

Consumers' responses to CSR activities: The linkage between increased awareness and purchase intention

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1. Introduction

Over the past decade, we have witnessed the gradual development of a stream of research into how corporate social responsibility may help a firm and its products and services to consumers (Maignan, 2001). This research trend has flourished as the marketing potential of corporate responsibility initiatives, including corporate environmentalism, corporate citizenship, and corporate sustainability, has developed (Drumwright, 1994; Lee, 2009; Menon & Menon, 1997; Wigley, 2008).

However, previous studies mainly focused on limited aspects of corporate social responsibility, such as community involvement or corporate giving or have considered corporate social responsibility (CSR) in general without inquiring into consumers' understanding of this notion. As Sen and Bhattacharya (2001) pointed out, there is little known about the effects of CSR activities on consumers despite increasing emphasis on CSR in the marketplace.

In addition, the concept of corporate social responsibility and most empirical works on this topic originated from Anglo-Saxon countries—mainly the U.S. and the U.K (Maignan, 2001; Matten & Moon, 2004). Given the international scope of corporate activities today, it is important for businesses and society to know whether corporate social responsibilities are perceived in the same manner for other country contexts. Thus, this paper aims to examine the relationship between consumers' awareness of CSR activities and their purchase intentions.

2. Methods

This study was conducted in the period between the 1st October and 31st October 2008. A randomly selected sample of 250 South Korean consumers participated in this study. A total of 250 questionnaires were distributed and 233 were returned. Eighteen questionnaires were not fully answered and were thus excluded from the analysis. Thus, a total of 215 samples, constituting a 86% returned ratio, were applied in this study. The average age of the respondents in this sample was 39 (mean = 39, minimum = 18, maximum = 64). 50.7% of the sample was female (N = 109). Among the respondents, 22.3% graduated high school, 54.9% received university education, and 22.8% were university graduates or above.

For research instrument, we developed measures of (1) consumers' awareness of corporate social responsibility activities and (2) consumers' purchase intention, respectively. For the measurement items of consumers' awareness of CSR activities (M = 4.92, S.D. = 1.34, α = .91), we adopted the five items from Maignan (2001) and added four items. A total of nine items were thus employed with a 7-point Likert scale ranging from 1 (not at all) to 7 (extremely well). The nine items include local economic development, consumer

protection, social welfare, donations, education, environmental protection, culture activities, local community development, and local community involvement. For analysis purposes, we categorized the items of corporate social responsibility activities as follows: (1) corporate social contribution (local economic development, consumer protection, social welfare, donations, and education), corporate environmental contribution (environmental protection), and corporate local community contribution (culture activities, local community development and local community involvement). For a reliability test, Cronbach's alpha was applied and the range of the alpha value was from .87 to .94. For the measurement items of consumers' purchase intentions ($M = 4.82$, $S.D. = 1.35$, $\alpha = .94$), we adopted the five items from Maignan's work with a 7-point Likert scale ranging from 1 (definitely would not) to 7 (definitely would). The following is an example of one of the developed items: 'I would purchase products from a socially responsible company'.

3. Results

The aim of this research is to test the relationship between consumers' awareness of CSR activities and their purchase intentions. The study analysis revealed that there is a positive relationship between the consumers' awareness of CSR activities and consumers' purchase intentions ($t = 13.61$, $df = 213$, $p < .001$). Among corporate social responsibility activities, corporate social contributions ($t = 6.53$, $df = 213$, $p < .001$) and local community contribution ($t = 3.53$, $df = 213$, $p < .001$) significantly influenced consumers' purchase intentions while corporate environmental contribution ($t = -.49$, $df = 213$, $p < .001$) did not significantly influence consumers' purchase intentions.

4. Discussion

Prior CSR research in the field of marketing and public relations suggests that CSR activities in certain CSR domains (e.g., environmental protection, local community involvement) may have a direct effect on consumers' purchase intentions, and consumer awareness of these activities may also affect purchase intention. This study found that consumers' awareness of CSR activities and their purchase intentions are linked positively. Interestingly, a higher awareness level of corporate social contribution and local community contribution, as CSR activities, had more positive effects on consumers' purchase intentions. This implies that consumers seek "good" CSR activities, and they intend to buy products from "good" companies. Interestingly, CSR activities in the form of corporate environmental contribution had little effect on consumers' purchase intentions. This has also important implications for managers. Specifically, corporate environmental contributions are less recognized by consumers. While the cause of consumers' lack of awareness of corporate environmental contribution activities was not determined, the findings of the present study indicate that the outcomes of corporate environmental activities were not adequately delivered to consumers. Thus, managers seek more efficient and effective communication tools for consumers.

More importantly, this study revealed that consumers' understanding of CSR activities affects their purchase intentions. Thus, it is worthwhile to explore a broader range of CSR dimensions and activities, and to investigate the relationship between consumers' awareness of CSR activities and their buying behavior. In addition, given

the international scope of corporate activities today, it is important for many businesses to understand whether CSR activities are perceived in the same manner across borders.

5. Conclusion

Several future research directions can be taken given the limitations of this research. The present research focused on consumers' awareness and purchase intentions to support responsible businesses, but did not establish any link between intent and behavior. Accordingly, further research may first determine to what extent consumers are aware of CSR dimensions and activities of a set of corporations in different countries. In the marketplace, consumers are highly likely to encounter multiple-sourced CSR-related information in different domains simultaneously. Thus, future research investigating multiple exposure effects in consumers' responses to CSR activities would add validity and generalizability to our findings.

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