

Is 'CSR' Expenditure or an Investment? Empirical Examination

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Abstract—Now-a-days Corporate Social Responsibility is gaining prominence among the organizations of various fields. Organizations now are emphasizing on CSR initiatives by integrating their business operations with the CSR activities to sustain in this competitive world. Our study is based on secondary data collected from PROWES database for the year 2003 to 2012 for 21 commercial banks. The purpose of this study is to know the comparative contributions of societal expenditure and marketing expenditure on profitability, also to compare the growth rate of societal expenditure and growth rate of ratio of the said expenditures before and after dec'07. By categorizing the stated banks as top performer and non top-performer based on their profitability, this study compares the incurred comparative expenditure between said two groups and its likely impact on profit. The analysis shows that societal expenditure has been increased after '07 but not significantly and marketing related expenditure have been increased much more than that of the expenditure made towards society. Again when we observe the profit contributions of these expenditures of the top-performer, we can see that the societal expenditure contributes much as compared to marketing expenditure. So, the question arises why not marketing expenditure routed to societal expenditure so that it can be considered as a win-win situation for corporate and society where they can stimulate profitability along with development of the society .

Index Terms—Corporate social responsibility, marketing expenditure, profitability, societal expenditure.

I. INTRODUCTION

In the present scenario of Indian economy, service sector contributes much to achieve higher GDP growth rate and especially banking sector is one of the driving force for the same. The primary objective of the banking sector is to make profit by lending/ borrowing money to/from the public followed by the instructions made by RBI for expansionary or contractionary monetary policy as per need and thereby lead to the balanced growth of the economy. Also, it facilitates services to the customer from different segment of the society. However, to compete with the changing market environment in this era of globalization, the aim has somehow been shifted to do the responsible practices towards the society with the mentioned objectives. The concept of financial inclusion has been emerged now-a-days to reach the semi-urban and rural areas so as to provide them with the banking facilities. The concept of CSR is gaining importance

as it helps to run a business profitably by protecting the interest of people within and outside the organization [1]. To make it a sense RBI on 20th Dec, 2007 circulated a notice titled 'Corporate Social Responsibility, sustainable Development and Non-Financial reporting' to all the scheduled commercial banks to incorporate their business operation with the social and environmental concern to achieve sustainable development, where it asks for social, economical and environmental betterment of the society with the various CSR activities. In fact, bank management also understands the importance of this social contribution. Thus Ref. [2] stated that "Banks do not exist in a vacuum". Here lies the basic issue of debate between two schools of thought that whether it is used as philanthropy only [3] or it can be used in combination with social and marketing communication of the firm [4]. Our research tries to explore the fact empirically in respect to the emerging sector like banking.

II. LITERATURE REVIEW

For better understanding of the universe of literature we have classified them into four groups such as

- 1) What is CSR?
- 2) Why CSR is needed?
- 3) Impact of CSR activities on profitability
- 4) Impact of marketing-expenditure on profit

1) According to Ref. [5], CSR is a concept of integrating economic concern of a company with the social and environmental concern where they decide to contribute to a better society. Ref. [6] stated that CSR includes management practices that help to reduce negative impacts and simultaneously improve the positive impacts. Also Ref. [7] Argued that "CSR is the commitment to improve community well being through discretionary business practices and contribution of economic resources". Ref. [8] studied that the banking sector is getting interest in influencing CSR performance by behaving responsibly towards the society and in other study [9] various areas have been listed where banks are contributing more for reporting CSR activities. Ref. [10] suggested that the Indian banking industry has an objective viewpoint regarding CSR activities; it is concentrating more on the balanced growth, education, health and customer satisfaction as their core activities.

2) Many surveys [7] have been conducted where it is found that companies can benefit itself by associating itself with a social cause. In Ref. [11] surveyed various customers where he found 84% of the customers said that they form a positive image of the company who are engaged with a social cause. Ref. [11] also concluded that cause-related marketing had a strong impact among people in higher education and higher

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income group. Ref. [12] studied that three-fourth of the population make their purchasing decision based on the reputation of the company towards society and eighty percent like the product which is environmentally friendly.

3) Researchers also attempted to study the relationship between CSR expenditure and profitability. Many diverse findings by various researchers are found in this regard. Ref. [13]-[20] observed that there is a positive relationship between corporate responsibility and the financial performance of the company. Ref. [21] in their study suggested that various CSR activities undertaken by the banks influence the long term profitability of the bank and also has a positive impact on the reputation of the banks. The banks are more compatible enough in maintaining their asset portfolios and capital who are engaged with some social cause towards the society [22]. A responsible work towards the society helps in achieving good reputation as well as a great market opportunity [17]. Ref. [20], [23], [24] argued that a firm who is highly associated with maintaining a responsible relationship with its stakeholders face less labor problem, less financial risk from its investors. Moreover some researchers believed that doing CSR activities is just an investment made by the companies to act ethically and it contributes less to the profitability [25]. Again according to some researcher relationship between CSR and financial performance is two-way. Ref. [16] in his study represents it with the ‘Virtuous Circle’ that means a good social behavior enhances a better financial outcome and a better financial outcome facilitates a good social performance [16], [26].

4) Some researchers also worked on establishing relationship between marketing activities on profitability. According to Ref. [27]-[31] marketing related activities are considered as an investment to achieve a short term and long term investment. Ref. [30], [32] also stated that there has been a positive relationship between marketing investment and financial performance. Also, Ref. [33], [34] financial performance are determined by the sales performance of the firm associated with its cost of sales. All of these researches have shown the effect of ‘Societal Expenditure and Marketing Expenditure’ on the firm’s performance but none of the researches are there where the comparative contributions of the said expenditures towards profitability have been discussed with such a long span of time series based empirical evidences. Also no effort has been taken yet to compare the said issues by categorizing the banks as top-performer and non-top-performer pre and post Dec. 2007 when RBI instructed the commercial banks to include societal expenditure to its business operation. Thus our identified research problem is related to the said gaps of literature.

III. PROBLEM IDENTIFICATION

Based on this we have identified the problem under study as:

- 1) To examine the comparative contributions between CSR expenditure and Marketing Expenditure of scheduled banks towards their profit.
- 2) To compare the comparative expenditure and their contribution to profit before and after 2007.
- 3) To analyse the problem 2) comparing between relatively

top performer and relatively non-top performer firms.

IV. RESEARCH DESIGN

For carrying out the experimental research, we have framed our research design as given in Table I: where

- Treatment Variable→ Average Societal Expenditure (Av. SE) and its growth pre & post Dec. 2007 by the banks under study.
- Control Variable→ Average Societal Expenditure (Av. SE) / Average Marketing Expenditure (Av. ME) = Ratio and its growth pre & post Dec. 2007 by all the banks under consideration.
- Top- Performers→ It includes the banks which ranked higher among the stated banks on the basis of PAT values taken together for the period Mar. 2003 to Mar. 2012.
- Non-Top Performers→ It includes the banks which ranked relatively lower among the stated banks as compared to the said Top-Performers on the basis of PAT values taken together for the period Mar. 2003 to Mar. 2012.

TABLE I: RESEARCH DESIGN

	Before '07	After '07
Top performer	Treatment	Treatment
Non-Top performer	Treatment	Treatment
Top performer	Control	Control
Non-Top performer	Control	Control

Here, Banks categorized under Top-Performer and Non-Top Performer is tested for before ‘2007 & after ‘2007 with the above mentioned Treatment Variable and Control Variable. Treatment variable refers to the variable which is modified and control variable refers to the variable which is needed to be controlled. The design has been set to compare the contributions of societal and marketing expenditure towards profitability, for which the growth rate of both the Av. SE and the ratio of Av. SE and Av. ME for Top-Performer Banks, pre & post Dec. 2007 are taken into consideration in analyzing the impact of circulation of the notice by RBI where it asked for integration of social concern with the business objective. Similarly, the growth rate of both the Av. SE and the ratio of Av. SE and Av. ME for Non-Top Performer Banks, pre & post Dec. 2007 have been taken into account to analyze the said issue.

Variables undertaken for the study are as follows:

The variables which have been considered for studying the mentioned research problem based on our literature survey are advertising expenditure, selling & distribution expenditure, miscellaneous expenditure, compensation to employees and salaries, wages, bonus and ex-gratia, gratuities etc (SWBEG) & profit after tax (PAT). Where advertising expenditure, selling & distribution expenditure constitute the marketing expenditure as these expenditure helps to achieve the marketing outcome of the company and miscellaneous expenditure(it includes donation, social and community welfare, expenses related to environmental and pollution control) compensation to employees(e.g. staff welfare and training related expenditure) and salaries, wages, bonus and ex-gratia, gratuities etc (SWBEG) accounts for societal expenditure as these expenditure exhibits the responsible behavior of the company towards the society and

its stakeholders and PAT gives the result for measuring the financial performances of the company.

TABLE II: GROWTH RATE PRE & POST DEC.' 07

Bank Name	Av.SE 'before 07'	Av.SE 'After 07'	Growth Rate of SE	Av. ME 'before 07'	Av. ME 'after 07'	Av.SE 'before 07' / Av. ME 'before 07'	Av.SE 'after 07' / Av. ME 'after 07'	Growth rate of Ratio
Allahabad Bank	12921.98	23396.94	0.810631	245.64	457.8	52.60535743	51.10733945	-0.03
Axis Bank	5122.76	36535.22	6.131941	306.04	1340.6	16.73885767	27.25288677	0.628
Bank of Baroda	29569.28	45938.26	0.553581	381.28	933.08	77.55266471	49.23292751	-0.37
Bank of Maharashtra	8860.5	14857.78	0.676856	130.28	345.16	68.01120663	43.04606559	-0.37
Canara Bank	29685.28	45730.48	0.54051	402.84	561.56	73.69000099	81.43471757	0.105
Central Bank of India	24892.04	34012.18	0.366388	132.96	686.32	187.2145006	49.5573202	-0.74
Dena Bank	7377.04	10874.78	0.474139	180.24	224.4	40.92898358	48.46158645	0.184
HDFC Bank	8691.54	58192.86	5.695345	2210.32	4021	3.932254153	14.47237973	2.68
ICICI Bank	25676.84	64934.76	1.528923	9545.86	7989.9	2.689840412	8.127105471	2.021
Indian Overseas Bank	17067.42	27764.82	0.626773	123.72	548.04	137.9519884	50.66203197	-0.63
Oriental Bank of Commerce	9476.94	19213.98	1.027446	173.92	244.44	54.49022539	78.60407462	0.443
Punjab National Bank	42304.48	63478.26	0.500509	304.08	686.04	139.1228624	92.52851146	-0.33
State Bank of Bikaner	9080.48	12623.6	0.390191	68.12	119.84	133.3012331	105.3371162	-0.21
State Bank of India	147944.2	247047.7	0.669871	1467	4452	100.8480982	55.49089406	-0.45
State Bank of Mysore	6329.82	9565.36	0.511158	19.88	91.4	318.4014085	104.6538293	-0.67
State Bank of Patiala	7122.38	12365.8	0.736189	38.52	149.28	184.9008307	82.83628081	-0.55
State Bank of Travancore	7711.88	12432.98	0.612185	44.92	120.64	171.6803206	103.0585212	-0.4
Syndicate Bank	18198.46	27922.26	0.53432	301.14	618.92	60.43189214	45.11448976	-0.25
UCO Bank	16368.14	21987.08	0.343285	137.76	380.08	118.8163473	57.8485582	-0.51
Union Bank of India	17047.8	33645.58	0.973602	360.04	1470.3	47.34973892	22.88316829	-0.52
United Bank of India	10932.7	16263.36	0.487589	84.2	168.52	129.8420428	96.50700214	-0.26

V. SAMPLE/DATA COLLECTION

The study is based on the secondary data collected from PROWES database for the 21 commercial banks whose data related to our study are available for the period March 2003 to April 2012 for considering equal period between pre and post December 2007. The banks under study are Allahabad Bank,

Axis Bank, Bank of Baroda (BOB), Bank of Maharashtra, Canara Bank, Central Bank of India (CBI), Dena Bank, HDFC Bank, ICICI Bank, Indian Overseas Bank (IOB) Oriental Bank of Commerce (OBC), Punjab National Bank (PNB), State Bank of Bikaner, State Bank of India (SBI), State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, Syndicate Bank, UCO Bank, United Bank of India, Union Bank of India.

VI. EXPERIMENTATION

A. 1st Experiment

Average of societal expenditure (i.e. Av.SE), average of

marketing expenditure (i.e. Av. ME), and their ratio i.e. Av.SE/ Av. ME have been calculated for both the 'before dec 2007' & 'after dec 2007' for all the banks under consideration. Thereafter, we have calculated the growth rate of Av.SE and growth rate of the ratio of Av.SE and Av. ME between before and after 07 for all 21 banks and compare.

Growth calculation formula: Growth Rate of ratio= (Av. S.E/Av. M.E 'Before 07)-(Av. S.E/Av. M.E' After 07) / (Av. S.E/Av. M.E 'Before 07)

* Similarly, Growth Rate of S.E= (Av. SE 'Before 07 - Av. SE 'After 07)/(Av. SE 'Before 07) Where, Av. SE 'Before 07 = $\frac{\sum SE}{5}$, $i = \text{mar-2003 to mar-2007}$, and Av. SE 'After 07 = $\frac{\sum SE}{5}$, $i = \text{Mar. 2008 to Mar. 2012}$

B. 2nd Experiment

We have also ranked 21 banks based on their PAT values for the period mar 2003 to mar 2012. The first ten is then classified as 'Top performer' and lower eleven have been termed as 'Non top performer'. The companies under the

‘Top performer’ are ‘SBI, ICICI Bank, PNB, BOB, Canara Bank, HDFC Bank, Axis Bank, Union Bank of India, Allahabad Bank & Indian Overseas Bank’ and the companies under ‘Non top performer’ are OBC, Syndicate Bank, CBI, UCO Bank, State Bank of Patiala, State Bank of Travancore, State Bank of Bikaner, United Bank of India, Dena Bank,

Bank of Maharashtra, and State Bank of Mysore. Then we have calculated the growth rate of Av.SE and growth rate of the ratio of Av.SE and Av. ME between before and after 07 for ‘Top performer’ and ‘Non top performer’ groups and compare.

TABLE III: GROWTH RATE OF TOP-PERFORMER

Bank Name	Rank	Av.SE 'before 07'	Av.SE 'after 07'	Growth Rate of SE	Av. ME 'before 07'	Av.SE 'after 07'	Av.SE 'before 07' / Av. ME 'before 07'	Av.SE 'after 07' / Av. ME 'after 07'	Growth rate of Ratio
State Bank of India	1	147944.2	4452	0.669871	1467	247047.7	100.8480982	55.49089406	-0.45
ICICI Bank	2	25676.84	7989.9	1.528923	9545.86	64934.76	2.689840412	8.127105471	2.021
Punjab National Bank	3	42304.48	686.04	0.500509	304.08	63478.26	139.1228624	92.52851146	-0.33
Bank of Baroda	4	29569.28	933.08	0.553581	381.28	45938.26	77.55266471	49.23292751	-0.37
Canara Bank	5	29685.28	561.56	0.54051	402.84	45730.48	73.69000099	81.43471757	0.105
HDFC Bank	6	8691.54	4021	5.695345	2210.32	58192.86	3.932254153	14.47237973	2.68
Axis Bank	7	5122.76	1340.6	6.131941	306.04	36535.22	16.73885767	27.25288677	0.628
Union Bank of India	8	17047.8	1470.3	0.973602	360.04	33645.58	47.34973892	22.88316829	-0.52
Allahabad Bank	9	12921.98	457.8	0.810631	245.64	23396.94	52.60535743	51.10733945	-0.03
Indian Overseas Bank	10	17067.42	548.04	0.626773	123.72	27764.82	137.9519884	50.66203197	-0.63

TABLE VI: GROWTH RATE OF NON-TOP PERFORMER

Bank Name	Rank	Av.SE 'before 07'	Av.SE 'after 07'	Growth Rate of SE	Av. ME 'before 07'	Av. ME 'after 07'	Av.SE 'before 07' / Av. ME 'before 07'	Av.SE 'after 07' / Av. ME 'after 07'	Growth rate of Ratio
Oriental Bank of Commerce	11	9476.94	19213.98	1.027446	173.92	244.44	54.49022539	78.60407462	0.443
Syndicate Bank	12	18198.46	27922.26	0.53432	301.14	618.92	60.43189214	45.11448976	-0.25
Central Bank of India	13	24892.04	34012.18	0.366388	132.96	686.32	187.2145006	49.5573202	-0.74
UCO Bank	14	16368.14	21987.08	0.343285	137.76	380.08	118.8163473	57.8485582	-0.51
State Bank of Patiala	15	7122.38	12365.8	0.736189	38.52	149.28	184.9008307	82.83628081	-0.55
State Bank of Travancore	16	7711.88	12432.98	0.612185	44.92	120.64	171.6803206	103.0585212	-0.4
State Bank of Bikaner	17	9080.48	12623.6	0.390191	68.12	119.84	133.3012331	105.3371162	-0.21
United Bank of India	18	10932.7	16263.36	0.487589	84.2	168.52	129.8420428	96.50700214	-0.26
Dena Bank	19	7377.04	10874.78	0.474139	180.24	224.4	40.92898358	48.46158645	0.184
Bank of Maharashtra	20	8860.5	14857.78	0.676856	130.28	345.16	68.01120663	43.04606559	-0.37
State Bank of Mysore	21	6329.82	9565.36	0.511158	19.88	91.4	318.4014085	104.6538293	-0.67

C. 3rd Experiment

In previous two experiments we have not compared the said expenditure statistically. In the third experiment we have checked 1) for before and after 07 whether the mean of SE differs significantly for all 21 banks or not, which will reflect the impact of the notice issued by RBI to include social concern in its business operations and 2) mean of the ratio between SE and ME differs significantly for all 21 banks or not, this will reflect the relative expenditure made towards society with respect to marketing expenditure.

Based on these, the hypothesis can be generated

As for 1):

H₀: There is no difference between the mean of SE before and after 07

H₁: There is a difference between the mean of SE before and after 07

As for 2):

H₀: There is no difference between Av. SE/Av. ME before and after 07.

H₁: There is a difference between Av. SE/Av. ME before and after 07.

We have employed ‘before after’ t test to testing the both sets of hypothesis.

T statistics:

$$t = \frac{\sum d}{\sqrt{\frac{n(\sum d^2) - (\sum d)^2}{n-1}}}$$

VII. RESULT AND FINDINGS

From Table II, we can see that the values of the growth rate of AV. SE for the banks under study, i.e. Allahabad Bank,

Axis Bank, BOB, Bank of Maharashtra, Canara Bank, CBI, Dena Bank, HDFC Bank, ICICI Bank, IOB, OBC, PNB, State Bank of Bikaner, SBI, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, Syndicate Bank, UCO Bank, United Bank of India, Union Bank of India are 0.81, 6.13, 0.55, 0.67, 0.54, 0.36, 0.47, 5.69, 1.52, 0.62, 1.02, 0.50, 0.39, 0.66, 0.51, 0.73, 0.61, 0.53, 0.34, 0.97, 0.48, respectively. These values reflect that there is a considerable positive change of societal expenditure made by all the banks after the circulation of the notice by RBI. Again, the values of the growth rate of ratio of Av.SE and AV. ME for these stated banks are -0.03, 0.62, -0.37, -0.37, 0.10, -0.74, 0.18, 2.68, 2.02, -0.63, 0.44, -0.33, -0.21, -0.45, -0.67, -0.55, -0.39, -0.25, -0.51, -0.52, -0.26, respectively. Here it is obtained that for most of the banks the values are negative that means the expenditure made towards marketing related activities are much higher as compared to the expenditure made for societal cause. Thus, we can say that despite the increment of societal expenditure made by the banks following the notice of RBI, marketing expenditure are still given more importance in obtaining profitability.

Table III shows the values of the growth rate of Av.SE and the growth rate of ratio of Av.SE and AV. ME between before and after 07 for the banks under 'top performer'. The obtained result for the growth rate of Av.SE for SBI, ICICI Bank, PNB, BOB, Canara Bank, HDFC Bank, Axis Bank, Union Bank of India, Allahabad Bank & Indian Overseas Bank are 0.66, 1.52, 0.50, 0.55, 0.54, 5.69, 6.13, 0.97, 0.81, 0.62, respectively. And the values of the growth rate of ratio of Av.SE and AV. ME of the respective banks are -0.45, 2.02, -0.33, -0.37, 0.10, 2.68, 0.62, -0.52, -0.03, -0.63. There seems to be two cases, case-1) the values of growth rate of Av.SE as well as the growth rate of ratio of Av.SE and AV. ME for top performing banks are positive and case-2) the values of growth rate of Av.SE are positive but the growth rate of ratio of Av.SE and AV. ME are negative for the mentioned banks. Here, we have found that for ICICI Bank, Canara Bank, HDFC Bank, Axis Bank satisfies case-1) as both the values of growth rate of SE and growth rate of ratio of Av.SE and AV. ME are positive which signifies that these banks are making societal expenditure more than that of marketing expenditure. It is here observed that mostly private banks are doing noteworthy expenditure towards societal cause except Canara bank and the rest of the banks which are public sector in nature satisfy case-2) that implies that there is a considerable increase in societal expenditure but marketing related expenditures are more than that of societal expenditure. In other words, 4 out of 10 banks are showing positive growth rate that reflects that the most of the companies which are doing financially well are concentrating more on the expenditure incurring social benefit. Again, the results for the growth rate of Av.SE and the growth rate of ratio of Av.SE and AV. ME between before and after 07 for the banks under 'Non-top performer' are depicted in the Table VI. The obtained results of the growth rate of Av.SE for OBC, Syndicate Bank, CBI, UCO Bank, State Bank of Patiala,

State Bank of Travancore, State Bank of Bikaner, United Bank of India, Dena Bank, Bank of Maharashtra, and State Bank of Mysore are 1.02, 0.53, 0.36, 0.34, 0.73, 0.61, 0.39, 0.48, 0.47, 0.67, respectively. Again the values of the growth rate of ratio of Av.SE and AV. ME of the respective banks are 0.44, -0.25, -0.74, -0.51, -0.55, -0.4, -0.21, -0.26, 0.18, -0.37, -0.67. Here also we have two cases, case-1) the values of growth rate of Av.SE as well as the growth rate of ratio of Av.SE and AV. ME for non-top performing banks are positive and case-2) the values of growth rate of Av.SE are positive whereas the growth rate of ratio of Av.SE and AV. ME are negative for the mentioned banks. In the case-1) we see only 2 out of 11 banks, i.e. only 18% are showing positive growth rate both for Av. SE and the ratio of Av. SE and Av. ME, and the remaining banks are showing positive growth rate of Av. SE but negative growth rate of the ratio of Av. SE and Av. ME. This implies that non top performing banks are not so concerned in making investments in social causes or we can say they are relying much on marketing expenditure to stimulate profitability. Now, if we compare Table III and Table VI, we can see the top performing banks are relying more on societal expenses which helps them to realize the desired success in its business venture as compared to the non-top performing banks. Thus, we can infer that most of the top-performing banks have adopted societal expenditure as their route for success.

We have examined the t-test to know whether difference between

- 1) the mean of SE exist before and after 07 and
- 2) the ratio of Av. SE & Av. ME before and after 07.

1) Table V shows that the mean value of SE for the stated 21 banks before'07 is 22018.19, which has been increased to 39942.10 after'07, it indicates that the contribution towards societal expenditure by the banks has been increased after 07. The *p*-value is .001 which is significant at 5% (or 1%) level of significance. The test results show a t-statistic -3.677 with 20 degrees of freedom. Therefore, we reject the null hypothesis at 5% (or 1%) level of significance, which means a difference exists between the mean of SE before and after 07. So, somehow the direction of RBI is successful enough to make a statistically significant difference.

2) Again, Table VI shows that the value of Av. SE/ Av. ME for the stated 21 banks before'07 is 100.97, which has been decreased to 60.39 after'07, it indicates that the contribution towards marketing expenditure by the banks is higher than that of expenditure made towards social causes. The *p*-value is .004 which is significant at 5% (or 1%) level of significance. The test results show a t-statistic 3.241 with 20 degrees of freedom. Therefore, we reject the null hypothesis at 5% (or 1%) level of significance, which further signifies that there is a difference between Av. SE / Av. ME before and after 07. Further, it can be said that when compared with non-top performing banks, the top performing banks are more dependent on societal expenditure to consider it as an influencing factor towards profitability especially for the cases of private sector banks that are more conscious in achieving high financial performance while there might be some other factors which influence the profitability of the public sector banks like SBI, BOB, PNB, UBI, Allahabad Bank, IOB.

TABLE V: T-TEST RESULTS

	Mean of Av.SE 'before 07'(x ₁)	S.D of Av.SE' before 07'(x ₁)	Mean of Av.SE 'after 07'(x ₂)	S.D of Av.SE 'after 07'(x ₂)	Mean Difference= (x ₁ . x ₂)	S.D(Paired differences)	t-value	p-value
21 Banks	22018.19	30459.46	39942.10	50546.94	-17923.90	22338.44	-3.677	.001

TABLE VI: T-TEST RESULTS

	Mean of Av.SE/Av. ME 'before 07'(x ₁)	S.D of Av.SE/ Av. ME 'before 07'(x ₁)	Mean of Av.SE/ Av. ME 'after 07'(x ₂)	S.D of Av.SE/ Av. ME 'after 07'(x ₂)	Mean Difference=(x ₁ . x ₂)	S.D(Paired differences)	t-value	p-value
21 Banks	100.97	75.15	60.39	29.90	40.58	57.37	3.241	.004

VIII. CONCLUSION

In this competitive age those organizations can be able to survive which has focused on building a long term relationship with the customers. There are two different routes that are (i) traditional route where the only concern was to make profit based businesses by using traditional tools and (ii) an alternative route that makes profit by investing in societal causes. In the traditional route, company make profit by means of traditional ways of promotion like advertising, sales promotion, publicity, etc whereas with the use of alternative route, company can not only make profit but would be able to give back to the society for the use of its resources and in turn the members of the society is expected to remain loyal towards the company [35]. As we are targeting the members of the society, we see that they are attracted towards the brand which is having some societal causes or we can say the companies which show responsible behavior towards the society are in the priority list of the customer. Thus, company needs to engage itself in doing CSR related activities that will increase brand equity in the eyes of the customers. Since, the traditional method of promotion have continuously been used for a long period of time, and now-a-days customers are using various methods like Zipping, zapping etc for escaping the promotions made by the companies, the traditional technique has now become inapt to make impact on them[36]. So, it is the call of the hour to adopt an alternative route which will create multiplier effect by benefitting the society as well as the company itself. In our study, it is found that the top performing banks are showing noteworthy contribution towards social cause. We can also say that the firms which are doing financially well inculcate more societal expenditure when compared with non-top performers, the banks under non-top-performing category believe to spend more on marketing expenditure than that of societal expenditure. So, to cope with the changing demand of the customers it should take substantial steps in incorporating this said expenditure with the marketing expenditure so that they can be used together to stimulate profitability. In turn we can say that societal expenditure has in some way significant impact on the performance of the banks. Though, the study has further scope of research to understand the combining effect of the said expenditures to profitability in the banking sector.

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