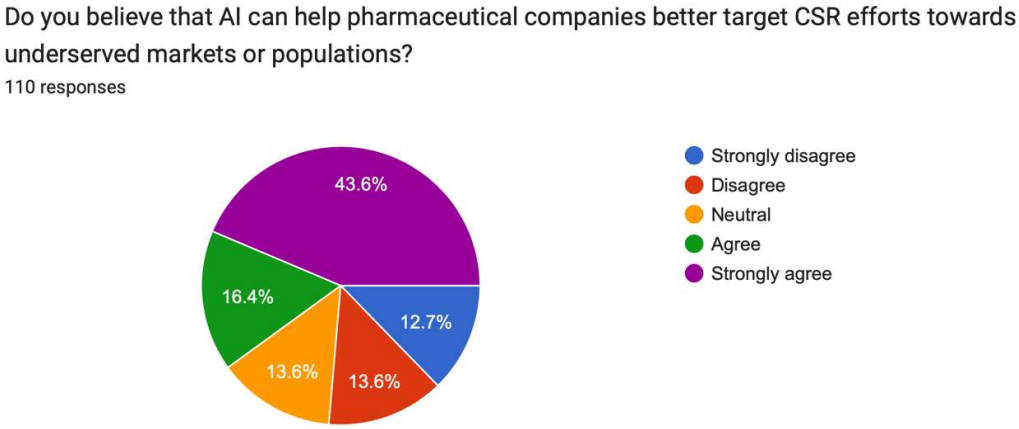
4.4 Technology and Artificial Intelligence in CSR

The findings of the survey provide critical data regarding how consumers see the role of artificial intelligence (AI) in CSR practice in the pharmaceutical industry. The question of how likely consumers are to trust a pharmaceutical company more if the company embraces the use of AI for increased transparency and reporting of CSR activities reflects a high level of divergence in the attitudes of consumers. 45.5% say they are "slightly likely" and 15.5% say "very likely." 15.5% say they are "not likely." It shows that while the role of AI towards increased transparency is recognized, it is not entirely trusted. The reason may be the potential

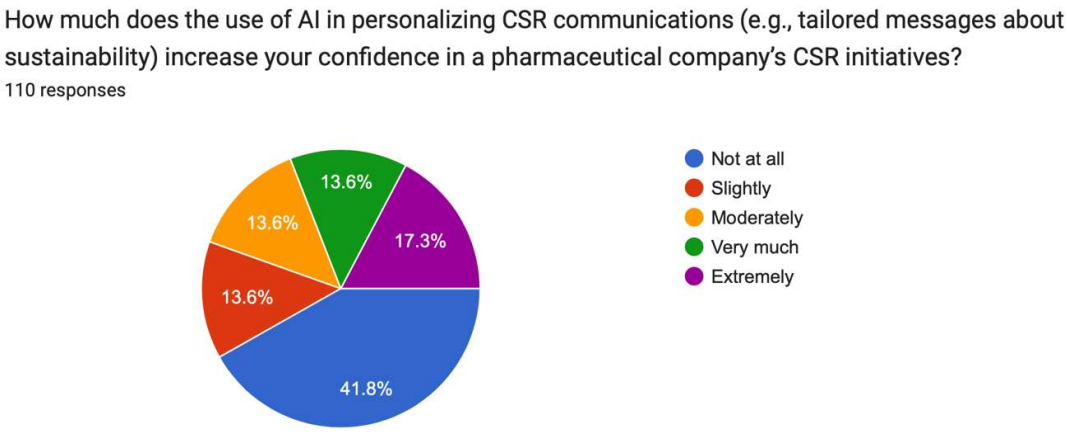
for data privacy issues (Pesqueira, 2024). The distrust shown through the survey may be the result of the public's lack of trust in the ability of AI to be manipulated or inaccurate, especially within an industry like pharmaceutical, where ethics and corporate openness are critical.



The survey also asked whether the use of AI would allow pharmaceutical companies to target CSR activities in underserved markets. 43.6% strongly agreed with this statement, with 16.4% agreeing. This finding is supported by the literature showing how the capability of AI to identify underserved areas through predictive analytics makes CSR activities more effective (Pesqueira, 2024). The strong agreement with the use of AI targeting underserved markets reflects consumers' acknowledgment that technological advancements can make CSR activities more effective, targeting populations that may otherwise be left behind. The 26.3% who disagreed with this statement may reflect issues with the ethical use of AI and suggest that while targeting can be made better through the use of AI, there may still be issues with its overall social impact.



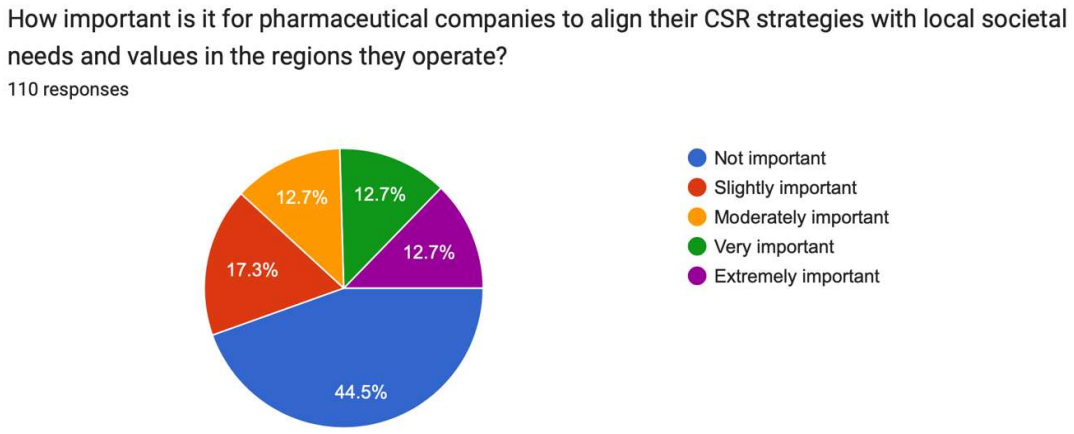
The question regarding the use of AI for communication customization reveals that 41.8% believe that AI does not make them trust the CSR activities of a company any further whatsoever, and only 17.3% say "extremely" or "very much." This is supported by the opinions of Gao and Liu (2022), who argue that while AI can personalize communication, it can also be seen as transactional or automated and may decrease the authenticity of CSR activities. Consumers in the pharmaceutical industry may value genuine, human-initiated CSR activities as against communications initiated by AI, particularly within an industry where trust is paramount.



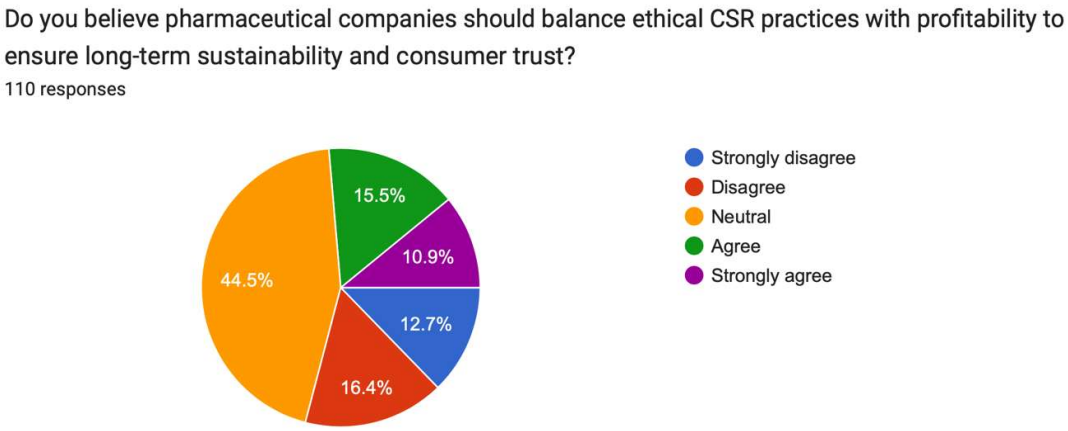
4.5 Ethical and Strategic Implications of CSR

The question concerning the importance of aligning CSR strategies with the needs and values of the local community reveals that 44.5% consider it "not important" and only 12.7% consider it "extremely important." This reflects a discrepancy between the global expectations

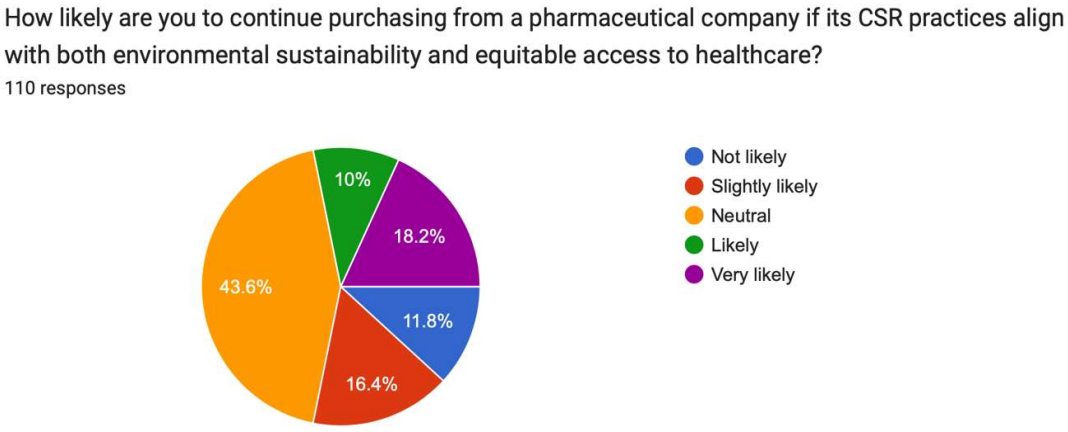
for CSR and the local strategies the pharmaceutical industry may need to adopt. Droppert and Bennett (2015) argue that CSR needs to be adapted according to the demands of the local community, especially within multinational environments. The results from the survey reveal that consumers may not value the alignment of CSR with the demands of the local community, maybe viewing it as a global issue rather than one needing adaptation for local variations.



In terms of balancing profitability with the ethical practice of CSR, 44.5% are neutral towards the concept and 16.4% disagree, with only 15.5% agreeing corporations must balance ethics and profit for sustainability. This is consistent with the concerns articulated by Dubey (2024) about balancing profitability, regulatory compliance, and ethical accountability. The neutral stance reflects consumers not knowing how drug corporations must balance these conflicting demands and may be a gauge of the overall distrust of corporations placing profits above ethics.



Lastly, the degree to which consumers are likely to keep purchasing from a pharmaceutical company with CSR focused on environmental sustainability and accessible medicines also indicates a positive trend with 43.6% of the respondents being "neutral" and 18.2% "very likely." This indicates the appreciation for sustainability and accessible care but not as the sole driver for consumer loyalty. This also indicates the complexity of CSR where consumers value many aspects but prioritize other issues such as product quality and price.



4.6 Conclusion

In this chapter, findings are interpreted through the process of triangulation, considering the questionnaire responses and comparing these with the literature on consumer behavior and CSR within the pharmaceutical industry. Through the examination, valuable insights are into how consumer trust, loyalty, and purchasing behavior are influenced by CSR practice. Through the critical exploration of each theme, foundations are built to address the overall question. The

next chapter states the overall findings, their implications, and recommendations made based on the findings.

Chapter 5: Conclusion and Recommendations

5.1 Answer to Research Question

This study aimed at establishing the effects and benefits of Corporate Social Responsibility (CSR) on consumer behavior in the pharmaceutical industry. The findings reveal that CSR activities significantly influence consumer behavior towards trust, loyalty, and purchasing behavior. Consumers value CSR activities related to ethical behavior, product safety, sustainability, and transparency. However some skepticism is present with regards to the authenticity of CSR within the pharmaceutical industry. The study aligns with the literature, which calls for the incorporation of CSR into the operations to create trust and avert the perception of CSR as image management (Wang, 2018; Craddock et al., 2022).

5.2 Recommendations

Pharmaceutical companies must focus on authenticity with their CSR. Superficial CSR activities are not trusted by consumers and may damage brand trust. Real CSR activities with clear outcomes can create consumer loyalty and the company's reputation (Wang, 2018). Transparency is the key when it comes to communication. Pharmaceutical companies need to employ digital channels like social media and corporate websites to convey CSR activities and measurable outcomes (D'Andrea et al., 2019). The consumers need to be made aware that CSR is not a marketing aspect but a fundamental part of the operations of the company.

Incorporating CSR into the core identity of the brand is essential for the establishment of long-term consumer relationships. Brands that integrate CSR into their core identity and values repeatedly have a sustained competitive advantage, which could translate into increased

consumer loyalty (Ardiansyah & Alnoor, 2024). The utilization of AI for CSR must be expanded towards enhanced transparency and targeting strategies for underserved markets. Predictive analytics are one of the AI technologies employed for the optimization of CSR strategies, but data privacy and algorithmic bias issues must be addressed (Gao & Liu, 2022; Pesqueira, 2024).

Additionally, pharmaceutical companies must also make their CSR strategies align with the demands of the local society, particularly when operating within multinational markets. Localization of CSR ensures the actions of the company are accepted by the local community and are most likely to drive desirable consumer behavior (Droppert & Bennett, 2015).

Lastly, profitability must be balanced with ethical CSR practices for sustainability in the long term. Consumers are now shifting towards businesses that value ethical practice instead of short-term profit optimization. This requires dedication towards CSR as a core business strategy and not merely a marketing strategy (Dubey, 2024).

5.3 Suggestions for Further Research

While this study provided valuable insights, future research could explore the specific impact of diverse CSR activities on consumer behavior. A closer examination of consumer trust, including the authenticity of CSR actions, would also prove valuable. The potential role of artificial intelligence within the segmentation of CSR activities and the long-term consumer engagement implications also require further examination.

5.4 Limitations

A limitation of the current study is the convenience sampling used, which may have introduced bias into the sample. The geographic focus within Brazil, Portugal, and Ireland may not be representative of global consumer behavior. The surveys are also beneficial for the quantitative data provided but cannot fully explore the driving reasons behind consumers' behaviors, which may be explored through the implementation of qualitative methodologies in future studies.

5.5 Conclusion

CSR is crucial for change in consumer behavior within the pharmaceutical industry. The findings affirm the necessity of authentic CSR practice, open communication, and value congruity with consumers. Pharmaceutical corporations that integrate CSR into their core functions will establish stronger consumer trust and loyalty and promote long-term sustainability. The study provides valuable insights for pharmaceutical corporations, marketers,

and policymakers who want to maximize their CSR practices to better meet consumer expectations and drive industry practice.

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