

An Exploratory Study to Investigate the Impact of Corporate Social Responsibility on Luxury Brand Avoidance in India

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Abstract : The rapid expansion of a consumer class in India has also coincided with an increasing awareness of social and environmental issues. The overall objective of this study explores to what extent Corporate Social Responsibility (CSR) can lead to luxury brand avoidance within an Indian context. In-depth interviews were conducted with luxury consumers in New Delhi. The demographic breakdown of those interviewed was 16 males and 9 females, aged between 21 and 44. Antecedents of brand avoidance could be sorted according to two main categories. The first category was consumer dissatisfaction due to poor product or service performance. Customer service, particularly within the hospitality sector, was identified as a defining source of brand avoidance. The second category was negative stereotypes of brand users. A salient finding was that no single participant explicitly identified CSR as a source of brand avoidance. However, the interviews revealed that luxury consumers are in fact concerned about CSR issues but assume that international luxury brands have a positive record on CSR performance. Interestingly, participants placed greater emphasis on the broader interpretation of 'corporate reputation' rather than specific social or environmental issues to determine the CSR performance of a luxury brand. The findings reported in this exploratory study suggest that Indian luxury consumers do value the overall CSR performance of luxury brands expressed as a brand responsibility or brand reputation, and this is a potential source of brand avoidance. International luxury brands need, therefore, consider developing but also communicating a positive CSR strategy in order to reduce the risk of customers forming negative opinions about the brand.

Keywords : brand avoidance, CSR, luxury

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