

## Do CSR Activities Create Value to Society? Customers' and Society's Perspectives

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### ABSTRACT

This paper examines whether corporate social responsibility (CSR) activities, as perceived by customers, promote companies' social performance (represented by subjective well-being (SWB) and perceived children's quality of life (QOL)) and business performance (represented by customer loyalty). This paper compares two indicators of social performance from customers' and society's perspectives. The survey is conducted in five cities in Indonesia: Jakarta, Padang, Surabaya, Makassar, and Kupang. The respondents are customers of three companies operating in Indonesia, Pertamina, Aqua-Danone, and Frisian Flag Indonesia, and people in the communities exposed to these companies' CSR activities. Total respondents numbered 600, consisting of 90 customers and 30 community members in each city. The data are analyzed with factor analysis, the multiple general linear model, and the t-independent test. The results show that different perceived motivations are generated by various CSR activities and take different paths to influence social and business performance. The implication of this study is that social activities increase business performance; therefore, companies must manage their CSR activities properly to strengthen their market position

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