



## **CORPORATE SOCIAL RESPONSIBILITY AND PURCHASE INTENTION**

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### **ABSTRACT**

The influence of Corporate Social Responsibility (CSR) on consumers' attitude and behaviours has gained popularity from researchers since the late 1990s. Consumers become increasingly conscious and their consumption decisions are dependent on the social responsibilities of the companies. CSR is defined as a firm's business operation for social and environmental concerns by delivering economic, social and environmental benefits (Triple-Bottom-Line-Approach) for all shareholders and stakeholders. In essence, CSR can create a source of competitive advantage for firms. However, studies on the effect of CSR on consumer purchase intention are still limited in Malaysia. As such, this paper aims to review the concept of CSR and its impact on purchase intention.

**Key words: Corporate social responsibility, Purchase intention, Malaysia**

### **INTRODUCTION**

Modern CSR has been captioned under many names, such as corporate responsibility, corporate giving, corporate citizenship, corporate community involvement, corporate philanthropy, corporate social marketing, community affairs, community relations, community development and global citizenship (Dodd, 2009). In fact, there is no universal definition of CSR due to its varying practices. The United Nations Industrial Development Organization (UNIDO) defined CSR as a firm's business operation for social and environmental concerns by delivering economic, social and environmental benefits (Triple-Bottom-Line-Approach) for all shareholders and stakeholders (UNIDO, 2018). However, Holmes and Watts (2000) defined CSR on behalf on The World Business Council for Sustainable Development (WBCSD) as companies behave ethically towards sustainable economic development and enhance the life quality of employees, their families, the local community and society at large. Therefore, many studies attempt to provide an overarching definition of CSR in order to guide corporations for societal norms requirements and financial returns. According to Smith (2011), CSR is a business approach that contributes wealth to its stakeholders through the integration of environmental and social wellbeing.

Dahlsrud (2006) analysed 37 definitions of CSR and found that the CSR definitions are categorised into five dimensions: environmental, social, economic, stakeholder and voluntariness. Clearly, the definition from UNIDO (2018) covers these five dimensions.

The influence of Corporate Social Responsibility (CSR) on consumers' attitude and behaviours has gained popularity from researchers since the late 1990s (Xu, Yu and He, 2013). Consumers become increasingly conscious and their consumption decisions are dependent on the social responsibilities of the companies. According to a survey by Nielsen (2013), ethical consumerism is growing and half of the respondents indicated that they were willing to pay more for companies committed to social responsibility. As highlighted by Ha-Brookshire and Norum (2011), more than half of the respondents were willing to pay a premium for socially responsible products including organic cotton, sustainable cotton, and US-grown cotton shirts. In essence, CSR can create a source of competitive advantage for firms (Saeed and Arshad, 2012). However, studies on the effect of CSR on consumer purchase intention are still limited in Malaysia. As such, this paper aims to review the concept of CSR and its impact on purchase intention.

## **LITERATURE REVIEW**

Purchase intention is defined as the plan to purchase a product or service in the future and many studies show that CSR positively influences consumer attitudes and buying intention. For examples, Balcova (2012) found that purchase intentions are positively related to CSR awareness and the willingness to pay premium price for CSR-based products/services. In support, Huang et al. (2014), Jin and Chen (2014), Anim and Cudjoe (2015) and Ferreira and Ribeiro (2017), Singh and Malla (2017) highlighted that CSR has a direct impact on consumers' purchase intention.

However, many studies examine the intervening mechanism between CSR and consumer purchase intention. The mediating variables include consumer support for responsible business (Mulaessa and Wang, 2017), trust (Kaur, 2013; Xu et al., 2013; Butt, 2016), and corporate competencies (Xu et al., 2013), perceived quality and attitude toward the brand (Wongpitch et al., 2016), corporate loyalty, advocacy, and a better quality of life among consumers (Amoroso and Roman, 2015), consumer corporate identity (Jin and Chen, 2014), corporate image (Huang et al., 2014) and support intention (Abdeen, Rajah and Gaur, 2016). On the other hand, Ferreira and Ribeiro (2017) found that country of origin moderates the relationship between CSR and purchase intention.

## **CONCLUSION**

Based on the literature review, CSR is one of the determining factors for consumers' purchase intention. Evidently, firms need to achieve a balance of economic, environmental and social imperatives in order to enhance consumers' actual buying behaviour. This is because profit of a firm is made by sales of products or services. Furthermore, the conscious consumer is on the rise to support companies with sense of responsibility towards the community and environment. Therefore, it is important to recognise the significant impact of CSR on consumers' purchase intentions.

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