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UNDERSTANDING THE RESPONSIBLE MARKETING VIS-A-VIS AD LED MARKETING: AN EMPIRICAL ANALYSIS

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Abstract: *Purpose: The present study attempts to understand the notion of responsible marketing towards the society in comparison to the existing traditional promotional tools used by the corporations in reaping business performance.*

Methodology/Approach: Cross sectional data of the variables related to 'business performance', 'marketing expenditure' and 'societal expenditure' of eight companies for the years 2003 to 2010 have been collected from 'Capitaline database'. Then with the help of regression analysis the impact of 'marketing expenditure' and 'societal expenditure' on 'business performance' is measured. Thereafter, average of absolute values of 'Advertisement expenditure' and average of absolute values of 'Social Responsibility Spending' of all such 8 companies are calculated to make it comparable. Also, the 'relative share of advertisement expenditure' and the 'relative share of social responsibility spending' in total expenditure are studied for each year under consideration.

Findings: The study portrays a considerable impact of societal spending towards business performance which bolsters its importance in the mind of marketers.

Research Implications: The study serves a better understanding to the academicians and marketers regarding 'promotion based on social cause' compared to traditional based promotional tools.

Keywords: Social responsibility spending, business performance, traditional promotional tools, advertisement, consumer behaviour

BACKGROUND STUDY

In the perspective of the today's market, consumers are bombarded with the various promotional tools used by the companies. And with the development of information technologies, they are splintering off with so many digital tools like iPods, internet, digital video recorder, etc. for watching TV shows, movies and all(Kotlar & Armstrong,2008). Besides this , there are electronic device based options

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also to evade advertisements during TV shows (Hawkins *et al.,* 2007). According to Dix & Phau (2010), presently this technological development leads to higher advertisement avoidance. Many researchers suggested that too many advertisements in a media vehicle may lead to advertisement clutter (Ha, 1996; James & Kover, 1992; Speck & Elliot, 1997) and may influence the customer's belief towards it (Elliot & speck, 1998). Also, Krugman (1983) believed that when the consumer's goal is interrupted by any advertisements, then it may find to be susceptible on the part of consumers and may result in advertisement avoidance. Calfee & Ringold (1994) in their study observed that there are widespread consumers who believe in ad skeptism. They often feel that advertising is untruthful, which indulge them to buy things which they actually not want to go for. In particular, it is suggested by Obermiller & Spangenberg (1998) that many customers categorically consider advertisement as untrustworthy, but do rely on it, but there are other group of customers who completely reject it. Thus, it becomes a matter of concern for the advertiser as a traditional marketing tool is no longer guarantee customer trustworthy (Walker & Bellamy, 1993). It can also be said that believability on advertisement decreases because of providing over estimated information from the company to the customers. Hence, advertisements fail to catch attention and develop trust among the customers. As a result, people believe less on advertising and this enhances a problem concerning brand building. Consequently, all these discussions suggest marketer to comprehend the growing disbelief of consumers towards the traditional marketing tools such as advertisement. Although one may question about the future of these traditional marketing tools which are still very much in use. In this backdrop, it is the need of the hour to look into alternative route of brand building and building trust is the pre-requisite for brand building(Mandal & Banerjee,2015).

It is observed that with the propagation of consumer choices, companies are indeed more focussed on understanding the perception of the consumers towards the brand (Ferreira, Avila & Faria, 2010). In this common market place, consumers and their preferences are more prone to the brand which can distinguish itself from others. In this perspective, considerable researches have been observed where it is shown that how responsible practices of any corporation affect the consumer behavior in the form of product evaluation (Brown & Dacin, 1997), purchase decision (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). Biehal and Sheinin (2007) also observed that responsible activities of any corporation directly and indirectly influence the consumers buying decision. This notoriously bolsters an ample issue of discussion now-a-days regarding social responsiveness of any company towards its stakeholders. Perhaps, the concept of social responsibility is more prevalent in recent times than before. Chung *et al.* (2015) observed the continuum of social performance that remains in the range of avoidance of adverse effects to creation of favourable impact.According to Barone, Miyazaki and Taylor

(2000), consumers would like to prefer a brand that is involved in humane impetus to support a social cause in comparison to the other brands who do not actually in favour of it. Consumers evaluate a brand positively when it is associated with a responsible activities performed towards the society (Lafferty & Goldsmith, 2005). For instance, it is found that consumers prefer to adhere themselves to a brand when it associates itself with a social cause. Nan and Heo (2007) observed that consumers elicit a positive attitude towards a brand which shows a responsible behaviour towards the society. Moreover, Chung et al. (2015) in their study discussed the role of CSR practices of any corporations to achieve corporate image which in turn helps it to obtain customer satisfaction and that lead to develop and maintain customer loyalty. Further, it is also observed that responsible practices by any corporation helps to build trust amongst the consumers(Pivato , Misani and Tencati ,2008). Hence,it has been observed that company doing societal spending enhances corporate image that enhances trust amongst the consumers. All these researches has shown that how the notion of CSR emerges as an important matter of discussion in the prevailing market scenario where traditional marketing tools falls short to convince the consumer decision making. This note is lately picked up but finally taken into consideration by the corporate managers in their board room.

Researches have been observed where the comparison between the impact of societal promotion and traditional promotion towards the sales performance is carried out using time series data for different companies (Mandal & Banerjee,2015).None of the researches are found where year wise is made regarding this. Thus, in this present study to understand the transition in the use of only traditional based marketing to promotion with a social cause for gaining business performance, we have focussed on year wise model to see the changes over the years. Thus, we have utilised cross sectional observations for the same.

RESEARCH OBJECTIVES

i) a) To develop a relationship model between 'business performance variable' either 'sales' or 'profitability' with the marketing expenditure variable namely 'advertisement expenditure' and' societal expenditure variable namely 'social responsibility spending' based on the cross sectional data for a year of the study period. This has been done with an objective to compare the contributions of traditional based marketing expenditure on business performance with the societal based expenditure on business performance in each year and to analyse the relative changes over the period.

b) In our study we have not only developed the models to compare between business performance variable with any of the expenditure variables but also focussed in knowing the change in both the expenditures over the years and thus carried out comparison between them over the years.

ii) a) We also attempted to compare the absolute expenditures made in 'advertisement expenditure' and 'social responsibility spending' over the years with the help of graphical presentation.

b) To make it more comparable, the 'relative share of AD expenditure' and the 'relative share of social responsibility spending' in total of AD expenditure and SRS made by all these companies have also been observed in all these years under period of study.

DATA COLLECTION

As the objective of our study is to build a year wise business performance model and to make a comparison based on it, we have searched for the year wise cross sectional data of the variables related to 'business performance', 'marketing expenditure' and 'societal expenditure' for available(data availability of all theses mentioned variables) consumer firms from the Capitaline and Prowess databases. In this context, it is also to mention that the secondary data related to business performance (namely 'sales' and 'profitability''), expenses made towards promotion in marketing related activities (namely 'Advertisement expenditure') and societal expenditure (namely 'social responsibility spending' which consists of the expenses for making donations towards the society and giving compensation to the employees) are available for eight companies only for the years 2003 to 2010. Thus eight companies whose data available are employed for our study are Dabur Ltd., Jyothy Laboratories Ltd., Marico Ltd., Nirma Ltd., Voltas Ltd., Pidilite Ltd., Gail Ltd., Whirlpool Ltd., IOCL Ltd.

RESEARCH METHODOLOGY

1-a) To compare the impact of the expenses made by the company in the form of 'AD expenditure' and 'social responsibility spending' on the business performance say 'sales' and 'Profitability' year wise , regression analysis has been carried out where all such 8 companies together(Dabur Ltd., Jyothy Laboratories Ltd., Marico Ltd., Nirma Ltd., Voltas Ltd., Pidilite Ltd., Gail Ltd., Whirlpool Ltd., IOCL Ltd.) are taken together as an observation for the year say 2003. In this regard, to maintain a parity in the analysis, same 8 company's data are taken into account for the years 2004 to 2010.

Then for each particular year, two relationship models (as shown below) have been developed to know the variation in business performances as a result of the said expenditures :

$$Y_1 = a + \beta_1 AD + B_2 SRS$$

$$Y_2 = a + \beta_1 AD + B_2 SRS$$

Where,

Y1 = Sales

Y2 = Reported Net Profit, AD = Advertisement Expenditure

SRS = Social Responsibility Spending

β_1 = *change in sales due to change in Advertisement Expenditure,*

β_1 = *change in sales due to change in Social Responsibility Spending,,*

b) By observing the values of regression co-efficients of both the spending, it is possible to know the impact of each variables on business performance. Then, for the purpose of making comparison in their influence on the dependent variable, the values of regression co-efficient of these expenditures are plotted on the line diagram over the years.

2- a) To compare the rate of change in 'average AD expenditure' with the rate of change in 'average SRS', average of absolute values of 'AD expenditure' and average of absolute values of 'SRS' of all such 8 companies are calculated for each particular year.

$$\text{Average AD expenditure} = \frac{\sum_{i=1}^{n} AD}{n}, \text{ where, } n = 1, 2 \ldots 8$$

$$\text{Average SRS} = \frac{\sum_{i=1}^{n} SRS}{n} \text{ where, } n = 1, 2, .., 8$$

b) To make it more comparable, the 'relative share of AD expenditure' and the 'relative share of social responsibility spending' in total expenditure(which is the sum of 'AD expenditure' and 'social responsibility spending') are calculated for each year of the study period.

$$\text{relative share of AD expenditure} = \frac{\text{AD expenditure}}{\text{AD expenditure + social responsibility spending}}$$

$$\text{relative share of social responsibility spending} = \frac{\text{social responsibility spending}}{\text{AD expenditure + social responsibility spending}}$$

RESULT & DISCUSSION

Here in this section we will try to make the analysis by comparing the impact of 'AD expenditure' and 'Social responsibility spending' on the 'Sales' as well as 'Profitability Status' separately in each particular year.

Yr - 2003

$$Y_1 = 428.46 - 57.01\,AD + 464.21\,SRS \qquad (1)$$

$$Y_2 = 300.91 - 5.26\,AD + 23.02\,SRS \qquad (2)$$

In the above equ.1, we can see the regression co-efficient of AD and SRS are -57.01 and 464.21, respectively. It seems from the above equation that one unit increase in Ad expenditure will decrease the value of sales by 57.01 units. On the contrary, it is observed that one unit increase in 'social responsibility spending' will lead to increase in sales by 464.21 units. The *p*-values of both the expenditures are obtained to be significant which rejects the null hypothesis of no effect of these expenditures on sales. The value of R^2 is 0.99, which reflects goodness of model fit and also the variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.20 & 1.20 respectively which depicts the presence of no- multicollinearity. The Durbin Watson test statistic value is 1.69, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -5.26 and 23.02. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.97 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.20 & 1.20, respectively. The Durbin Watson test statistic value is 2.14.Thus it can be said that the model is free from the problem of serial correlation.

Yr - 2004

$$Y_1 = 341.93 - 36.01\,AD + 398.84\,SRS \qquad (1)$$

$$Y_2 = 332.46 - 4.31\,AD + 21.22\,SRS \qquad (2)$$

In the above equ.1, we can see the regression co-efficient of AD and SRS are -36.01 and 398.84, respectively. It seems from the above equation that one unit increase in Ad expenditure will decrease the value of sales by 36.01 units. On the contrary, it is observed that one unit increase in 'social responsibility spending' will lead to increase in sales by 398.84units. The *p*-values of both the expenditures are obtained to be significant which rejects the null hypothesis of no effect of these expenditures on sales. The value of R^2 is 0.99, which reflects goodness of model fit and also variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.53 &

1.53 respectively which depicts the presence of no- multicollinearity. The Durbin Watson test statistic value is 1.84, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -4.32 and 21.22. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.96 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.53 & 1.53, respectively. The Durbin Watson test statistic value is 2.19.Thus it can be said that the model is free from the problem of serial correlation.

Yr - 2005

$$Y_1 = -2232.83 - 19.18\ AD + 464.33\ SRS \tag{1}$$

$$Y_2 = 349.37 - 3.86\ AD + 15.92\ SRS \tag{2}$$

In the above equ.1, we can see the regression co-efficient of AD and SRS are -19.18 and 464.33, respectively. It seems from the above equation that one unit increase in Ad expenditure will decrease the value of sales by 19.18 units. On the contrary, it is observed that one unit increase in 'social responsibility spending' will lead to increase in sales by 464.33units. The *p*-value of SRS is obtained to be significant which rejects the null hypothesis of no effect of this expenditure on sales. The value of R^2 is 0.99, which reflects goodness of model fit and also the variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.97 & 1.97 respectively which depicts the presence of no- multicollinearity. The Durbin Watson test statistic value is 1.72, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -3.86 and 15.92. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.94 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.97 & 1.97, respectively. The Durbin Watson test statistic value is 2.47.Thus it can be said that the model is free from the problem of serial correlation.

Yr - 2006

$$Y_1 = -64.89.8 - 0.075\,AD + 673.8\,SRS \tag{1}$$

$$Y_2 = 402.26 - 4.88\,AD + 19.95\,SRS \tag{2}$$

In the above equ. 1, we can see the regression co-efficient of AD and SRS are -.075 and 673.8, respectively. It seems from the above equation that one unit increase in Ad expenditure will decrease the value of sales by .075 units. On the contrary, it is observed that one unit increase in 'social responsibility spending' will lead to increase in sales by 673.8units. The *p*-value of SRS is obtained to be significant which rejects the null hypothesis of no effect of this expenditure on sales. The value of R^2 is 0.98, which reflects goodness of model fit and also variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 2.38 & 2.38 respectively which depicts the presence of no- multicollinearity. The Durbin Watson test statistic value is 2.05, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -4.88 and 19.95. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.93 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 2.38 & 2.38, respectively. The Durbin Watson test statistic value is 2.45.Thus it can be said that the model is free from the problem of serial correlation.

Yr - 2007

$$Y_1 = -11470.08 + 69.71\,AD + 646.27\,SRS \tag{1}$$

$$Y_2 = 189.32 - 1.26\,AD + 21.94\,SRS \tag{2}$$

In the above equ. 1, we can see the regression co-efficient of AD and SRS are 69.71 and 646.21, respectively. Here we can see both the expenditures are having positive impact on the dependent variable. But if we compare their impact by observing the values of the regression co-efficient, we can see the change in 'Sales' due to SRS is very high as compared to the AD related expenses as ($\beta_2 = 646.21 > \beta_1 = 69.71$).The *p*-value of SRS is obtained to be significant which rejects the null hypothesis of no effect of this expenditure on sales. The value of R^2 is 0.93, which reflects goodness of model fit and also variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.57 & 1.57, respectively which depicts the presence of no-multicollinearity. The Durbin Watson test statistic value is 2.45, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -1.26 and 21.94. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.98 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.57 & 1.57, respectively. The Durbin Watson test statistic value is 2.43.Thus it can be said that the model is free from the problem of serial correlation.

Yr - 2008

$$Y_1 = -10245.34 + 56.75\,AD + 559.07\,SRS \quad (1)$$

$$Y_2 = 389.54 - 1.99\,AD + 15.82\,SRS \quad (2)$$

In the above equ.1, we can see the regression co-efficient of AD and SRS are 56.75 and 559.07, respectively. Here ,we can see both the expenditures are having positive impact on the dependent variable. But if we compare their impact by observing the values of the regression co-efficient, we can see the change in 'Sales' due to SRS is very high as compared to the AD related expenses as ($\beta_2 = 559.07 > \beta_1 = 56.75$). The *p*-value of SRS is obtained to be significant which rejects the null hypothesis of no effect of this expenditure on sales. The value of R^2 is 0.98, which reflects goodness of model fit and also the variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.61 & 1.61, respectively which depicts the presence of no-multicollinearity. The Durbin Watson test statistic value is 2.29, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -1.99 and 15.82. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.97 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.61 & 1.61, respectively. The Durbin Watson test statistic value is 2.51.Thus it can be said that the model is free from the problem of serial correlation.

Yr - 2009

$$Y_1 = -5170.99 + 22.69\,AD + 480.56\,SRS \tag{1}$$

$$Y_2 = 642.37 - 2.54\,AD + 4.82\,SRS \tag{2}$$

In the above equ.1, we can see the regression co-efficient of AD and SRS are 22.69 and 480.56, respectively. Here, we can see both the expenditures are having positive impact on the dependent variable. But if we compare their impact by observing the values of the regression co-efficient, we can see the change in 'Sales' due to SRS is very high as compared to the AD related expenses as ($\beta_2 = 480.56 > \beta_1 = 22.69$). The p-value of SRS is obtained to be significant .The value of R^2 is 0.99, which reflects goodness of model fit and also variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.48 & 1.48, respectively which depicts the presence of no- multicollinearity. The Durbin Watson test statistic value is 2.24, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -2.54 and 4.82. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.62 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.48 & 1.48, respectively. The Durbin Watson test statistic value is 2.37.Thus it can be said that the model is also free from the problem of serial correlation.

Yr – 2010

$$Y_1 = 3092.31 - 10.60\,AD + 205.87\,SRS \tag{1}$$

$$Y_2 = 756.95 - 1.95\,AD + 7.24\,SRS \tag{2}$$

In the above equ.1, we can see the regression co-efficient of AD and SRS are -10.60 and 205.87, respectively. It seems from the above equation that one unit increase in Ad expenditure will decrease the value of sales by 10.60 units. On the contrary, it is observed that one unit increase in 'social responsibility spending' will lead to increase in sales by 205.87units. The p-value of SRS is obtained to be significant. The value of R^2 is 0.99, which reflects goodness of model fit and also variation in sales is very well explained by these two independent variables. The values of VIF of both the expenditures are observed to be 1.47 & 1.47 respectively which depicts the presence of no- multicollinearity. The Durbin Watson test statistic value is 2.42, which shows the absence of the problem of serial correlation.

Now, eqn.2 suggests that there is a negative change in reported net profit as a result of one unit change in advertisement related expenditure whereas change in societal expenditure has a noticeable positive impact on the profitability, which is reflected from the values regression coefficients of AD and SRS as -1.95 and 7.24. The p-value of SRS is found to be significant which rejects the null hypothesis of no effect of this expenditure on RNP. The value of R^2 is 0.94 that suggests the model is well fitted for analysing the variation in dependent variable due to the mentioned independent variables. The model is free from the problem of multicollinearity as reflected from the values of VIF of both the expenditures as 1.47 & 1.47, respectively. The Durbin Watson test statistic value is 2.22.Thus it can be said that the model is free from the problem of serial correlation.

Moreover from the line diagram(fig.1), we can see that β(SRS) is much higher than that of β(AD) in almost all the years under study when the dependent variable is 'sales' and same is the case when 'reported net profit' is considered as dependent variable(shown in fig.2) . Thus, it seems that expenses made towards the societal issues are able to earn higher effect over the years than that of the expenses made towards traditional marketing tool like advertisement.

Furthermore as reported in Table.1, there is a considerable increase in the absolute value of 'Average advertisement expenditures'(Average Ad) made by all these companies towards popular traditional promotional tool such as

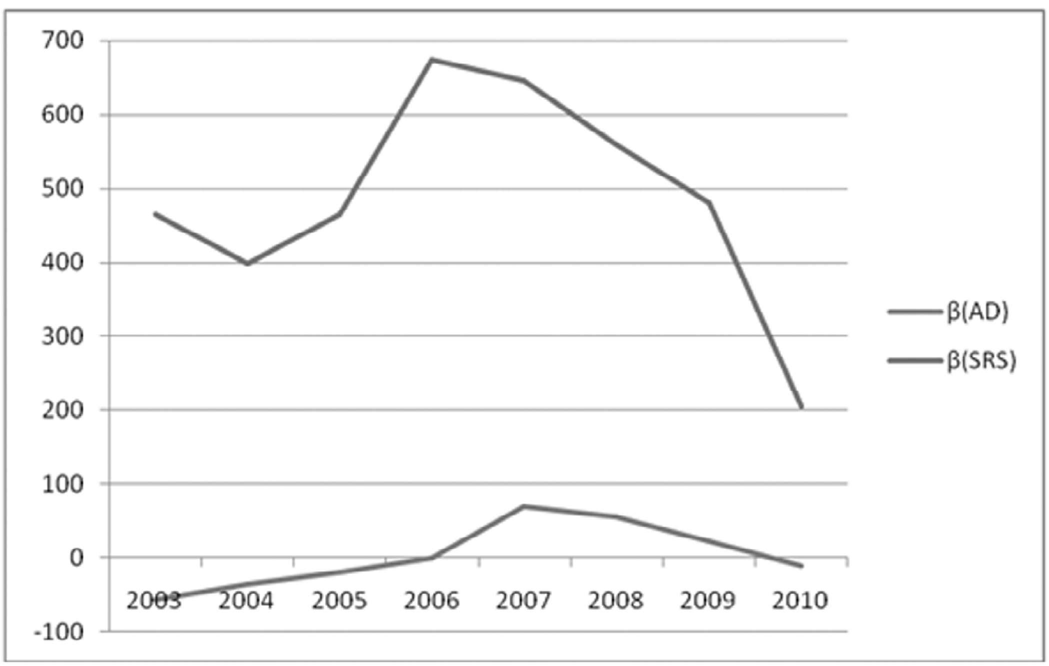

Figure 1: Dependent Variable: Sales

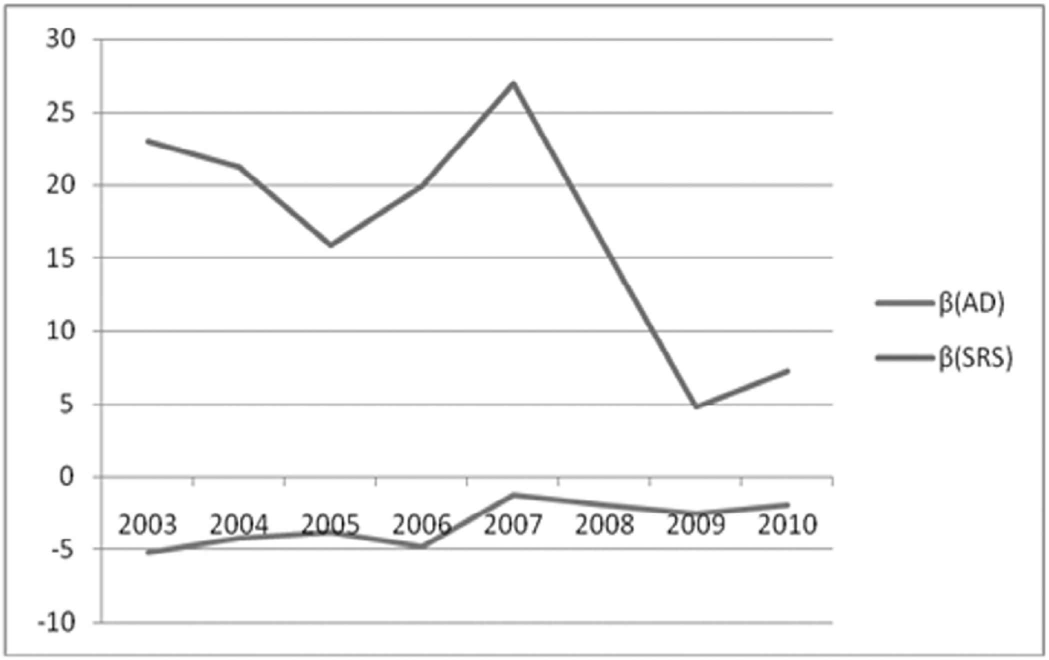

Figure 2: Dependent Variable: Reported net profit

Table 1

YR	*Av. AD*	*Rate of Change in Av. AD*	*Av. SRS*	*Rate of Change in Av. SRS*
2003	55.68	-	44.25	-
2004	65.22	17.13	52.75	19.2
2005	73.83	13.2	54.89	4.05
2006	81.42	10.28	49.64	-9.56
2007	99.54	22.25	58.17	17.18
2008	112.71	13.23	73.98	27.17
2009	110.29	-0.021	101.27	36.88
2010	148.35	34.5	194	91.56

Advertisement. Apparently, an increasing trend is also observed in case of spending made towards societal activities (average SRS). But, when comparing between them it is observed that average AD is found to be greater than average SRS for most of these years. In addition to this, 'rate of change in average advertisement expenditure' as well as 'rate of change in 'average social responsibility spending' for all the companies in each particular year under consideration are taken into account for further reference(shown in Fig.2). The mentioned figure shows that the 'rate of change in Average advertisement expenditure' is greater than 'rate of change in 'average social responsibility spending' for the years 2003 to 2007 after

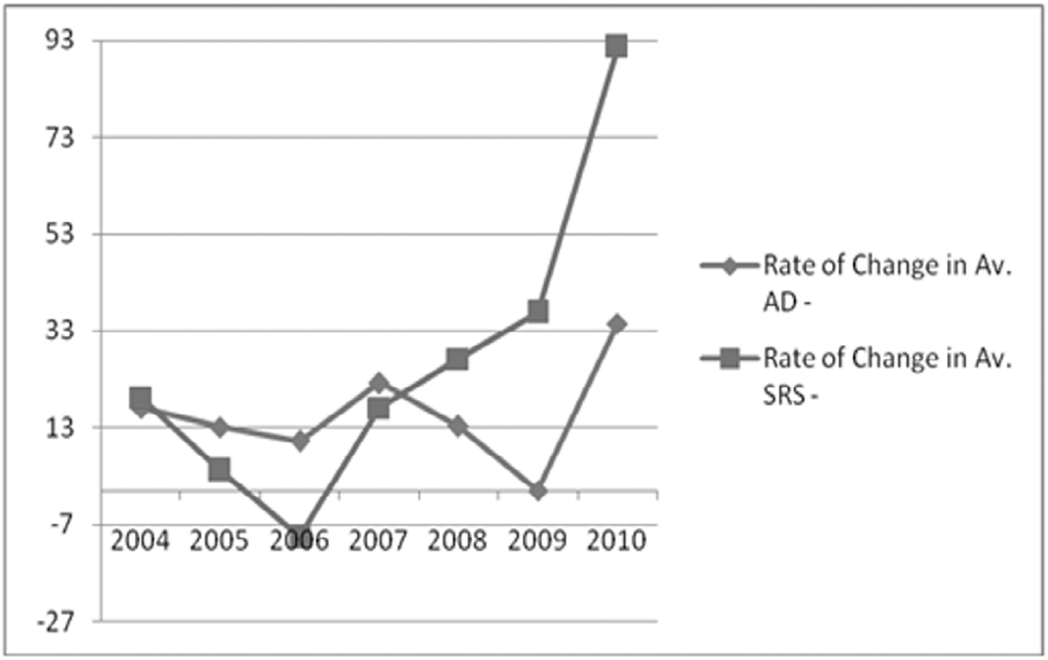

Figure 3

that the rate of change has been increased in favour of social responsibility spending.

Furthermore, we endeavoured to make our analysis more comparable by considering the 'relative share of AD' and 'relative share of SRS' in total expenditure in each mentioned year. We can see from the table 2, that relative share of AD is more than that of relative share of SRS in total expenditure made by the companies for the years 2003 to 2009 (except 2010). It is also presented with the help of the

Table 2

Yr	*AV. AD*	*Av. SRS*	*Relative share of AD in Total Expenditure*	*Relative share of SRS in Total Expenditure*
2003	55.68	44.25	55.719003	44.280997
2004	65.22	52.75	55.285242	44.714758
2005	73.83	54.89	57.357054	42.642946
2006	81.42	49.64	62.124218	37.875782
2007	99.54	58.17	63.115846	36.884154
2008	112.71	73.98	60.372811	39.627189
2009	110.29	101.27	52.131783	47.868217
2010	148.35	194	43.332847	56.667153

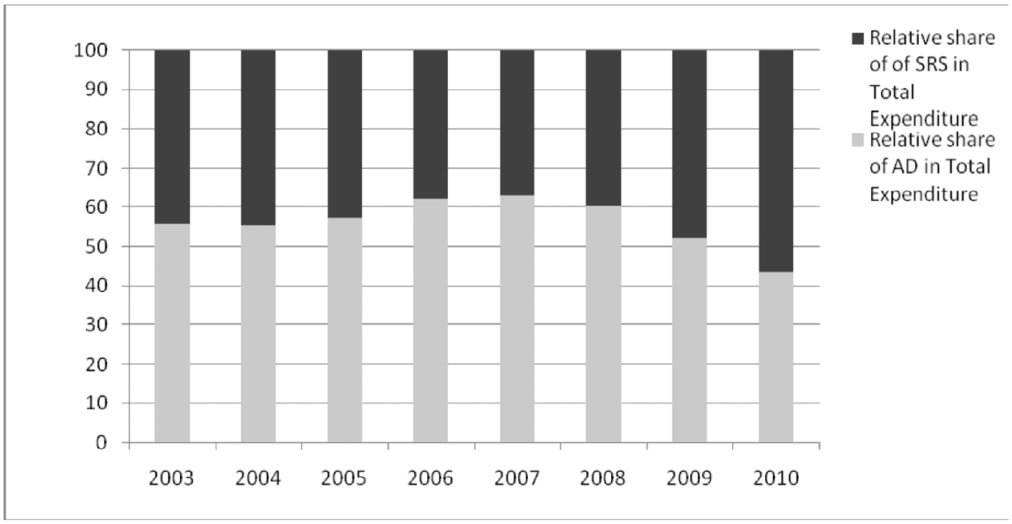

Figure 4

column diagram as shown in fig.4. Our study reveals that though the spending made in marketing related activities is higher, but social responsibility spending is able to influence sales of these company more and also helps them to reap more profit.

CONCLUSION

In the present study, all the developed relationship models suggest that there is a considerable impact of social responsibility spending on business performances than that of spending in traditional marketing activities over the years. This signifies the fact that spending in responsible practices contributes appreciably to procure sales and profitability. Further, when we attempt to make it more comparable by studying the relative shares of both these expenditures, it is found that though the relative share of advertisement expenditure is more than relative share of social responsibility spending, but the influence of social responsibility is observed to be more on business outcome compared to the latter one. Thus, this research reflects a significant effect of societal led promotional activities towards achieving multifaceted business performance. Hence , it would be desirable for the marketer to reflect social imperatives in communicating the brand to the consumers for gaining their belief while making their buying decision.

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