

## TRIPLE BOTTOM LINE PRACTICES IN MNCS: EFFECTS ON CONSUMER TRUST, LOYALTY & BUYING BEHAVIOR

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### ABSTRACT

The Triple Bottom Line (TBL) approach emphasizes the balance of economic, social & environmental sustainability has increasingly gained traction among multinational corporations (MNCs). This research investigates the influence of TBL practices on consumer trust, loyalty and buying behaviour, using an analytical framework, the study explores how MNCs' adherence to TBL principles affects customer perceptions and behaviours across various sectors. A quantitative analysis is conducted through surveys and case studies to determine the correlation between TBL implementation and enhanced brand trust, customer retention and increased purchase intention. The findings suggest that strong environmental and social governance enhances consumer trust and loyalty, leading to more favourable purchasing decisions, while inconsistencies in TBL practices can undermine these effects.

**Keywords:** Triple Bottom Line (TBL), Multinational Corporations (MNCs), Consumer Trust, Brand Loyalty, Buying Behaviours

### INTRODUCTION

In today's global economy, multinational corporations (MNCs) are increasingly adopting the Triple Bottom Line (TBL) framework, which emphasizes economic, social and environmental sustainability. As consumers become more aware of ethical and environmental issues, they tend to favour brands that align with these values. TBL practices can significantly impact consumer trust, loyalty and buying behaviour, influencing their choices and brand loyalty. This paper explores how MNCs' TBL practices affect consumer perceptions,

examining the role of sustainability in shaping trust and loyalty. It offers insights into the business benefits of ethical practices in building competitive advantage.

### **OBJECTIVES OF THE STUDY**

- To evaluate the impact of TBL practices on consumer trust.
- To examine how TBL initiatives influence consumer loyalty.
- To assess the effect of TBL practices on consumer buying behaviour.
- To provide recommendations to enhance TBL practices for strengthening consumer trust, loyalty and buying behaviour.

### **LITERATURE REVIEW**

- Corporate Social Responsibility (CSR) has a very positive effect on corporate image. Customers use their understanding of CSR to further perceive the value and external image of the company. Corporations need to independently assume social responsibility because social responsibility activities play a key role in customers' comprehensive understanding of corporate image (*Zhang, Z.; Yang, Z., Gu, J., Kim, M. "How Does Multinational Corporations' CSR Influence Purchase Intention? The Role of Consumer Ethnocentrism and Consumer Ambivalence", 2023*)
- Organisations should continue to monitor and maintain a positive adoption and implementation of CSR which could reduce abrasion within the organisation. Establish a comprehensive system of environmental law and deliver for its implementation and review the suitability of legal, political and administrative controls concerning implementation and enforcement mechanisms (*Adepoju Ibrahim, Babatunde "An Assessment of the Triple Bottom Line Concept on CSR Effort in FMCG in Nigeria", 2019*)
- While purchasing a product of a company, consumers with a sense of responsibility make their choices by considering criteria such as the quality and price of the product, as well as how effective the company is in social issues. This is one of the most important factors that push businesses to CSR efforts (*Abdullah USLU , Halil Ibrahim, "The multiple mediation roles of trust and satisfaction in the effect of perceived corporate social responsibility on loyalty" 2021*)

- Social identity and social exchange mechanisms, which are hypothesized to intervene the relationship between CSR and customer loyalty, do not exist and do not act in parallel, but rather interrelate (*Niki Glaveli, "Corporate social responsibility toward stakeholders and customer loyalty: investigating the roles of trust and customer identification with the company"*)
- Building a positive environmental relationship on which the CSR concept is based will help to build stakeholder confidence as well as brand loyalty that is important (*Margareta Nadanyiova, Lubica Gajanova, "The impact of Corporate Social Responsibility on brand loyalty in the process of globalization", 2019*)

### **LIMITATIONS OF THE STUDY**

- Quantifying the direct impact of TBL practices on consumer behaviour can be complex and may require assumptions that could introduce errors.
- Difficulty in isolating TBL effects from other factors influencing consumer behaviour.
- Limited generalization due to variations in cultural and regional consumer perceptions.
- Potential for limited access to comprehensive data on MNCs' actual TBL practices.
- Rapidly changing market conditions could impact the relevance and timeliness of the findings.

### **RESEARCH METHODOLOGY**

**Sample size:** In this study sample consisted of 205 participants.

**Data collection tool:** An online questionnaire using Google Forms is developed and sent to the respondents for their responses.

**Statistical tool:** Karl Pearson Correlation and Regression Analysis are employed to measure the relationships between variables.

### **FORMULATION OF HYPOTHESES**

The following hypotheses are formed to test the thesis based on our scope of research

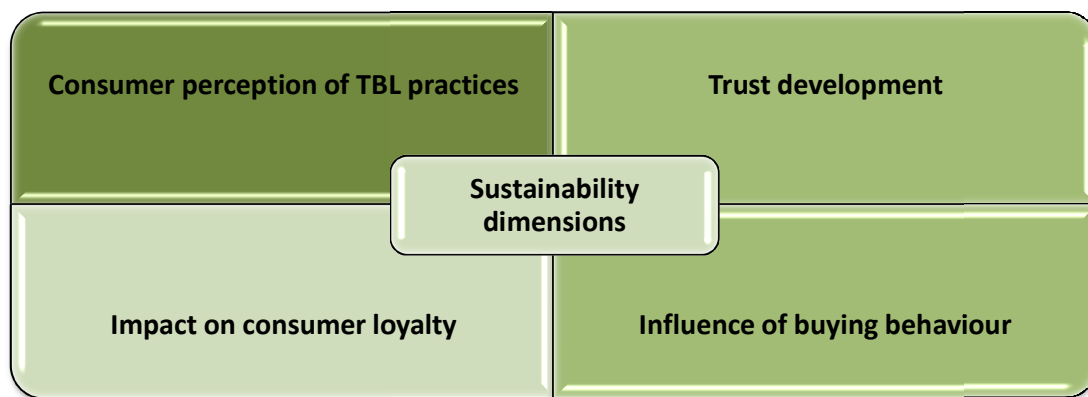
**H0<sub>1</sub>**: No significant correlation exists between seeking TBL information and brand loyalty.

**Ha<sub>1</sub>**: A significant positive correlation exists between seeking TBL information and brand loyalty.

**H0<sub>2</sub>**: No significant relationship exists between willingness to pay a premium for strong TBL practices and the importance of TBL compared to price and quality.

**Ha<sub>2</sub>**: A significant relationship exists between willingness to pay a premium for strong TBL practices and the importance of TBL compared to price and quality.

### CONCEPTUAL FRAMEWORK OF THE STUDY



### DATA ANALYSIS AND INTERPRETATION

#### Reliability Statistics

Cronbach's Alpha	N of Items
.866	11

#### INTERPRETATION ON STATISTICAL ANALYSIS:

The Cronbach's Alpha of .866 indicates a high level of internal consistency, meaning the items in the scale are reliably measuring the same underlying construct. With 11 items, this suggests that the scale is well-constructed for consistent responses.

**CORRELATION**

		seek out information about a company's TBL Practices before making a purchase	company's TBL efforts impact your loyalty to their brand
seek out information about a company's TBL Practices before making a purchase	Pearson Correlation Sig. (2-tailed) N	1  205	.421**  205
company's TBL efforts impact your loyalty to their brand	Pearson Correlation Sig. (2-tailed) N	.421**  205	1  205

**INTERPRETATION**

The correlation between seeking out information about a company's TBL practices before making a purchase and the impact of the company's TBL efforts on brand loyalty is positively correlated, with a Pearson Correlation of .421\*\*. This indicates that as the tendency to seek TBL information increases, so does the likelihood that TBL efforts impact brand loyalty.

**REGRESSION**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642 <sup>a</sup>	.412	.409	.77375

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	85.275	1	85.275	142.434	.000 <sup>a</sup>
	Residual	121.535	203	.599		
	Total	206.810	204			

- a. *Predictors: (Constant), how 4 are you to pay a premium for products from a company with strong TBL practices?*
- b. *Dependent Variable: how much weight do you give to TBL practices compared to other factors like price and quality?*

## **INTERPRETATION**

The regression analysis shows a positive relationship between a consumer's willingness to pay a premium for products from a company with strong TBL practices and the weight they give to TBL practices compared to other factors like price and quality. With an R value of .642, this indicates a moderately strong positive correlation. The ANOVA results show that the model is statistically significant ( $F = 142.434$ ,  $p = .000$ ), meaning the predictor variable significantly impacts the dependent variable.

## **FINDINGS**

- 28% of respondents are highly familiar with the triple bottom line (TBL); 32% are slightly familiar; 16% are not familiar at all.
- 22% never seek information about TBL practices before purchasing, while 34% always do.
- 26% are influenced by TBL efforts in terms of brand loyalty, 16% are not influenced.
- 38% have a neutral view of the positive perception of companies integrating environmental, social, and economic goals.
- 36% experience a strong influence of TBL practices on their trust in companies; 20% report no influence, and 20% report moderate influence.
- 44% perceive the quality of products or services from TBL companies as neutral.
- 32% give moderate importance to TBL practices compared to other factors; 18% assign no importance, and 30% assign significant importance.
- 36% are very willing to pay a premium for products from TBL companies; 32% are neutral; 12% are very unwilling.
- 30% view TBL companies as extremely innovative; 24% view them as moderately innovative.

- 36% have a neutral stance on the long-term sustainability of TBL companies; 30% view them as very sustainable.
- 36% are very likely to recommend TBL companies to others; 32% have a neutral stance.

## **SUGGESTIONS**

- Improve consumer understanding and familiarity with the TBL concept.
- Emphasize the impact of TBL practices on brand loyalty and trust in marketing materials.
- Showcase TBL-related achievements to enhance perceptions of product quality.
- Differentiate TBL practices from competitors to attract consumers who place high importance on TBL.
- Highlight the added value of TBL practices to leverage consumers' willingness to pay a premium.
- Promote TBL practices as indicators of innovation.
- Provide evidence of long-term sustainability to address neutral perceptions.
- Encourage positive word-of-mouth by incentivizing recommendations from satisfied customers.

## **CONCLUSIONS**

The findings reveal that while awareness and familiarity with TBL practices are mixed, a significant portion of consumers are influenced by TBL efforts in their brand loyalty, trust, and willingness to pay a premium. The positive correlation and regression results further indicate that consumers who value TBL practices are more likely to prioritize them over factors like price and quality. However, neutral perceptions on product quality, innovation, and long-term sustainability suggest areas for improvement. To capitalize on this, companies should enhance consumer understanding of TBL, emphasize its benefits in marketing, and differentiate their TBL efforts to strengthen brand loyalty and trust.

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