



## **Muslim Consumer Response Towards CSR Focused Companies with Special Reference of Financial Impact on the Stock Value of the Companies**

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### **Abstract**

Social and societal marketing are the ways through which the company markets their product as per the consumer needs and demands and on the other hand spreads the message of their interest. On the other hand corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. The organizations set their budget to spend on the social & societal causes. In this research paper the concept of social and societal marketing is provided along with the concept of CSR linked with Quran verses and Ahadith in favor of charity. It is emphasized in the paper that Muslim consumers are responsive towards the companies which keenly participates in the public welfare work through CSR.

**Keywords:** Corporate Social Responsibility (CSR), Social marketing, Societal marketing, Quran, Ahadith, Charity

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## INTRODUCTION

There are two main marketing strategies through CSR by the companies one is social marketing and the other is societal marketing. The former is used by the companies to give specific welfare message to the consumers while other is used as a policy of marketing to increase profit as well. For instance a washing detergent company can market their product in two ways (i). The detergent company gives 1 rupee charity on every packet (ii). The new formula in detergent will save one liter of water in cleaning of clothes. The former is an example of social marketing while the later is the example of the societal marketing. On the other hand it is briefly described that the companies who are involved in CSR activities have high share prices as the Muslim consumer keen to invest in the company who performs more CSR activities.

In this paper, literature review of social marketing and societal marketing is provided, literature review is provided on the relation between share price and CSR.

Verses of Quran and Ahadith shareef are reproduced in the paper after selection which supports the charity i.e. concept of CSR in Muslim countries. The Islam stress on charity and public welfare A random survey of the brokerage houses have been conducted in Karachi which supported the version of the research, that the companies which performs CSR has high share prices in comparison with other companies which are not involved in CSR activities

## LITERATURE REVIEW

### Social Marketing

Study viewed that the marketing is used primarily use as a commercial discipline. Luck (1969) raises and objection that social is not a proper word instead of social, welfare is the proper word. (Luck 1974 and 1971). Actually, in 1969 he brings the idea that marking should not be restricted for the commercialization purpose Edson 1978 and 1972, and 2002 .Quarte and levy gives the idea that marketing can be used for the purpose of attaining the objectives of the company Quarter 1969 in the articles “broadening the concept of the marketing” discus furthers these issues. Luck 1969 continuously opposing the issue and suppressing the traditional version of the marketing.

Anderson 1996 El-ansart and Krmaer et al 1973 argued that social marketing can be used in many parameters which may increase the value of the product such family planning and safe driving campaigns may increase the value of the product. Social marketing is a larger idea then the advertising the Kotler said social marketing is designed and formulate the social idea for covering the planning, organization, and for the product. The cost of product is accept able for behavior sciences and socially implementation award the that knowledge allowance. Bloom and evely 1981 believes that social marketing and conventional marketing has common grounds and he proved this through graphs but each has own expand rules and skills. Fox all acknowledge the contribution in 1969. Wike and more 1969 acknowdges the idea of social marketing . Macfeedan and stead (1999) assures that lifestyle of the people can be changed through social marketing Aderson 1997 emphasis that social marketing can reduce health problems O, Shugency 1996 distinguish between social propaganda and social marketing according to him but are interchange able but crate the confusion. Actually both appear to synonymous to each other but the difference is that the propaganda a person is always convenience while in marketing were enhanced to be convenience. With the issue is controversial it is not propaganda which is marketing. Anderson 1997 drawn the line between social marketing and marketing. he also viewed that the social marketing is not synonymous in social

advertising. Branyat 2000 shows that the health department of the states is also involved in the social marketing activities to enhance the life style of the people

## **Societal Marketing**

The concept of the societal marketing is directly influence on the mindset of the customer for building the corporate image. The research model of the societal marketing began with the corporate social responsibility and creates the link with the corporate strategies of the companies. Such concept is linked with the company decision making process and considers the needs and wants of the customer on priority bases. Most of the companies recognized that the social activities among the stakeholders, financial community and customers. Kotler (2000).The societal marketing is not confused with the social marketing. This theory is emphasis on the organization at top level position to achieve the targets and deal with the ethics and environment policies with respect to the rules and regulations. (Iambin 1997). The emerging world issues such as poverty, population growth and shortage of resources bring the challenging situation of the societies and several social causes can be formulate by the social marketing. (Kotler 2000). It is an strategy to maximize the profit by way of helping the people (Greening and Turban 2000). The societal marketing definition:

Kotler 2000 page 25. The societal marketing is the way to enhances the consumer's and the society's well being by targeting needs and wants of the society,Societal marketing is the application of commercial marketing, planning, execution, and evaluation programs designed to influence the voluntary behavior of target audiences in order to improve their personal welfare and that of their society (Andreassen 1995 page 07.)Societal Marketing satisfy the customer by satisfying their needs . (Bednall and Kanuk 1997). No doubt profit as a major business motive and societal marketing concept advocates the profit but also stress on the fairness to the consumer and societies as well.

## **Corporate Social Responsibility and Financial Impact on the Companies**

Brammer, Brooks and Pavelin (2006) author created new relationship between corporate and social performance of the stock. Despite of using aggregate data they have used their own methodology to measure financial performances. This paper is indispensable, and it is a guide for my research study because it provides unique methodology and empirical evidence that can be applied to the study of U.S. companies. Wang (2011) Wang examined the impact of fulfilling corporate social responsibility on stock performance based on the Taiwan Stock Exchange for the time period of 2001-2009. In his research, he constructed a local CSR index based on socially responsible investment and corporate contributions to stakeholders. He constructed high, medium and low CSR portfolios based on the CSRI to examine short-run and long-run stock returns relative to market indices, value stocks, and growth stocks. This research made a conclusion that fulfilling corporate social responsibility has a significantly positive impact on stock performance. In addition, Wang suggested that a firm could not only serve as a good corporate citizen, but also pursue the growth of stockholder's wealth. This research provides some insights for my research analysis about whether companies could meet the ideal level of shareholder value, while in the meantime conduct corporate social responsibility. Flammer (2013) The author analyzed the effect of corporate social responsibility on corporations' stock prices, which mainly focused on "environmental" aspect. He made two hypotheses; first, shareholders react to the announcements of eco-friendly corporate initiatives in a positive manner. Second, shareholders react negatively to the announcements of ecoharmful corporate events. By conducting an event study for all U.S. publicly-traded corporations from 1980 to 2009 and focusing on their environment news, the author drew a conclusion that people do care about environmental information and thus help improve the competitiveness of corporations as evidenced by the shareholders' stock market reaction. Also, environmental CSR is a resource with decreasing marginal returns. However, the results in this article were only concerned with the short-

run stock market reaction. This paper is useful because the author narrowed down the large topic of corporate social responsibility to the environmental aspect and eco-friendly initiatives in studying stock returns of U.S. corporations. The analysis can be a good comparison of my hypothesis that Corporate Governance category actually has the significant influence on stock returns. Valerie (2014) Valerie examined the effect of corporate social responsibility and irresponsibility announcements on the stock returns of S&P 500 index during 2002-2012. The analysis comprised of short-term event study where the dates of news about CSR and CSI are utilized as the event dates, and long-term study that was assessed through double-sorting and multivariate regression with the sample size consisting of 304 companies. The shortterm study shown that news about CSR and CSI all yield a negative reaction from the shareholders, but that of CSI is stronger. The long-term study shown that the corporate social responsibility practices negatively impacts the stock returns in 2 years following their completion. This research study is useful because it has more comprehensive and detailed analysis of the study of corporate social responsibility and stock returns, including both short-term and long-term study. And it provides some guidance for my future studies. Vujicic (2015) The author presented an investigation of the relationship between corporate social responsibility (CSR) ratings and financial performance of U.S. firms in terms of stock returns based on the data over a two-year period beginning in 2002. In this research study, the author used some existing evidence and studies to introduce the relationship between the corporate social responsibility ratings and firms' financial performance. He also combined results and reached conclusions by comparing various indicators, including disaggregated social responsibility indicators, as well as overall CSR score. The author didn't utilize a new methodology to explore the relationship; instead, he closely followed that of Brammer et al (2006). He used the same set of CSR indicators of U.S. firms: Environment, Community and Employment. However, this paper is still helpful for getting an overview of the impact of different kinds of CSR indicators on stock returns, and providing insights for my regression model. In this study, the correlation between corporate social responsibility and stock returns will be tested. Some previous studies concluded that the corporate social responsibility performance has a positive influence on the stock returns, while others believed they are negatively correlated (See Chapter II – Literature Review). These supporting research papers help provide a basic understanding of this research field, and useful guidance for this research. Engaging in sustainability or corporate social responsibility activity is very costly for some companies if conducted improperly. On the one hand, it is likely to increase their costs, and thus reduce their profits as well as impair their financial performance. On the other hand, the adoption of corporate social responsibility may put their shareholders in an unfavorable position

Stock market is recognized as the body which is responsive of social as well as financial indicators (Orlitzky et al., 2003; Griffin and Mahon, 1997). Considers the profitability of firms in response of social deliverance Filbeck and Preece (2003) studies the best 100 companies working in USA, using data for period of 1987-1999 examine the information content of Fortune's annual "best 100 companies to work for in America" survey results, using data for the period 1987- 1999. And studied the relationship between social creditability of firm with financial performances by Antunovich and Laster (2000),collected the data from 1986-1993 of US firms and concluded that the firms which have high social values have strong abnormal positive returns while the firm which doesn't have social value have negative returns . Chung et al. (1999), have examined that there is a relationship between returns and rating of firms by Antunovich and Laster (2000). Therefore, the results of Chung et al. (1999)Examined the relation between SRI and profitability . Guerard (1997a)examined the results of social investments on screen and concluded positive relationship between SRI and returns . Kahn et al. Cox et al. (2004) and Graves and Waddock (1994) suggest, that there long term investors doesn't hold stock if firm lacks corporate social responsibility Rostow (1959), and

Friedman (1970), and opposed the concept of CSR as it take out's funds which may lead with hold the projects of the firm (McWilliams and Siegel, 2001). Using more recent data for 1990-98, Statman (2000) examines the trends social indexes Lydenberg and Domini (KLD), which is most quoted social index which provides the measurement of the screen funds . Hamilton et al. (1993), examined 32 companies which socially active in investments he observed 32 positive conclusion while 1 was negative Carhart (1997), Bauer et al. (2002) showed that German funds which are socially active doesn't not performed while the US funds outperformed. Salomon (2002) studies the link between CSR and funds return Merton's (1987) model of market segmentation. Angel and Rivoli (1997) and Heinkel et al. (2001) consider that the investor doesn't not invest in the firms which are cause of pollution

Moskowitz (1972) says that CSR refer to the activities which are not under legal compulsion Oliver (1924) says the essence of the concept of CSR is that the business communities should also take some responsibilities of the needs of the human beings with in the industry and out of industry. Carroll (1979) the most renowned scholar in this discipline introduced economic responsibilities, legal responsible, and philanthropic responsibilities. Russo (2010) found positive relationship between stock price and CSR. Hillman and keim (2001) found that relationship between CSR and financial performance is necessary because of the relationship between the stakeholders and the financial performance of the company Carroll and Hatified (1985) performed regression analysis to describe the relationship between the CSR and financial performance

## **Quran Versus in Support of Charity**

002.263

Kind words and the covering of faults are better than charity followed by injury. Allah is free of all wants, and He is Most-Forbearing.

002.264

“O ye who believe! cancel not your charity by reminders of your generosity or by injury,- like those who spend their substance to be seen of men, but believe neither in Allah nor in the Last Day. They are in parable like a hard, barren rock, on which is a little soil: on it falls heavy rain, which leaves it (Just) a bare stone. They will be able to do nothing with aught they have earned. And Allah guide not those who reject faith.”

002.270

“And whatever ye spend in charity or devotion, be sure Allah knows it all. But the wrong-doers have no helpers.”

Al Quran (002.271)

“If ye disclose (acts of) charity, even so it is well, but if ye conceal them, and make them reach those (really) in need, that is best for you: It will remove from you some of your (stains of) evil. And Allah is well acquainted with what ye do.”

Al Quran 002.273

“(Charity is) for those in need, who, in Allah's cause are restricted (from travel), and cannot move about in the land, seeking (For trade or work): the ignorant man thinks, because of their modesty, that they are free from want. Thou shalt know them by their (Unfailing) mark: They beg not importunately from all the sundry. And whatever of good ye give, be assured Allah knoweth it well.”

Al Quran 002.274

“Those who (in charity) spend of their goods by night and by day, in secret and in public, have their reward with their Lord: on them shall be no fear, nor shall they grieve.”

Al Quran 002.276

“Allah will deprive usury of all blessing, but will give increase for deeds of charity: For He loveth not creatures ungrateful and wicked.”

Al Quran 002.277

“Those who believe, and do deeds of righteousness, and establish regular prayers and regular charity, will have their reward with their Lord: on them shall be no fear, nor shall they grieve.”

Al Quran 002.280

“If the debtor is in a difficulty, grant him time Till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew.”

Al Quran 004.077

“Hast thou not turned Thy vision to those who were told to hold back their hands (from fight) but establish regular prayers and spend in regular charity? When (at length) the order for fighting was issued to them, behold! a section of them feared men as - or even more than - they should have feared Allah: They said: “Our Lord! Why hast Thou ordered us to fight? Wouldst Thou not Grant us respite to our (natural) term, near (enough)?” Say: “Short is the enjoyment of this world: the Hereafter is the best for those who do right: Never will ye be dealt with unjustly in the very least!”

Al Quran 004.114

“In most of their secret talks there is no good: But if one exhorts to a deed of charity or justice or conciliation between men, (Secrecy is permissible): To him who does this, seeking the good pleasure of Allah, We shall soon give a reward of the highest (value).”

Al Quran 004.162

“But those among them who are well-grounded in knowledge, and the believers, believe in what hath been revealed to thee and what was revealed before thee: And (especially) those who establish regular prayer and practise regular charity and believe in Allah and in the Last Day: To them shall We soon give a great reward.”

Al Quran 005.012

“Allah did aforetime take a covenant from the Children of Israel, and we appointed twelve captains among them. And Allah said: “I am with you: if ye (but) establish regular prayers, practise regular charity, believe in my messengers, honour and assist them, and loan to Allah a beautiful loan, verily I will wipe out from you your evils, and admit you to gardens with rivers flowing beneath; but if any of you, after this, resisteth faith, he hath truly wandered from the path or rectitude.”

Al Quran 005.045

“We ordained therein for them: “Life for life, eye for eye, nose or nose, ear for ear, tooth for tooth, and wounds equal for equal.” But if any one remits the retaliation by way of charity, it is an act of atonement for himself. And if any fail to judge by (the light of) what Allah hath revealed, they are (No better than) wrong-doers.”

Al Quran 005.055

“Your (real) friends are (no less than) Allah, His Messenger, and the (fellowship of) believers,- those who establish regular prayers and regular charity, and they bow down humbly (in worship).”

Al Quran 007.156

“And ordain for us that which is good, in this life and in the Hereafter: for we have turned unto Thee.” He said: “With My punishment I visit whom I will; but My mercy extendeth to all things. That (mercy) I shall ordain for those who do right, and practise regular charity, and those who believe in Our signs”

Al Quran 009.005

“But when the forbidden months are past, then fight and slay the Pagans wherever ye find them, an seize them, beleaguer them, and lie in wait for them in every stratagem (of war); but if they repent, and establish regular prayers and practise regular charity, then open the way for them: for Allah is Oft-forgiving, Most Merciful.”

Al Quran 009.011

“But (even so), if they repent, establish regular prayers, and practise regular charity,- they are your brethren in Faith: (thus) do We explain the Signs in detail, for those who understand.”

Al Quran 009.018

“The mosques of Allah shall be visited and maintained by such as believe in Allah and the Last Day, establish regular prayers, and practise regular charity, and fear none (at all) except Allah. It is they who are expected to be on true guidance.”

Al Quran 009.071

“The Believers, men and women, are protectors one of another: they enjoin what is just, and forbid what is evil: they observe regular prayers, practise regular charity, and obey Allah and His Messenger. On them will Allah pour His mercy: for Allah is Exalted in power, Wise.”

Al Quran 009.075

“Amongst them are men who made a covenant with Allah, that if He bestowed on them of His bounty, they would give (largely) in charity, and be truly amongst those who are righteous.”

Al Quran 009.079

“Those who slander such of the believers as give themselves freely to (deeds of) charity, as well as such as can find nothing to give except the fruits of their labour,- and throw ridicule on them,- Allah will throw back their ridicule on them: and they shall have a grievous penalty.”

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Al Quran 009.104

“Know they not that Allah doth accept repentance from His votaries and receives their gifts of charity, and that Allah is verily He, the Oft-Returning, Most Merciful?”

Al Quran 012.088

“Then, when they came (back) into (Joseph’s) presence they said: “O exalted one! distress has seized us and our family: we have (now) brought but scanty capital: so pay us full measure, (we pray thee), and treat it as charity to us: for Allah doth reward the charitable.”

Al Quran 014.031

“Speak to my servants who have believed, that they may establish regular prayers, and spend (in charity) out of the sustenance we have given them, secretly and openly, before the coming of a Day in which there will be neither mutual bargaining nor befriending.”

Al Quran 019.031

“And He hath made me blessed wheresoever I be, and hath enjoined on me Prayer and Charity as long as I live;”

Al Quran 019.032

“(He) hath made me kind to my mother, and not overbearing or miserable;”

019.033

“So peace is on me the day I was born, the day that I die, and the day that I shall be raised up to life (again)!”

Al Quran 019.055

“He used to enjoin on his people Prayer and Charity, and he was most acceptable in the sight of his Lord.”

Al Quran 021.073

“And We made them leaders, guiding (men) by Our Command, and We sent them inspiration to do good deeds, to establish regular prayers, and to practise regular charity; and they constantly served Us (and Us only).”

Al Quran 022.035

“To those whose hearts when Allah is mentioned, are filled with fear, who show patient perseverance over their afflictions, keep up regular prayer, and spend (in charity) out of what We have bestowed upon them.”

Al Quran 022.041

“(They are) those who, if We establish them in the land, establish regular prayer and give regular charity, enjoin the right and forbid wrong: with Allah rests the end (and decision) of (all) affairs.”

Al Quran 022.078

“And strive in His cause as ye ought to strive, (with sincerity and under discipline). He has chosen you, and has imposed no difficulties on you in religion; it is the cult of your father Abraham. It is He Who has named you Muslims, both before and in this (Revelation) that the Messenger may be a witness for you, and ye be witnesses for mankind! So establish regular Prayer, give regular Charity, and hold fast to Allah! He is your Protector - the Best to protect and the Best to help!”

### **Ahadith Shareef in Support of Charity**

“The Prophet Muhammad (peace be upon him) once had several coins that he asked his wife to distribute in charity. But due to the Prophet’s illness at the time, she did not have an opportunity to give out the coins. When the Prophet learned of this, he asked for the coins, placed them in his hand, and then said: “What would God’s Prophet think if he were to meet God, who is Great and Glorious, while (still) possessing these?” - Al-Tirmidhi, Hadith 586

“The Prophet also said: “Give charity without delay, for it stands in the way of calamity.” - Al-Tirmidhi, Hadith 589



“The Prophet Muhammad (peace be upon him) said: “The believer’s shade on the Day of Resurrection will be his charity.” - Al-Tirmidhi, Hadith 604

“The Prophet also said: “Every act of goodness is charity.” - Sahih Muslim, Hadith 496”

“The Prophet Muhammad (peace be upon him) said: “Every Muslim has to give in charity.” The people then asked: “(But what) if someone has nothing to give, what should he do?” The Prophet replied: “He should work with his hands and benefit himself and also give in charity (from what he earns).” The people further asked: “If he cannot find even that?” He replied: “He should help the needy who appeal for help.” Then the people asked: “If he cannot do (even) that?” The Prophet said finally: “Then he should perform good deeds and keep away from evil deeds, and that will be regarded as charitable deeds.” - Sahih Al-Bukhari, Volume 2, Hadith 524”

“The Prophet Muhammad (peace be upon him) said: “Charity is prescribed for each descendant of Adam every day the sun rises.” He was then asked: “From what do we give charity every day?” The Prophet answered: “The doors of goodness are many...enjoining good, forbidding evil, removing harm from the road, listening to the deaf, leading the blind, guiding one to the object of his need, hurrying with the strength of one’s legs to one in sorrow who is asking for help, and supporting the feeble with the strength of one’s arms--all of these are charity prescribed for you.” He also said: “Your smile for your brother is charity.” - Fiqh-us-Sunnah, Volume 3, Number 98”

“The Prophet Muhammad (peace be upon him) said: “Shall I guide you to the best (form of) charity? It is to provide for your daughter when she (returns) to you (because of divorce or other circumstances) and has no one but you to provide for her.” - Al-Tirmidhi, Hadith 1296”

“Spend (in charity) out of the sustenance that We have bestowed on you before that time when death will come to someone, and he shall say: “O my Lord! If only you would grant me reprieve for a little while, then I would give in charity, and be among the righteous.” - The Holy Quran, 63:10”

“The Prophet Muhammad (peace be upon him) said: “Save yourself from hellfire by giving even half a date-fruit in charity.” - Sahih Al-Bukhari, Volume 2, Hadith 498”

“A man once said to the Prophet Muhammad (peace be upon him): “I have plenty of property, a large family, a great deal of money, and I am a gracious host to my guests. Tell me how to conduct my life and how to spend (my money).” The Prophet replied: “Give (regular charity) out of your property, for truly it is a purifier, and be kind to your relatives and acknowledge the rights of the poor, neighbors and (those in need who seek your help).” - Fiqh-us-Sunnah, Volume 3, Number 3”

“The Prophet Muhammad (peace be upon him) said: “If I had (a mountain of) gold, I would love that, before three days had passed, not a single (coin) thereof remained with me if I found somebody to accept it (as charity), excluding some amount that I would keep for the payment of my debts.” - Sahih Al-Bukhari, Volume 9, Hadith.

## Research Design

A random sample of 45 Respondent (stock brokers) covered for this survey. Face to face data interview taken through pre-structured close ended questionnaire the ratio of male/ female was 34:13. Respondent’s age was between 30 to 55 years. Education of respondents at least inter and above. All the respondent was Muslims.

A questioner was put forward with the following hypothesis and questionnaire

H1: Muslim believes in the principle and participating in the welfare of the society.

Q: Do you believe in the principles of the welfare of the society

Q: Do you participate in the welfare of the society

H2: Muslim spend of certain percentage of their earning in the betterment of poor people of the society

• Do you spend certain of your earnings towards betterment of the poor people

H3: Companies involve in the activities related with the betterment of the society are consider

reliable

- Do you appreciate the companies involved in the betterment and welfare of the poor people through putting donations in various welfare projects
- Do you ever considered the companies of a consumer goods on the basis that they are working only for profit or they have any clear recreation towards betterment of the society

H4: Companies can enhance stock value by putting significant No of investment on the welfare scheme of society

- Do you prefer to buy the stocks of the companies who are promoting welfare activities in the society

Findings

H1: Muslim believes in the principle and participating in the welfare of the society

Q: Do you believe in the principles of the welfare of the society

Q: Do you participate in the welfare of the society

41(91.1%) out of 45 respondents believe in the principles of the welfare of the society. 38 (84.4%) also participated in the welfare of the society. Significant test applied on both separately and both was significant

Therefore hypothesis Muslim believes in the principle and participating in the welfare of the society is accepted

H2: Muslim spend of certain percentage of their earning in the betterment of poor people of the society

- Do you spend certain of your earnings towards betterment of the poor people

27(60%) out of 45 spend certain of your earnings towards betterment of the poor people

Therefore this hypothesis is also accepted that Muslims spend certain percentage of their earning in the betterment of poor people of the society

H3: Companies involve in the activities related with the betterment of the society are consider reliable

- Do you appreciate the companies involved in the betterment and welfare of the poor people through putting donations in various welfare projects
- Do you ever considered the companies of a consumer goods on the basis that they are working only for profit or they have any clear recreation towards betterment of the society

43(95.6%) out of 45 respondents appreciate the companies involved in the betterment and welfare of the poor people through putting donations in various welfare projects.42 (93.3%) have considered ever the companies of a consumer goods on the basis that they are working only for profit or they have any clear recreation towards betterment of the society. its means that they considered reliable to that companies which involve in the activities related with the betterment of the society

Therefore hypothesis accepted thatCompanies involve in the activities related with the betterment of the society are consider reliable

H4: Companies can enhance stock value by putting significant No of investment on the welfare scheme of society

- Do you prefer to buy the stocks of the companies who are promoting welfare activities in the society

41(91.1%) out of 45 respondents said that they prefer to buy the stocks of the companies who are promoting welfare activities in the society. so that companies is required to enhance their stock value but adding programs for society welfare and putting significant No of investment on the welfare scheme of society

**Table 1.**

|   | Count             | Column N % |       |
|---|-------------------|------------|-------|
| Do you believe in the principles of the welfare of the society  | yes               | 41         | 91.1% |
|   | No                | 4          | 8.9%  |
| Do you participate in the welfare of the society  | yes               | 38         | 84.4% |
|   | No                | 7          | 15.6% |
| Do you spend certain of your earnings towards betterment of the poor people   | Spend             | 27         | 60.0% |
|   | No                | 18         | 40.0% |
| Do you appreciate the companies involved in the betterment and welfare of the poor people through putting donations in various welfare projects                                 | yes               | 43         | 95.6% |
|   | No                | 2          | 4.4%  |
| Do you ever considered the companies of a consumer goods on the basis that they are working only for profit or they have any clear recreation towards betterment of the society | yes               | 42         | 93.3% |
|   | No                | 3          | 6.7%  |
| Do you prefer to buy the stocks of the companies who are promoting welfare activities in the society  | yes               | 41         | 91.1% |
|   | No                | 4          | 8.9%  |
| Age   | 35-50             | 32         | 71.1% |
|   | 50 above          | 13         | 28.9% |
| Gender  | Male              | 33         | 73.3% |
|   | Female            | 12         | 26.7% |
| Education   | bellow graduation | 4          | 8.9%  |
|   | graduation        | 26         | 57.8% |
|   | Above graduation  | 15         | 33.3% |
| Occupation  | own Business      | 12         | 26.7% |
|   | Employed          | 33         | 73.3% |

Therefore hypothesis that Companies can enhance stock value by putting significant No of investment on the welfare scheme of society is accepted

## CONCLUSION

The social and societal marketing are the options through which the company can make their strategy to sale their products in alliance with the welfare of the public, it is noted that consumers especially Muslim consumers purchases the product of the company which is active in the CSR activities, as welfare of the people is emphasized by the Quran which is holy book of Muslim and a complete code of life and various ahadith also stresses upon the welfare of people specially through charity. The Imam Malik and Imam Abu Hanifa has also given top priority to welfare of Ummah ( Masalae-Mursala and Isthisan). In this paper the concept of CSR, social & societal marketing is provided furthermore studies are also provided which shows that the share price of the companies has positive impact on price who are actively involve in CSR Activities.

Verses of Quran and various Ahadith are also quoted in favor of public welfare the same is the part of the religion and a research study has been conducted through a random survey. On leading stock brokerage firms, questions in support of buying behavior were put forward which has proven that the companies which performs CSR have higher share prices from the companies which are not involved in CSR.

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