

## Are We What We Buy? Or Is What We Buy What We Are – A Research Study on Socially Responsible Consumer Buying Behavior of People of Karachi, Pakistan

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**Abstract** - The benefits of the recent technological advancements and globalization of many corporations has disturbed our society at large. Internationally, the concept of CSR is already deep rooted and manufacturers assure their customers if they are abiding by the standard CSR policies. This study investigates how widely this concept exists in the consumers of our society. It attempts to find out "To what degree does an average consumer of our society takes social factors (such as Environmental Impact, Human Rights, Health and Business Ethics) into account before buying a product?" It attempts to gain an insight into the behavior of an average consumer/buyer towards social compliance of products available in consumer markets. The responses of an average consumer of Karachi (a metropolitan of Pakistan) are gathered through a questionnaire to build upon the theory of consumer buying behavior in the context of consumer social responsibility. This study takes into consideration six key demographic factors which are known to have a strong impact on the consumer's concern about social responsibility. These variables include age, gender, marital status, education, salary bracket and means of sustenance. There are many aspects of social compliance. This study, however, keeps focus on three main areas namely Environment, Human Rights and Business Ethics. On the basis of these variables, responses from the consumer falling in the above mentioned demographic categories are studied. A scientifically designed questionnaire is conducted with 110 respondents who were deemed to shop frequently. Pakistani consumers do care to find out provenance of the product they use. The level of awareness of Pakistani consumers possess has proven significantly high. The demographics of the consumers play a great role in a consumer's buying decision. Although a Pakistani consumer lack behind a western consumer in terms of socio-economic conditions, yet the consciousness of the Pakistani consumer is significant enough to be taken into account when product and services are designed for them.

**Keywords** - Air Emission, Child Labor, Consumer Buying Behavior, Corporate Social Responsibility, Environmental Impact & Compliance, Ethics, Human Rights, Product Development, Product Disposal & end of Life Cycle, Social Compliance

### 1 INTRODUCTION

Internationally the consumer's buying decisions are largely moderated by the awareness s/he posses now; courtesy advent of information technology and explosion of mass communication means. This research is an effort to find how widely this concept has spread locally in our society. We have been able to study how demographic factors play a significant role on how strongly is an average consumer of our society concerned towards the cooperation performing their social responsibility.

We have tried to answer question such as; do the consumers of *our society* really care? Does an average consumer really care about the efforts a manufacturer makes? Does the consumer really care that the product s/he consumes involved some unethical business practice up the supply chain? Does s/he really care that the product was manufactured by child labor at some stage in the supply chain? Does s/he really care that the carbon emissions in supply chain of supplier of the manufacturer were compliant to national and international emission standards? Is s/he ready to spend some extra money in buying a product from a socially responsible business entity than to prefer buying cheaper product of a non-compliant manufacturer, even if s/he knows the product s/he is buying has involved some unethical and/or unlawful business practice? Is an average consumer of our society aware and conscious enough to contribute towards ethical and socially compliant business practices?

In this study we have conducted a questionnaire in a select sample of population. The questionnaire enabled us to understand the awareness level of the sample regarding the topic under consideration and bring out their personal notions about various social compliance behaviors.

### 2 LITERATURE REVIEW

#### 2.1 Socially Responsible Buying Behavior

A socially conscious consumer can be defined as "A type of a consumer who makes efforts to bring in social change by his power of purchasing and who always looks for public consequences in his every private spending" (F.E. Webster, 1975) The basis of this definition is on the emotional and psychological build of social contribution describing that the socially responsible consumer must be insightful of social issues, he must have believe that he is powerful enough to bring in change and must be actively participate in the community (F.E. Webster Jr., 1975).

"One who purchases products and services perceived to have a positive (or less negative) influence on the environment or who patronizes businesses that attempt to effect related positive social change" (J.A Roberts, 1995). The explanation of consumption often means to spending, wasting, throwing away or destroying (A. Francois-Lecompte, and J.A. Roberts, 2006). It reflects that the time is near when the word "consumption" and environmental

damage will have the same meaning in the majority of the World (W.T. Anderson and G.N. Challagalla, 1994).

Fresh Air, pure, clean and healthy water, first-class jobs and bright prospect for our children; this is all we need and want. Unfortunately, our actions and buying habits do not propagate all this to manufacturers of consumer products when we shop in consumer markets. Instead, we encourage them to continue with same product offerings. For instance, when we buy paper and we encourage paper manufacturers to keep cutting down the forests. Message we give would have been different if we had chosen to buy only recycled paper. It gives signal to the manufacturers that they will have to go for forest friendly alternatives in order to sustain their businesses. This is the responsible consumption. Consumers usually do not think that they have incredible power over corporations. Corporations run their businesses with our money. We, the consumers, can change this world in the way we want. (Article: Becoming a green consumer, 2008)

History of recycled paper consumption was made when it was carried by few large stores on demand of aware consumers. Although the recycled paper was sold at the same price, it was discolored and it degraded faster but people purchased it anyway. The big companies noted and commenced working on their own versions. Due to competition, the prices reduced and the quality increased. Nowadays, recycled paper one cannot find difference in between original and virgin paper, and it is easily available everywhere. (RAN – Rainforest Action Network, 2010)

Use of recycled paper is just one of the many stories which have governed ethical behaviors in supply chains of producers. Spending only on locally cultivated vegetables and avoiding organically grown imported vegetables, shows patriotic intent of a consumer. It not only changes social and financial condition of the local peasants but also contribute towards development of a healthy economy. Behaviors and habits can move mountains and even a small behavioral change can translate into something unimaginably big. (Article: Becoming a green consumer, 2008)

“The love of money is the root of all evil”. No doubt money is really very important for all of us but its fair use can bring in healthy social changes in society. In the rough economic times all of us are very careful of how we spend our money and we give enough time for bargaining. But what finally makes us consume when we decide to buy and consume? Did we ever bother that what is behind the cheapest pair of shoes? Consumer purchase has a social, economic or environmental impact; it may be encouraging or negative. Unintentionally, one could encourage animal testing which is definitely unethical by selecting specific brand of cosmetics or leather whose vendor may or may not highlight the animal testing (Renata Allamandi, 2010). In contrast, the stationery someone bought this morning might be helping the poor students of rural areas of the country (T.L.P. Tang, 2002).

## 2.2 Changing Consumer Preferences

Nowadays there is an increasing trend of consciousness of consumers about the ethical standards in their decisions of

purchase. It is very true that the large segment of US consumer's important buying criterion is price, quality, convenience and product (J.A Roberts, 1995) and products whose vendor care for the environment and are socially compliant then this is an additional advantage if they fulfill other competitive requirements.

Do consumers trust and have confidence on the products which they buy repetitively? How that trust can be developed? The public does not easily trust in big businesses compare to other organizations such as the military, the police, public schools, and newspapers (Gallup poll, 1997). There is growing demands to provide monetary support to charities, for environmental protection, and help to solve social problems in their communities, in other way, to have a socially responsible behavior. Many organizations do not realize what the consumers expect from them and this vague understanding gives significant impact on the sustainability of such organizations (Mohr, Lois A., Webb, Deborah J., 2001).

A socially conscious consumer avoids purchasing those products that are not environmental friendly and buy products that benefit the society. The importance of knowing about the consumer knowledge of social responsibility level of organizations and in what ways they want to behave responsible has increased a lot because giving back to the society together with price consciousness is becoming growing trend. Most consumers are eco-friendly when making purchase decisions. A little but committed portion of consumers will even ready to pay more for socially and environmentally responsible products. Those ethical consumers earn more money and are more loyal compared to other consumers. (Forrester Research, 2010).

“Consumers are ready to reward pro-environmental corporate brands at the check outline.” (Tanberg Research, 2007). Products and services from an organization with a well-built environmental reputé are favored to buy by more than half of global consumers (53 percent/representing 1.1 billion people) According to Tanberg Research, over 16,000 consumers in 15 Countries are willing to pay more to save the environment of this World; these 80% people desire to be a part of Green Companies who are committed to operate environmentally friendly. And 60% of them have made at least some effort to bring down the outcomes of atmospheric variations. Facts and figures of that research reveal that Chinese are the most environmentally responsive individuals and stand at first out of the fifteen countries, Australians follows them and stand at second, Holland stays at tenth of fifteen and Germans situate at the last i.e. fifteenth out of fifteen (Tanberg Research, 2007).

The attractive part of the research is that French, American, Japanese and Canadian are not good responsible consumers compared to Mexicans, Indians, Brazilians and Chinese. Question comes in mind how these developing nations are more responsible? The very plain fact found from that research is that the most responsible consumers are those with the least ability to buy. If one gets chance to visit Beijing, will find roads full of bicycles, even the lanes are assigned for bicycle riders on the roads. Have you ever thought about the long lives of Chinese? If

not, just think about those advantages of good health and no air pollution are the returns of bicycle riding (Greendex, National Geographic).

But this doesn't mean that U.S. and European individuals are not aware of sustainable environment, there are differences of lifestyles as they are developed nations, have good purchasing power and they prefer to travel in luxurious car. They behave in a highly responsible manner in other areas. "The 67% of consumers in the US and Europe claim to have boycotted a food, drinks or personal care company's goods on ethical grounds" (Datamonitor Survey, 2005). Seventy-one percent of French consumers are in favor of buying child-labor-free products even if expensive (Garone, 1999). Seventy five (75) percent of European consumers also indicated that they would favor that spending behavior which can aid for social causes (Capron and Quairel-Lanoizelee, 2004). As discussed about the life styles of Americans that they prefer luxury items a survey showed that "Americans were considerably less animal-friendly, with 61 percent supporting the wearing of fur and 57 percent supporting animal testing for medicine (Gallup Survey).

In 2007 Australia became the first country to ban incandescent light bulbs for which it received significant press coverage. This was achieved when Sydney pulled the plug on a light bulb give away scheme. Household consumers were given energy savers at reasonable prices. Unfortunately, it was found that almost half of the free energy savers were not utilized. It was a reflection of public failure to respond positively to the energy saving light bulbs even though they could be bought at very cheap prices (Warren, 2006).

### 2.3 Effects of Consumption

Consumer lifestyles are directly linked and accountable for many environmental problems. More sustainable lifestyles cannot be achieved without making alteration in purchaser approach and behavior (F. Olander and J. Thøgersen, 1995) "We live in a global village and can ill afford the negative legacy of consumption". (W.T. Anderson and G.N. Challagalla, 1994) We know that the misuse of money brings in many social and environmental problems and it is not wrong that there is a major and direct impact of one's money on immoral behaviors.

The measurement of the demand of mankind on the ecology of the Earth is called the ecological footprint. It evaluates the ability of the Earth's ecological system to regenerate and matches it with the requirements of mankind. It shows the quantity of sea area and biologically prolific land for the restoration of resources required for the consumption of human population and to absorb and leave safe equivalent waste. With this evaluation, it is possible to approximate that if all the people lived a given lifestyle, how many number of planets would be required for the sustainability of mankind. The recent estimation shows that the total ecological foot print of this mankind is 1.4 planet Earths i.e. the rate of ecological service required by the humanity is 1.4 times as rapid as Earth can renew them (Global Footprint Network, 2010).

The population of World is around 6 billion and every move of the population has great importance. Buying is voting, whatever consumer buys is his/her vote for what he thinks. It can be true that, two products give same satisfaction to the consumer but it is not necessary that both products have same social and ecological impact. The consumer's shopping generates profits for firms and help manufacturers sustain, approve their employees working environment, support production modes and encourage firm's environmental concerns, if it has any. What if consumers boycott non-environmental friendly and socially non-compliant products? "6 billion little actions will make the difference". Awareness is the finest way to do something in a responsible way. Numerous initiatives for responsible consumption have emerged in the last decade, such as it is more respectful to the environment to get the products from the organic farms which guarantee that the products are produced without pesticides. The application of responsible consumption should be in all areas. In transportation industry cars are accountable for major greenhouse gases emission. Consumer contribution in fighting against environmental damages can be commuting through public transport which offers one third of the pollution emitted by cars (measured by unit travel per person). It is the fact that four hundred liters of water are contaminated by the mercury of a single battery while a rechargeable battery lasts four years. Consumers are aware that tobacco is injurious to health but normally don't have awareness that to dry tobacco 5 million hectares are used every year. Smoking is not only damaging the human health but also damaging the environment. Cigarettes are produced with the dried tobacco plant leaves. To dry leaves most of the countries burn wood to provide heat i.e. to dry every hectare of tobacco one hectare of forest is required. Every year 600 million trees i.e. around 5 million hectares of forest are destroyed for this purpose. ("Smarter than Smoking' fact sheet, 2005). In short, responsible consumption is not like that to go back and live in the Stone Age, but rather as Gandhi used to say to live in a simple way so that others can live simply (Young reporters for the environment).

More and more scientists have joined heads to discover some solution. The resources consumption due to current lifestyle of the residents of Earth is exceeding global resources, putting the life at risk. Mankind consumed 1.2 planets in 2002, if no measures are taken by 2050; three more such planets will be required (Alan Callot and Jamie Bull, 2007). The  $\frac{3}{4}$  of the World's resources were consumed by the  $\frac{1}{4}$  of the World's most affluent nations. Absurdly, in a tropical country of Thailand, a golf course's annual consumption of pesticides is 1500 kg and water utilization is equivalent to the water requirement of a village of 60,000 people. Interestingly, in this age of growing industrialization where firms hire numerous people and produce capital, level of poverty is boosting side by side. In US, 12% of population lives below the poverty line and around one quarter of the total food produced in the country is wasted.

One used plastic bag thrown in the nature takes 200 years to perish. France is the country where there is a practice of annual free of cost distribution of 14 billion plastic bags. Likewise, travelling by plane 700 kilometers adds 150 kg of greenhouse gases in the environment, whereas only 3kg are emitted if

commuting by train. Similarly, the emission of CO<sub>2</sub> from a single car into the atmosphere is 3 times more compared to a bus for each commuting person. On the other hand, watching television 3 hours consumes 240W and the consumption of set left on hold 21 hours consumes 315W. Same is the case for computer. (RAC - Reseau Action Climate France, 2010).

Selections are important because including ethical values in your buying decisions will eventually create this World a better and sustainable place to live and you will become a responsible consumer. Why not to stick to seasonal fruits that are available in your local market, produced at a reasonable distance, offering finest quality and nutritional value? Why to go for Mangoes that are not fully ready to use in winters that reaches to you by air transportation covering thousands of miles and harm the environment? Similarly if you talk about meat, have you ever thought about reducing meat consumption? Production of Meat is alone accountable for 1/5 of the world's environment killing green gas emissions (recent UN Survey). Weekly one meat free day can save this earth from enormous amount of pollution.

#### 2.4 Situation in Developing Countries

In the developing countries the trend of responsible consumption is still new and most of the countries are in the first phase of responsible competitiveness. A move from antagonistic activism to affirmative engagement in between organizations and stakeholders has been observed in the last decade. Joined actions for debating and forming CSR policies and strategies to attain a competitive plus at a nationwide level and to progress towards the another move of future focused, innovative and sustainable responsible competitiveness are taken by organizations together with their stakeholders. (Ambreen Wahid, 2005)

Majority of the Asia-Pacific countries are involved in the efficiency-oriented and market focused CSR activities, which is the second wave of CSR. These countries have clear concept of CSR and are now focused to clear the hurdles to achieve its execution. In Pakistan, the concept is relatively new. It can inarguably be termed as the first wave of CSR i.e. of charity and legal compliance which are based on societal and governmental considerations (Ambreen Wahid, 2005)

India and Sri Lanka have achieved competitive advantage in conducting business responsibly during the last decade because of their proactive approach and future market centered policies. Whereas, after picking up in apparel and leather exports, Pakistan has lost the momentum due to a number of issues such as the renowned Sialkot Child Labor Crisis hit. This crisis in the sports goods industry dented investment opportunities in the other industries. Pakistan is one of the famous textile hubs of the world but the social non-compliance is one of the major hurdles in the progress of this industry as the international market has banned entry of socially non-compliant products. Marketing a CSR strategy could be an opportunity to attract more international buyers. The revival of the credibility is possible if Pakistan sets in a national CSR strategy that gives assurance to the international socially responsible buyers. In that way Pakistan may become a socially responsible supplier country. (Ambreen Wahid, 2005)

Although international companies practice CSR but many of these companies are not always concerned about their supply chains and try to get cost advantage by buying from the third world countries. Sialkot has been one of the largest soccer balls producers for decades. World's international brands like Nike and Adidas source exclusively from Sialkot. These are some facts of Sialkot's soccer ball producers; the number of workers employed for stitching in this industry vary from 30,000 (International Monitoring Association for Child Labor (IMAC, 2003) to a maximum of 65,000 (Awan, 1996). Workers are not paid on the hourly (time) basis but on per piece basis i.e. agreed amount per soccer ball. The labor use to work at their homes and their children support them. An International Labor Organization estimates that there are 15,000 children working in this industry (Husselbee, 2001, ILO 1999). The trend of work in this industry is that a complex chain of subcontractors are used to supply balls for stitches to around 16,000 villages in the surrounding areas of Sialkot where people stitch soccer balls at their own homes. When the attention of the World was directed by the mass media towards the child labor in the soccer ball industry, the credibility of the great entrepreneur was badly affected. Nike took a strategic move and re-built its image by getting involved in CSR activities; it started an initiative in shape of child-liberation and represented itself as a mother of third World. The Child labor crisis started in April 1995, when CBS (Columbia Broadcasting System, US radio and TV network) on-aired a short documentary film focused on the manufacturing industry of soccer ball in Sialkot, Pakistan named 'Children at Work' (CBS transcripts, 1995). The story presented by the CBS in this documentary powerfully highlighted the upsetting sarcasm of poor children at work producing soccer balls for affluent American children. This story was picked up by many international channels resulting international media firestorm, directed towards the ethical fine to the global soccer ball industry involved in child labor.

Bonded labor is one of the teething issues of Pakistan's society where millions of children are being suffered. Bonded labor is mainly found in brick kilns, power looms, carpet industries, fisheries, agriculture, stone/brick crushing, shoe-making, and refuse sorting (Social and Labor Bulletin, 1992). According to the approximation of The Bonded Labor Liberation Front, there are eight million bonded children in Pakistan, (Child Workers in Asia, 1992-93). Almost 0.5 million children are bonded allegedly in the carpet industry only. Reportedly some children are from Afghanistan and Bangladesh. (Ehsan Ullah Khan, Bonded Labor Liberation Front, n.d.).

Most of the people in Pakistan have low awareness of responsible consumption and the people who have knowledge are not really bothered as social forces in this context are too weak to compel them to behave responsibly. People are more concerned to get everything at the cheapest possible price. For instance, people who see the child labor at the automobile workshops do not take initiative to help them in a way or the other. In Pakistan, we see many children working at automobile workshops handed by their families to the workshop owner due to poverty. Most of the children are bonded workers who usually cannot even claim money for their work and they get just food and shelter from their employers in return. (Jamil Bhatti, Zeeshan Niazi, 2010).

Statistics (The Survey of All Pakistan Labor Force, 2007-2008) show that the number of labor children in the age bracket of 10 to 14 is over 21 million, in which boys are 73% of the total and the remaining 27% are girls. This figure is twice the estimate given by Human Rights Commission of Pakistan in 2005 (Jamil Bhatti, Zeeshan Niazi, 2010).

Coca-Cola, Kodak, Philips, BP, Nike, Disney, L'Oreal are all renowned brands. The growing trend of globalization has favored the growth of multinational giants. The number of multinational firms has reached to 63,000 in 1999 compared to 6,000 in 1967. This expansion in World trade has enormous effects on environment. For the trade of products, polluting transportation is used and held responsible for climate changes like greenhouse effects. For manufacturing products, enormous amount of natural resources are being exhausted. In 1999, a brown cloud was seen for the first time over the Asian region. Its development is linked with the development of Asian giants like China, India and four dragons Thailand, Hong Kong, Singapore and Taiwan and is expected to cover the whole Asia continent. Its thickness is now reached to 3 kilometers and area becomes twenty times as large as France. What if all the countries will reach to that level of mass consumption? What is the responsibility of consumers? How they should act? These are the questions that should now come in the minds of consumers at this stage to control the environmental damages and for the sustainability of this beautiful World (Young reporters for the environment).

## 2.5 Demographics and Awareness of Social Compliance

These days, a large number of respondents all over the world state that they are concerned or very concerned with environmental problems (Diekmann & Franzen, 1999; Dunlap & Mertig, 1995). At present, customers are ever more aware of the seriousness of environmental degradation, resulting more ecologically consciousness and desire to purchase eco-friendly products and services, favoring businesses that prefer environmental practice (Kalafatis et al., 1999; Laroche et al., 2001; Roberts, 1996)

In the developing world, it is considered that the major consumers of the natural resources like water, land and forests are consumed directly or indirectly by women because they have the primary responsibility of gathering and preparing food. They spend most of their time to feed the households. This responsibility leads them to think and learn more about using these resources in a more responsible manner (Abzug, 1995). Women have become more involved in the farm related tasks because of the urbanisation which causes the men to leave rural areas in search of jobs in cities (Jiggins, 1994). More responsibility on women's shoulders creates their closer relationship with land and other natural resources which promotes a new culture of responsible consumption and the conservation of natural resources and environment for the needs of the following generations. Women's insights and values for environment differ from men's; they are more concerned for nature and the future of the environment. These facts bring in the concept of Eco-feminism which refers to the female's perspective on the environment (Abzug, 1995).

The affects of environmental variations on women are more compared to men, this makes women more alarmed about environmental issues (Mellor, 1997). According to United Nations' Chronicle journal researchers have identified a direct relationship in between the pesticide DDT and the breast cancer. Similarly it is the finding of World Health Organization (WHO) that there is more risk of abortion with the females exposed to pesticides (United Nations Chronicle, 1997). Health issues are the reason behind more responsible attitude of women (Jiggins, 1994).

Some people have theorized that Earth would be better protected by giving more power to women. Although there is no proof for this theory, recent movements have shown that women are more sensitive to the earth and its problems. Men looked the natural resources as income generating tools or business entities all over the history while women look the environment differently. For instance, rural Indian women collect the dead branches which are cut by storm for fuel wood to use rather than cutting the live trees. (Annabel Rodda, 1991),

Recently a survey was conducted to identify the most and least eco-friendly generation in Britain. Surprisingly, the age group of 18-24 has the most knowledge of environmental issues but the least eco-friendly i.e. this group has the most awareness about the eco-friendliness compared to other age groups but waste more natural resources. Results show that 72% of age group of 18-24 (Generation Y) admits for the water wastage while brushing teeth daily. IBM estimates that leaving water running for two minutes during tooth brushing alone wastes about 12 litres of water, which the company extrapolates to equal over 236 million litres (more than 62 million gallons) wasted per week. (Wheeland, 2009).

On the awareness of energy exploitation, 55% of young adults were not able to guess that whether the incandescent light bulb consumed more energy than clothes dryer. This awareness deficiency is not only limited to young generation; other age groups also could not answer such questions. The whole populations surveyed, 43% could not answer the same question and overall 25 percent replied that electric kettle consumed more water than clothes dryer. (Wheeland, 2009)

All surveys do not show the same results. Recently, ICOM Information and Communications L.P., a Toronto-based firm that studies the spending habits of consumers; found that older Americans (over 50) are the major consumers of "green" products. (Chait, 2009)

## 3 PROBLEM STATEMENT

"To what degree does an average consumer of our society take social factors (such as Environmental Impact, Labor and Human Rights, Health and Safety and Ethics) into account before buying a product?"

This study attempts to gain an insight into the behavior of an average consumer/buyer towards social compliance of products available in consumer markets.

#### 4 SCOPE OF THE STUDY

This study attempts to get responses of an average consumer of Karachi to build upon the theory of consumer buying behavior in the context of social responsibility. The study will focus on a range of average consumer profile. These profiles are defined by six different demographic variables that can be possessed by the target consumers. These variables include age, gender, marital status, education, salary bracket and means of sustenance. The ranges and grouping in each of the six variables is determined on the basis of known tastes and buying preferences of the consumer in general. A scientifically designed questionnaire is conducted with 120 respondents who are deemed to shop frequently. The respondents are approached on the basis of personal acquaintances in various companies like PARCO, PSO, Lucky Textiles Limited, ITOCHU Corporation, Jinnah Hospital, DAWN News and Thar Coal and Energy Board. Of many aspects of social compliance, this study takes into account the three areas namely Environment, Human Rights and Business Ethics in context of which consumer buying behaviors can be adjudged.

#### 5 OBJECTIVES

The study attempts to achieve the following objectives:

- To gauge the degree to which an average consumer exhibits compliance to social responsibility in his/her buying behavior.
- Keeping in view findings on first objective, to draw upon business implications of socially responsible consumer buying behavior.

#### 6 SIGNIFICANCE OF THE RESEARCH

This study is a leap to gain an insight into the socially compliant buying behaviors of an average consumer of our society. On academic level, this study is probably the first of its kind that incorporates social element in consumer buying behavior. It might entice marketing and supply chain professionals to consider the social factors while designing, manufacturing and offering their products for the target respondents of this study.

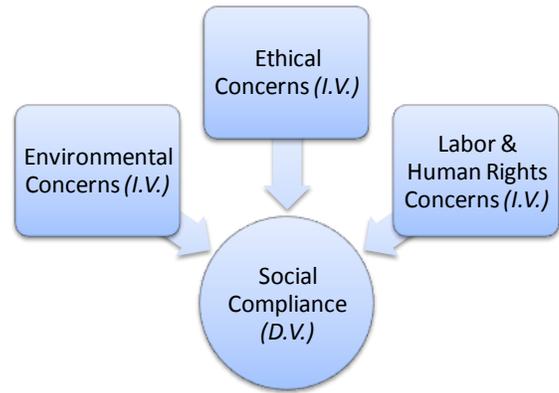
To stay competitive in the market and conduct businesses smoothly, the manufacturer might end up doing nothing but comply with socially responsible business conduct in this Pakistani and other similar markets. Increased costs in making a product socially compliant might result in greater expenditures on part of the manufacturers, which would eventually contribute towards oiling of Pakistan's economy. A stronger economy in turn provides people with better standards of living. A sense of social responsibility in all the stakeholders will eventually escalate self-esteem of masses

#### 7 THEORETICAL FRAMEWORK

Theoretical model of the study is built on following variables:

- **Dependent Variable:** Awareness of Social Compliance in an Average Consumer
- **Independent Variables:** Environment, Human Rights and Business Ethics

Schematic of the relationship is given below:



Theoretical Framework

#### 8 RESEARCH DESIGN & METHODOLOGY

This study takes on ‘hypothesis testing’ approach to investigate the topic. It is mainly qualitative in nature and depends on primary data gathered through established data gathering tools. Scientifically designed and personally administered questionnaire had been conducted in organizations namely PARCO, PSO, Lucky Textiles Limited, ITOCHU Corporation, Jinnah Hospital, DAWN News and Thar Coal and Energy Board. Results obtained were processed in Microsoft Excel and SPSS. Secondary data available in research journals, internet websites, various books on the topic and newspaper was also referred to reach to draw upon the conclusions and put forward the recommendations.

##### 8.1 Population

Population of Karachi (a metropolitan of Pakistan) is under consideration for this research. As population of metropolitans of the subcontinent in general and Pakistan in particular share the same demographic and psychographic characteristics, the findings of this research stand equally as valid for them as for the people of Karachi.

##### 8.2 Unit of Analysis

Unit of analysis for this study is an individual.

##### 8.3 Sample and Sampling Technique

In order to reach representative sample of the whole population, a probability sampling technique named ‘stratified random sampling’ was used. This has rendered the whole sample unbiased to a great extent and reliable representative of the whole population. A sample of 125 people was personally contacted, of which 110 people responded.

#### 8.4 The Questionnaire

The questionnaire is divided into four sections namely Environment, Human Rights, Business Ethics and Demographics. In each section, there were six different questions which presented the respondent with a scenario and asked for his/her response on a five point Likert Scale. For instance, in environment part of the questionnaire, the respondent is asked to give his/her personal opinion/response in opting for mode of commutation when s/he needs to do grocery from a nearby shop. Similarly, when the questionnaire puts up the question “*You bought a shampoo and used it in prescribed manner but it caused side-effects that you never expected. You should go as far as suing the manufacturer*” the respondent is asked to give his personal opinion. The questionnaire is attached as annexure for reference.

#### 8.5 Measurement Scale

Keeping in view the scope and nature of the research, an interval scale with balanced rating capability, such as Likert Scale and Itemized Rating Scale, could serve the purpose for data gathering. This study used Likert scale. While designing the questionnaire and its elements, care was taken to achieve ‘stability of measures’ so that research findings could remain reliable for long period of time.

#### 8.6 Statistical Tools

Tools related to descriptive statistics such as measures of central tendency, measures of dispersion, correlation analysis and cross-tabulation techniques are employed to extract comprehensible information and build upon knowledge base on the topic. To test reliability of the questionnaire, Cronbach’s Alpha method of reliability testing is used. For hypothesis testing, one sample t-test for given test value is used.

#### 8.7 Assumptions and Limitations

Following are the assumptions and limitations of this study:

1. Due to lack of time, this study is conducted for relatively a small sample i.e. 110 respondents.
2. The distribution of the variables chosen is considered to be normal.
3. Limited numbers of factors of social compliance are considered due to short time span available to complete the study.
4. It is assumed that people have some prior knowledge regarding social issues involved in consumption of products. Even if people do not know beforehand, a little effort to educate them on spot can help them buy while considering social implications of their decision. Unexpectedly very low awareness level of the consumers may introduce bias and distortion in the gathered data.

5. Personal unusual reasons and experiences, either good or bad, may render the data biased.

6. Keeping in view an apparent low level of awareness and literacy in lower income class of the population, this population is not part of the study.

### 9 DATA ANALYSIS

#### 9.1 Frequency Distribution of Sample Demographics

The population has been analyzed on the basis of 6 key demographic factors. Results obtained on the basis of these factors have been discussed briefly as below,

##### 9.1.1 Age Group

The sample size of 110 consisted of 3 age group categories. 26.4% are in 16-25 age group, 61.8% in 25-40 category and 11.8% are in 40 and above

##### 9.1.2 The Gender

The sample comprised of 82.7% male and 17.3% female respondents. Pakistan being a male dominated, in general, does not allow women to access markets as often as males can do.

##### 9.1.3 The Education

This sample consists of four education classes and most of the respondents i.e. 62.7% are from Masters and above category. The least number of respondents are in inter grade i.e. 3.6% of the total.

##### 9.1.4 The Marital Status

The sample contained 51.8% single respondents, 45.5 % married and 2.7% respondents are in other categories. This survey is middle age group biased i.e. 25-40 with most of the respondents single.

##### 9.1.5 The Sustenance

The sample is highly biased towards salaried class i.e. 86.4% of the total sample size. In other words, the study and its findings are applicable more reliably on the salaried class than self-employed class.

##### 9.1.6 The Income Group

There are four income group categories of respondents, major portion of respondents are in income group 30K to 50K. The least number of respondents are in the category of 100K and above.

##### 9.1.7 Reliability Analysis

Reliability analysis of the survey instrument is performed using SPSS. The method adopted to assess the instrument’s reliability is Cronbach’s Alpha.

Complete reliability analysis is shown in the appendix. In the table of Item Statistics, it can be observed that standard deviation of the questions did not show abnormally high figures. The

maximum standard deviation observed is 1.5 for any given question.

Similarly, for individual questions, the means can be observed to have fallen between 3 and 4.2, which indicates the inclination of the responses toward “strongly agree” side of the Likert scale.

In the table of Summary Item Statistics, minimum and maximum ranges with item variances are shown. It can be observed that no minimum or maximum value touched either extreme of the scale. Minimum of the means was above 3 all the items are considered collectively. Moreover, the item variances and its range is well under acceptable range for the test to be held reliable until we see the value of Cronbach’s Alpha in the end.

In the table of Item Total Statistics, Corrected Item-Total Correlation for individual items is shown. For Q9, its negative indicating that the question has contributed negatively towards the total score. Q2 and Q7 are showing results in two decimal places which indicate that these questions are weakly correlated to the total score of the questionnaire. All the other questions have shown correlation around 0.3, which is considered to be ideal for an item to have in reliability analysis.

In the Scale Statistics table, standard deviation, mean and the variance is also observed to be normal for the survey instrument having 18 questions on 5 points interval scale.

In the table named Reliability Statistics, the standardized Alpha is calculated to be 0.687. This Alpha value is regarded as moderate value in the academics and the scale thus designed can be declared as moderately reliable scale.

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.663	.687	18

**9.2 HYPOTHESIS TESTING**

**9.2.1 Null Hypothesis**

H<sub>0</sub> = An average consumer of our society is indifferent of social responsibility when buying a product.

Mathematically;  $\mu = 3$

**9.2.2 Alternate Hypothesis**

H<sub>A</sub> = An average consumer of our society exhibits social responsibility when buying a product.

Mathematically;  $\mu > 3$

**9.2.3 One Sample t-test**

One sample t-test is performed on SPSS for confidence level of 95% and following results are obtained for the dependent variable.

The mean indicates an inclination toward higher side of the scale and standard deviation of 0.576 indicates very low spread of the responses. In this test, the standard error mean turns out to be 0.055 which indicates that if had obtained means of all the respondents in the population and analyzed them for standard deviation, the standard deviation would only be 0.055.

**One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
AWARENESS_OF_SOCIAL_COMPLIANCE	110	3.67	.576	.055

**9.2.4 Hypothesis Test Result**

The null hypothesis is not substantiated because  $p < 0.05$  and for  $t = 12.166$  i.e.

**$t(109) = 12.24, p < 0.05$**

**9.2.5 The Effect Size**

For two tailed significance and degree of freedom 109, critical value of ‘t’ is:

$t_{critical} = \pm 1.98$  (from t-test table);

$df = 109$ , two tailed,  $\alpha = 0.05$ )

Since;  $T_{obtained} > t_{critical}$

Therefore, we need to calculate practical significance as done below:

The effect size of the results can be obtained as calculated below:

**$d = (\bar{x} - \mu) / (\text{Standard Error of the Mean})$**

In this case;  **$d = 12.13$**

The effect size is extremely large with mean of the sample ( $\mu = 3.67$ ) is inclined toward awareness of social compliance on the interval scale.

**10 FINDINGS**

This research study has revealed that the concept of social compliance and social responsibility is relatively new for the consumers of Karachi.

From the survey, it is now known that younger people have more social consciousness while making buying decisions. Similarly, the age group of 25-40 years old people has shown mixed responses because they are equally as indifferent as they are conscious about the socially responsible buying. The survey revealed that women are more caring for the social responsibility

matters than men are. It also revealed an interesting indication that as the literacy rate of the population increases, they are more likely to act socially responsible. The survey reveals that the single respondents with age group between 25-40 years old are most of them indifferent of the responsible behaviors. as observed in cross-tabulation, salaried class has exhibited more responsible behavior and turned out to be in great number. Majority of the self-employed, although very few in the sample survey, are indifferent. Similarly, the fact that respondents earning between 30k to 50k are more socially responsible is reinforcing the fact that younger people have more awareness and intent to act as socially responsible. the survey also reveals that people earning between 30k to 50k are more conscious about the ethical standards in purchasing the goods.

Mean and standard deviation of responses of the three independent variables show that people have exhibited the most socially responsible behavior in the questions related to Human Rights Area with least standard deviation and highest mean. The second on the list is Business Ethics related part of the context where although mean is satisfactorily justifying the socially responsible behavior but standard deviation is largest of all. The third on the list is Environment area where people have revealed satisfactorily the least mean of all and moderate standard deviation.

**Means and Standrd Deviations**

	N	Mean	Std. Deviation
ENVIRONMENT	110	3.3636	.79825
HUMAN_RIGHTS	110	3.9364	.62483
BUSINESS_ETHICS	110	3.8636	.85109

The sample has revealed normal distribution in overall responses, so the assumption that the statistical tests are conducted on normally distributed data hold true.

When the survey instrument was subject to reliability analysis, the Cronbach's Alpha was almost 0.7, indicating that the instrument is moderately reliable for the while research to be reliable.

When the data obtained from the survey is subject to hypothesis testin by using one sample test on SPSS, the sample mean is found skewed towards socially responsible buying behaviors. The evidence is reinforced when the 'p' value turned out to be less than the alpha value chosen for confidence interval of 95% and the effect size was large. The null hypothesis that an average consumer is indifferent of the socially responsible consumer buying behaviour was rejected on the basis of the hypothesis testing done on SPSS.

## 11 CONCLUSION AND RECOMMENDATIONS

This study has unveiled that the Pakistani consumers do care to find out provenance of the product they use and tend to exhibit socially responsible consumer buying behavior. The level of awareness the Pakistani consumers possess has been proven significant. The analysis has unfolded the fact that the demographics of the consumers play a great role in a consumer's buying decision. The basic needs of large part of the Pakistani population are not fulfilled and most of the population is busy striving to achieve the basic necessities. In case of the target population of this study, especially the salaried class, disposable income is not big enough to care religiously for environment, ethics and human rights. Nevertheless, the consumer has shown considerably positive attitude towards the consumer social responsibility.

Demographic analysis of the sample's responses has revealed that young generation is quite exposed to the way businesses and living patterns are changing globally. Their responses and underlying behaviors are found well in line with responsible stewardship of a sustainable society in days to come. It can be seen that entry level professionals and mid-career managers are quite aware of the change their actions and reaction bring to the society.

The results are, however, eye opener for the manufacturers and service providers in Pakistan and countries alike. This study calls for immediate actions on part of the manufacturers. The consumer is conscious enough to ponder and decide on the grounds of societal benefits and its sustainability.

## 12 AREAS OF FURTHER RESEARCH

This study has come across many research areas which demand for further investigation into the matter. Overall demographic analysis in the context of consumer social responsibility needs to be further explored with emerging patterns of culture and societal norms in the population scientifically addressed. Interrelations of the demographic parameters with correlations between each of them need to be further explored to see which demographic parameter is likely to entice what response when another demographic parameter starts moderating the scenario. For instance, gender based results of the survey revealed that women are likely to be more socially responsible consumer as compared to men. But, keeping in view the fact that the survey was biased towards working class, it should be explored how housewives and non-professional women respond to the same situations. Although, negative correlation was observed between the age and socially responsible behavior but how strong is this correlation should be explored. Other factors should be thoroughly explored to determine what makes this correlation negative.

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