

## **Young Adult Malaysian Consumers' Attitude and Purchase Intentions of CSR Supported Grocery Brands**

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### **ABSTRACT**

Environment and people considerations have become a major focus of business organizations in Malaysia and around the world. Both considerations fall under the new corporate social responsibility (CSR) catchphrase – People, Planet and Profits. CSR is concerned with business responsibilities beyond profit-maximisation (Dodd & Supa, 2011). The main purpose of this study is to evaluate the relationship between young adult Malaysian consumers' purchase intention and an organization's involvement in CSR programs. The study predicts that a positive association exists between an organization's involvement in CSR programs and consumer purchase intention (Dodd & Supa, 2011) and that consumers are more likely to purchase an organization's product if that organization is involved in socially responsible practices (Sen & Bhattacharya, 2001). Mohr, Webb and Harris's (2001) research indicated a significant relationship between CSR and consumer response. According to Pomeroy and Dolnicar (2008) consumers expect corporations to provide information on their CSR initiatives so as to enable them to support such organizations. As society becomes more affluent, consumers tend to focus on socially responsible activities undertaken by organizations and this has a definite influence on their purchase behaviour. Findings revealed that young Malaysian consumers were CSR centric and had a positive attitude towards organizations practising CSR. All three independent variables of attitude, subjective norm and behavioural control were positively correlated to consumer intentions to purchase CSR supported grocery brand. The findings also revealed that CSR knowledge among young, adult consumers was poor, and this moderated their socially responsible purchase behaviour. This implied that frequent CSR corporate communications can foster CSR centricity among young adult Malaysian consumers which benefits both the corporations and consumers.

**Keywords:** CSR centricity, attitude, corporate communications, subjective norm, perceived behavioural control

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## 1. INTRODUCTION

Environment and people considerations have become a major focus of business organizations in Malaysia and around the world. Both considerations fall under the new corporate social responsibility (CSR) catchphrase – People, Planet and Profits. CSR is concerned with business responsibilities beyond profit-maximisation (Dodd & Supa, 2011). According to Green and Peloza (2011) the proposition that CSR delivers value to consumers has been well supported in several research studies. Businesses who ignore this proposition will probably find themselves at a disadvantage, not just because their competitors are doing it, but also because, their stakeholders are demanding it. CSR is not a bandwagon phenomenon as proven by several local researchers namely, Mohamad and Saadiatul (2002) and Ramasamy and Hung (2004). Corporate Malaysia has moved from the simplistic after-profit philanthropic considerations in the 1970's to sustainability strategies which have long-term positive impact on the bottom-line, environment and community (Chamhuri & Siti, 2009).

At the international level one-in-three (31%) global consumers believe businesses should align with social and environmental issues and nine out of 10 want them to operate beyond the legal requirements (The Cone Communications/Echo Global CSR Study, 2013). In the same study, 96% of the global consumers reported a positive image of the company involved in CSR, 94% would trust that company, and 93% would be loyal to that company.

Several studies and surveys have shown clear evidence of consumers strongly believing in CSR initiatives and willing to place their trust and loyalty in companies involved in CSR. The key question is: to what extent did consumers actually translate their CSR beliefs into actual purchase behaviour? In line with this, the main purpose of this study is to evaluate the relationship between consumers' purchase intentions and organizations' involvement in socially responsible programmes based on the Theory of Planned Behaviour. In addition to this, the study also aims to explore whether the often mentioned 'attitude-behaviour' gap mentioned in several CSR research such as in

Beckmann (2007), Deng (2011) and Knox, Maklan and Frech (2005) also applied to this research. The attitude-behaviour gap refers to the mismatch between consumer CSR awareness and actual purchase-decision.

### 1.1 Research Objective and Research Questions

1. To determine if young adult Malaysian consumers are CSR centric.
2. To determine the attitude of young adult Malaysian consumers towards organizations that practice CSR.
3. To determine the strongest predictor of intentions to purchase CSR supported grocery brand.
4. To determine if young adult Malaysians are willing to switch to products which support CSR.

5. To determine if young adult Malaysians are aware of CSR activities undertaken by Malaysian companies.

Based on the research objectives, the following research questions were formulated to guide this research:

- RQ1: Are young adult Malaysian consumers CSR centric?
- RQ2: What are young Malaysian consumers' attitudes towards organizations practising CSR?
- RQ3: What is the strongest predictor of intentions to purchase CSR supported grocery brands?
- RQ4: Are young adult Malaysian consumers willing to switch to products that support CSR activities?
- RQ5: Are young adult Malaysians aware of CSR activities undertaken by Malaysian companies?

### 1.2 Significance of the Study

This paper would contribute to the formation of theoretical development and research into CSR centricity and its link to attitude and purchase intention of CSR supported grocery brands and to establish if corporate communication is a critical factor in fostering CSR centricity. Implications for the development and execution of better strategies for companies when engaging in CSR activities coupled with corporate communication initiatives can be ascertained. Dodd and Supa (2011) have clearly expressed the importance to recognize the relationship between consumers' purchase intention and an organization's involvement in CSR activities as a strategic function of corporate communication. This study is about modelling consumer behaviour, a practical and popular model for this research is the Planned Behaviour Model (TPB) introduced by Ajzen (1991), and this model which explains behaviour based on the interplay of several variables namely attitude, subjective norm, perceived behavioural control and behavioural intentions. There are several researches on consumerism and ethical consumer consumption but thus far no study has been undertaken to study consumer centricity and purchase intentions in response to corporate CSR engagements using the TPB model.

## 2. LITERATURE REVIEW

### 2.1 Business Imperatives

Davis Iron Law of responsibility states that those who do not take responsibility for their power ultimately shall lose it (Philip, 2002). This implies that business success will only be sustained if there is a supportive operating environment. Companies who understand and are understood by the surrounding communities gain what is precisely termed as 'license to operate'. The CEO of BP Malaysia Datuk Peter Wenworth described 'license to operate' as cooperation with others (The Edge and ACCA Malaysia, 2006). This license to operate according to him is not a threat but an opportunity to build mutually beneficial relationships through programmes that fit with the communities values (shared value creation). Consumers have also become more discerning and conscious of the things they purchase, in particular eco-friendly products (Tay, 2008). According to Smith and Langford

(2009) the bulk of research on CSR implied commercial benefits such as enhanced corporate reputation, improved productivity, strengthened shareholder confidence and competitive advantage through differentiation. Cogan (2006) added that shareholders and financial analysts are assigning greater value to companies that prepare for, and capitalise on, CSR opportunities.

According to Bhattacharya and Sen (2004) a positive link between consumer outcomes and CSR has also contributed in justifying a business case for CSR activities. Several research on consumer response inclusive of customer acquisition and purchase intention has shown significant consumer support for organizations and products committed to CSR plans, among them are Klien and Dawar (2004), Maignan (2001) and Mohr and Webb (2005). Mohr, Webb and Harris (2001) interviewed 48 respondents to study their attitude toward business in general and toward socially responsible companies. The research showed that at least some of the motivation for a company being socially responsible is to help others, but they recognize that companies see CSR contributing to their own self-interest as well. A number of other researchers have shown that consumers react strongly to negative CSR which implied the need for businesses to be responsible despite the fact that the response to positive CSR was moderate (Smith & Langford, 2009). In a local study on the response to negative CSR, 90.4% of Malaysian consumers were less confident of buying food and beverage brands from China which were reported to be dangerous for consumption (Thinavan & Chong, 2009). According to the 2013 Cone Communications/Echo Global CSR study 26% of the global consumers were willing to share negative corporate information. Alternatively organizations that involve in CSR activities can reduce impact of negative corporate crisis which involve expensive litigation or aggressive product boycotts (Shrivastava, 1995). This cushioning effect or risk-reduction view although recognised as beneficial to businesses but quantifying it will be difficult (Thompson & Driver, 2005).

More and more organizations are devoting substantial resources toward CSR efforts to reap multifaceted returns from such endeavours (Du, Bhattacharya & Sen, 2010), and studies show a likelihood of brand switching (assuming price and quality being equal) in support of a good cause undertaken by such organizations. Du et al. (2010) are of the view that good corporate citizenship can foster consumer loyalty and even provide resilience to negative company news. As such, engaging in CSR activities provide both protection and business rewards. Sen and Bhattacharya (2001) also found in their study that CSR activities led customers to buy products, seek employment and even invest in such CSR centric organizations.

## **2.2 CSR Centrality**

Consumers are not only economic beings but also are members of a community. This implies that consumers do evaluate whether corporate activities are in congruence with the welfare of the community. Consequently the consumers will be willing to offer their support to socially responsible companies (Bhattacharya, Rao & Glyn, 1995). Webster (1975) described such consumers as

socially conscious consumers who will take note of the consequences of their consumption pattern which would than invariably impact upon their purchase intentions. Consumers who take into account the public consequences of their private consumption or attempt to use their purchasing power to trigger social change are described by Mohr, Webb and Harris (2001) as exhibiting socially responsible consumer behaviour (SRCB). A CSR centric consumer is expected to exhibit SRCB behaviour when making purchasing decisions.

A review of previous research concluded that a substantial, viable and identifiable market segment exists that considers a company's level of social responsibility involvement (Mohr, Webb & Harris, 2001). In a later study by Mohr and Web (2005), CSR centric consumers and their responses to philanthropic and environmental corporate activities revealed that consumers who scored high on consumer centricity or SRCB scale responded more strongly and positively to information about the level of a company's social responsibility involvement.

## **2.3 CSR and Attitude**

According to Dodd and Supa (2011), the majority of CSR and financial performance studies have indicated a positive association between the two; however, there is limited research on CSR and purchase intentions. It is important to study the relationship between consumer purchase intentions and CSR because it has both business and financial implications. In order to study this relationship and predict the influence of CSR on consumers' purchase intentions, it will be relevant to review behavioural theories. The current study is based on the Planned Behaviour Model (TPB) which is based on the Theory of Reasoned Action (TRA) (Ajzen, 1985).

The Theory of Reasoned Action (TRA) states that salient beliefs provide the anchor for a person's attitude, and therefore it is possible to predict a person's attitude from his or her belief about performing the behaviour (Dodd & Supa, 2011). This provides support to this study which aims to establish the link between CSR centrality and purchase intention among young adult Malaysian consumers.

The TRA posits that human behaviours are determined by the interplay of personal attitudes, social pressure and a sense of control. Attitudes can be described as a learned pre-disposition to respond in a consistently favourable and unfavourable manner in reference to a person, object or issue (Fishbein & Ajzen, 1975). According to Eagly and Chaiken (1993), attitude consists of three components namely cognition, affect and behaviour. Cognition refers to beliefs about a person, object or issue while affect refers to the positive or negative feelings concerning the person, object or issue. Behaviour refers to the actions or responses to the attitude object. Attitude formation and the behavioural expression is entirely an internal process.

In a comparative attitude study between institutional CSR and promotional CSR activities practiced by organizations, institutional CSR programmes generated more positive attitudes towards the company (Williams & Aguilera, 2006). Positive consumer attitudes towards a CSR practising organization is a vital factor that will feature in subsequent behavioural action of consumers. Among

them include loyalty, positive perception and stronger association with the company (Matin, Ruiz & Rubio, 2009; Sen & Bhattacharya, 2001).

#### **2.4 CSR, Subjective Norms and Perceived Behavioural Control**

Individuals function in a social system and the relationships they engender brings about certain social pressure which can moderate their attitudes. Important relationships or important others (parents, friends, relatives etc.) impose norms that require compliance and this is known as subjective norms. The extent to which the subjective norm approves or disapproves supporting a person, object or issue will affect intentions and behaviour (Ajzen, 1985; Ajzen & Fishbein, 2005). The TPB is an improvement of the TRA primarily because of the inclusion of an additional factor namely Perceived Behavioural Control (PBC). The PBC refers to the extent an individual is able to enact the targeted behaviour that is purchasing socially responsible brands.

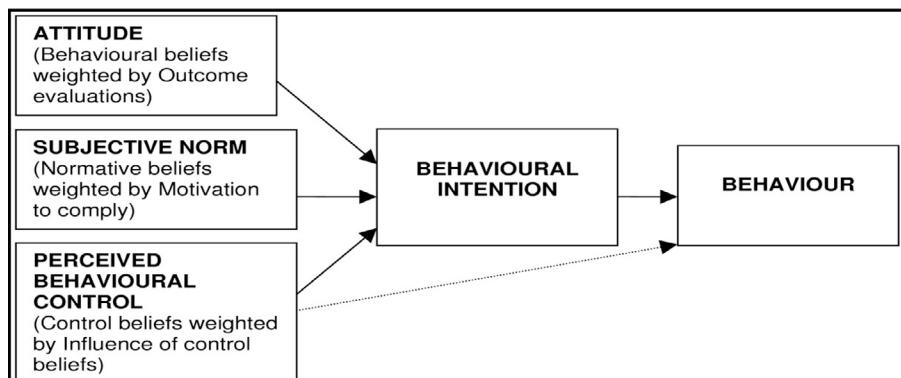


Figure 1. Theory of Planned behaviour model (source: <http://implementationscience.com/>)

Two important controls play a major role in PBC. Firstly the question of how much a person has control over the behaviour (buying socially responsible brands; good knowledge or skills to recognise those brands can motivate an individual to act) and how confident a person feels about buying or not buying socially responsible brands (example: lack of time to select specific brand etc.). All three independent variables of attitude, subjective norm and behavioural control and the dependent variables of behavioural intentions and behaviour are illustrated in Figure 1. According to the theory intentions can be used as a proximal measure of behaviour especially when actual behaviour is not readily measurable.

In a study on Swedish consumers purchase intention of functional foods (foods that promote health) attitude was found to be the strongest predictor of purchase intention. Subjective norms comprised of doctors and family and control beliefs comprised of knowledge and price. Despite the fact that PBC had a high score it did not strongly correlate with purchase intentions because knowledge and price were found to be inhibitors of intentions. With higher knowledge one would not conceive

the higher price of functional foods as an obstacle (Mitchell & Ring, 2010). Dodd and Supa's (2011) study found that there was a positive association between the attitude and purchase intentions and organizational involvement with CSR programmes. The subjective norm was also positively correlated with intentions. The TPB has been frequently researched in various pro-social behaviour research such as physical activity (Armitage, 2001); healthy eating (Conner, Norman & Bell, 2002), and condom use (Molla & Astrom, 2008)

#### **2.5 CSR and Price**

An experimental study on effects of CSR and price on consumers across the domain of philanthropy and environment showed a positive impact on evaluation of the company and purchase intent. The environment domain had a greater impact on purchase intent than price (Mohr & Webb, 2005). In another study, mall-intercepted respondents were given either a positive or negative environmental CSR activity of an oil company. Respondents were required to respond to CSR issues as well as brand evaluations and buying intentions. Respondents with negative information had lower intentions of purchase intent compared with those with positive information. Bhattacharya and Sen (2004) demonstrated in their research that some consumers were willing to pay more for products from a socially responsible company. Generally most consumer research showed a positive attitude towards companies and products linked with CSR engagement; however the existence of an attitude-behaviour gap cannot be denied (Smith & Langford, 2009). The conversion of intentions to actual purchase is hard to assess. According to Bhattacharya and Sen (2004) internal consumer attitude and intentions are easier to evaluate compared to CSR impact on actual purchase.

Literature review of local research on consumer attitude and purchase intentions from socially responsible companies is limited (Rahizah, Farah & Kasmah, 2011). A recent study on impact of CSR on consumer behaviour required respondents to state their CSR priorities based on the definition given by Carroll (1979), which has four CSR responsibilities namely economic, legal, and ethical and philanthropy. Based on the 193 returned questionnaires, the Pearson correlation statistics showed significant positive relationships between the four responsibilities (independent variables) and consumer's buying behaviour (dependent variable). Malaysian consumers preferred corporations to engage in community work followed by donation, environment and wildlife protection, education sponsorship and produce safe products. Rahizah, Farah and Kasmah (2011) found that a total of 31% had little or no knowledge of the CSR concept while 40.4% had moderate knowledge. Only 28.6% understood CSR and had good knowledge. The strongest correlation with consumer behaviour was economic responsibility ( $\beta = .253$ ) followed by philanthropy ( $\beta = .211$ ), ethical ( $\beta = .170$ ) and legal ( $\beta = .148$ ). A similar study in Africa revealed that economic responsibility was the strongest predictor of buying behaviour (Visser, 2005).

In summary the limited Malaysian consumer behaviour research supports results of other international research that there exists a

sizable number of consumers who will take into consideration an organization's CSR engagements in their purchase decisions.

### **2.6 Communication and CSR**

One of the earliest CSR studies in Malaysia was conducted by Teoh and Thong (1984) and they found that CSR involvement by Malaysian companies was far more extensive than what was disclosed or reported in the media. They attributed this poor communication of CSR activities to a lack of understanding of the positive business value of CSR and there was also no legal requirement to disclose their CSR activities in their Annual Report. Later studies such as Shireenjit and Zuani (1998) concluded that CSR reporting was still low. Thompson and Zakaria (2005) found that an average of 85 sentences described CSR activities undertaken by companies in Malaysia, and this indicated a low level of CSR communication. A study by ACCA Malaysia in 2004 showed that 43% of Malaysian companies had reported on their social performance while 26% were pending to do so in future and most CSR commitment was expressed in terms of charity.

According to Mohr, Webb and Harris (2001), consumers first need to become aware of a firm's level of social responsibility, before they can take action on their purchase decision. Creating such awareness through cause-related marketing seems viable. As this study has revealed that knowledge of socially responsible activities undertaken by organizations is fairly low it can be assumed that consumers demand more information. The increase in knowledge about CSR would then impact consumers' attitude and purchase decision (Mohr, et al., 2001), and more information will allow them to make better judgements, and as such, firms have to communicate more effectively (Carrigan & Attalla, 2001).

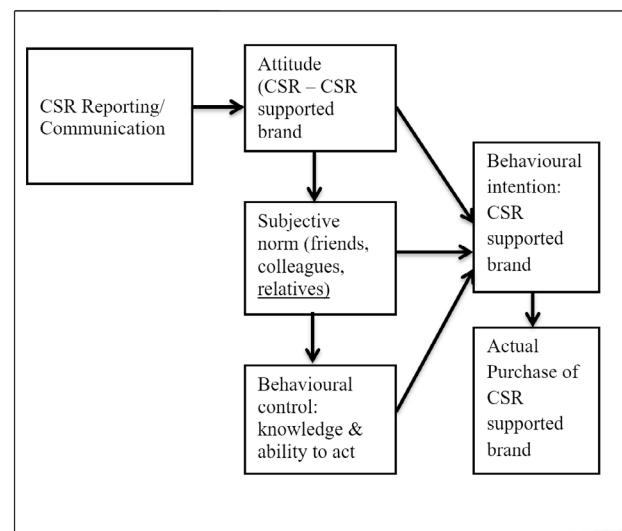
According to Podnar (2008), CSR communication is fast becoming both relevant and critical yet research on this issue is still lacking and elaborated that CSR Communication is a process of anticipating stakeholder expectations, articulation of CSR policy and managing of different communication tools designed to provide true and transparent information about a company's or a brand's integration of its business operations, social and environmental concerns, and interactions with stakeholders. Podnar (2008) also reiterated that studies investigating consumer expectations and responses to the communication of CSR are indeed scarce. Beckmann, Morsing and Reisch (2006) stressed the importance of communicating CSR engagement to stakeholders as consumers seem to expect organizations to be socially responsible. Consumers for example, increasingly expect organizations to conduct their business in a responsible manner and they want to know whether a company promotes ethnic minorities, avoids employment of children and supports local schools. On the other hand a negative report by the media could certainly project irresponsible corporate responsibility while positive reporting would enhance corporate reputation, evoke trust and thereby help promote a company's products (Podnar, 2008.). Persuasive communication by way of cause promotion helps marketing and sales (Kotler & Lee, 2005). Morsing and Schultz (2006) warn that subtle ways

are preferred as opposed to aggressive promotions when reporting CSR engagement, and Beckham et al. (2006) endorsed that such communication efforts should be directed towards the customers by providing adequate CSR information and not over-communicating. Special CSR reports are preferable while the current practice of using communication tools such as web sites and annual reports are in reality inadequate. CSR communications should carefully focus on specific aspects such as stakeholder expectations and issues that are seen as pertinent by an organization's customers.

CSR activities tend to have a twin impact i.e. extrinsic (seen as improving profits) and intrinsic viewed as genuine concern for local issues (Du et al., 2010). CSR communication is a very delicate matter as it can have a backlash effect if stakeholders become suspicious and perceive CSR motives as predominantly extrinsic and hence lead to stakeholder scepticism (Du et al., 2010). Menon and Kahn (2003) suggested avoiding self-interest issues which are not logically related to the organization while Porter and Kramer (2006) suggested being honest and revealing a win-win outcome. CSR-fit or congruence between social issue and business outcome should be considered according to Cone Communication (2007) and Haley (1996), citing examples like Avon's Breast Cancer campaign. Related to this are the communication channels, corporate websites and TV and radio advertising, newspapers and magazines which are both extrinsic while neutral sources i.e. independent sources seem more credible especially editorial coverage. Another channel is employee advocacy which can motivate employees to provide word-of-mouth communication to customers. Social media and Facebook seems a logical channel especially for the younger generation. The key challenge here is to attract stakeholders by communicating both intrinsic and extrinsic motives of CSR initiatives (Ellen, Webb & Mohr, 2006; Sen, Bhattacharya & Korschun, 2006; Forehand & Grier, 2003).

### **3.0 RESEARCH CONCEPTUAL FRAMEWORK**

The research framework in Figure 2 illustrates the overall direction of the research which is centred on CSR corporate communication which is expected to have a certain impact on the target (consumers) beliefs. Evaluation of the target's beliefs will indicate whether they are CSR centric or not, and this is vital in the attitude formation towards CSR practising companies and their brands. The interaction between the attitude and supportive or non-supportive behaviour of friends and colleagues as well as their own control over this issue will determine the ultimate behavioural intentions of buying CSR supported grocery brand.



**Figure 2.** Research conceptual framework

#### 4. METHODOLOGY

Quantitative methodology was deemed as appropriate for this research as it involved evaluating independent and dependent variables. Specifically, the survey method was used to obtain the required data. Survey research involves the study of a specified population by extracting the required sample to represent the population that is being studied (Sekaran & Bougie, 2009). Surveys can provide a quick, inexpensive and accurate means of obtaining data that is representative of the selected population. Undergraduates in public universities located in the Klang Valley area were identified to select the required sample. Undergraduates were selected because they represented the young Malaysian adults. They are also easily accessible for research purposes, and quality responses can be expected. For this study the non-probability sampling technique was used to obtain a cross-section of the population being studied.

There are several non-random sampling techniques. This being an exploratory study, convenient sampling was deemed appropriate. According to Sekaran and Bougie (2009), convenience sampling was often used during the exploratory phase of a research project to obtain the required information quickly and efficiently. The reasons for selecting only Klang Valley universities are as follows. Firstly because most of the companies involved in CSR are located in the Klang Valley and hence CSR exposure will be greater to the undergraduate students pursuing their studies in this region. Secondly the selection of respondents from the Klang Valley fulfilled important general requirements of the research such easy access to supermarkets and hypermarkets, literate audience and a reasonable level of purchasing power.

Based on the total number of undergraduates in 2014 that is 64,086, in the four

main public universities in the Klang Valley area, a sample size was determined. According to Yamane (cited in Israel, 1999), if the size of the population is less than 100,000 than the sample size should be set at 400 to achieve the +/- 5% precision rate. A total of 450 male and female respondents were selected using convenience sampling from the Klang Valley public universities. More respondents were selected to mitigate respondents who may not answer all the questions in the survey questionnaire. In the final count a total of 423 questionnaires were analysed.

The selected respondents were each given a questionnaire which had 41 questions. The questionnaire had three demographic questions in Section A. In Section B, 25 questions focused on behavioural beliefs about environment and workplace programmes as well as the respondents own behaviour towards environment, in summary it measured consumer CSR centricity. The Cronbach alpha score for CSR centricity questions was .926 and this meant the questions were highly reliable. In Section C five questions centred on attitude towards purchasing a chilli sauce brand from a company which practises environmental CSR; two questions on behavioural control; two questions on subjective norm and two questions on behavioural intentions. Chilli sauce was selected as the grocery item because it is an item which is widely purchased and consumed by the sample of study besides this, it is also a relatively inexpensive item. The scale of measurement used in section B and C was based on a 5-point likert scale. The last five questions in Section C were general questions on their chilli sauce brand preference and whether they were willing to switch to a slightly higher priced CSR supported chilli sauce brand. Consumer centricity questions were adapted from Mohr and Webb (2005) study on the effects of CSR and price on consumer response. The questionnaire was pilot-tested and adapted based on the findings. The TPB questions in Section C were adapted from Mitchell and Ring (2010) study on Swedish Consumers' Attitudes and Purchase Intentions of Functional Food. Among the Statistical analysis used were Correlation analysis to determine the strength of the relationship between the independent constructs of attitude, subjective norm and behavioural control against intentions and Multiple Regression analysis to determine which TPB variable was the best predictor of intention.

#### 5.0 FINDINGS

This section provides the data obtained from the multiple functions of the SPSS V.17 statistical software. The demographic data provided specific details of the 423 respondents used in this survey followed by data related to the specific research questions. Interpretation of the data will also be provided.

##### 5.1 Demographic Results

Out of the total of 423 young adult Malaysian respondents 64% were females and 36% males. Although the female respondents were a larger group it reflected the current proportion of young adult Malaysians in the local universities. Majority of the respondents that is 89% were aged from 20-35, and they were all undergraduates. The other age groups were not significant. Although

demographic data on age and education did not reflect wide distribution it did not adversely affect analysis because the focus of this study was on the overall centricity, attitudes and intentions of young adult Malaysians.

### 5.2 Results of the Research Questions

This section provides data and analysis according to the research questions of this study. SPSS V.17 was used to analyse both the descriptive and non-descriptive data related to the main research constructs of consumer centricity, attitude and intentions.

#### *Q1. Are Young Adult Malaysian Consumers' CSR centric?*

The mean score of 3.4 obtained from 25 questions on centricity showed that young Malaysians supported a range of environment, workplace and community centric CSR activities. The cumulative frequency data showed that 80% of the 423 respondents had a positive perception of CSR Centricity. The t-Test on gender and centricity showed that the gender mean difference was not significant (0.232;  $p > 0.05$ ). It can be concluded that Malaysian young adults were supportive of the environment protection activities as well as workplace and people centric CSR, and hence they can be deemed as CSR centric.

#### *Q2. What are young Malaysian consumer's attitudes towards organizations practising CSR?*

A total of 5 questions measured the respondent's attitude towards an organization practising environment CSR in the area of environmentally friendly agricultural practices.

The means core obtained on attitude towards environmental CSR was 3.8 and this implied that the respondents had a positive attitude towards organizations practising environment related CSR activities. Pearson correlation test revealed that there was a positive correlation between consumer CSR centricity and attitude towards organizations practising CSR (Pearson correlation coefficient: attitude and centricity 0.258; Sig. (1-tailed) .000)

#### *Q3. What is the strongest predictor of intentions to purchase CSR supported grocery brand?*

Intentions to purchase are dependent on attitude, subjective norm and behavioural control. Pearson correlation test was used in order to determine which independent variable had the strongest influence on intentions to purchase CSR supported grocery item. Pearson correlation coefficient on attitude and intention was 0.536; subjective norm and intention was 0.581 and behavioural control was .607 and these scores were significant at  $p < 0.01$  level (1-tailed).

The multiple regression analysis in tables 1, 2 and 3 indicates that all three independent variables were positive and predictive of intentions to purchase CSR supported grocery product. Based on Table 1 all three independent variables cumulatively predicted up to 49% (R. Square .491) of the variations on the dependent variable. This is a significant percentage. Table 2 shows that all

three independent variables were significant, and based on Table 3, behavioural control scored the highest beta weight at .337 implying that this variable had the strongest influence on intentions to purchase CSR supported grocery product.

**Table 1.** Model Summary

Model	R	R Square	Adjusted R Square	R Std. Error of the Estimate
1	.701 <sup>a</sup>	.491	.487	.57061

a. Predictors: (Constant), b.control, attitude, norm

b. Dependent Variable: Intent

**Table 2.** Anova<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	131.593	3	43.864	134.721	.000 <sup>a</sup>
Residual	136.423	419	.326		
Total	268.015	422			

a. Predictors: (Constant), b.control, attitude, norm

**Table 3.** Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	.591	.160		3.691	.000
attitude	.225	.043	.220	5.180	.000
norm	.279	.042	.290	6.679	.000
b.control	.344	.045	.337	7.651	.000

a. Dependent Variable: Intent

b. Dependent Variable: Intent

**Table 4.** Preferred Chilli sauce brand

Brand name	Frequency	%
Maggie	101	25
Life	195	49
Thai	29	7
Kimball	51	13
Libby	2	0.5
Peladang	2	0.5
Aminah Hassan	2	0.5
Kampong Kok	1	0.25
Heinze	9	2.25
No preference	8	2
Total	400	100

Question numbers 37 to 41 in Section C were general questions on preferences

and intentions. Question number 37 required respondents to name their current preferred chilli sauce brand (grocery item). Based on data in Table4, nine brands were identified as frequently consumed brands. Life was the most popular brand followed by Maggie as the second most popular brand. Out of the 423 respondents 400 responded to this question.

**Table 5.** Willingness to switch to CSR Brand

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	277	65.5	65.5	65.5
no	146	34.5	34.5	100.0
Total	423	100.0	100.0	

Q4. Are young adult Malaysian consumers willing to switch to products that support CSR activities?

To the question (Q38) on whether the respondents were willing to switch to a CSR supported brand, 65.5% of the respondents or majority were willing to do so and this matched with the positive CSR centricity of the respondents. However majority or 61.5% of the respondents who were willing to switch to a CSR supported brand were not willing to pay a higher price or premium price (Q39). Refer to table 5 and 6 for further details.

**Table 6.** Willingness to pay premium price

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	163	38.5	38.5	38.5
no	260	61.5	61.5	100.0
Total	423	100.0	100.0	

Several reasons were given by the 34.5% of the total respondents who did not want to switch to a CSR supported brand. Based on their responses five main reasons were identified and they are price, taste, habit, convenience and popularity. Based on the frequency count in Table 7, price of current preferred brand was the most frequently quoted reason followed by taste of currently consumed brand followed by habit and purchase convenience.

**Table 7.** Reasons to continue using current brand

Reason	Price	Taste	Purchase convenience	Got used to the brand(habit)	Popular
Frequency	67	62	38	51	19
percentage	29%	26%	16%	21%	8%

Q5. Are young adult Malaysians aware of CSR activities undertaken by

Malaysian Companies?

Question number 41 required respondents to self-report on their current knowledge of CSR initiatives and activities. Majority or 62% of the respondents fell under the poor and somewhat poor knowledge of CSR activities. Knowledge of CSR activities was generally poor. Table 8 provides details on this.

**Table 8.** Reasons to continue using current brand

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid poor knowledge	29	6.9	6.9	6.9
somewhat poor	233	55.1	55.1	61.9
neutral	58	13.7	13.7	75.7
somewhat good	92	21.7	21.7	97.4
good knowledge	11	2.6	2.6	100.0
Total	423	100.0	100.0	

Based on the responses to questions 37- 41 in section C of the questionnaire, it can be inferred that majority of the respondents were not aware that the Maggie brand was truly a environment-CSR supported brand and this is proven by their poor CSR knowledge. If they had good CSR knowledge coupled with their high willingness to switch to a CSR supported brand than most probably Maggie Chilli sauce would have been the preferred and most popular brand. Good CSR knowledge and willingness to switch to a CSR supported brand would have also motivated them to pay a premium price to support such products. A total of 34.5% of the respondents were motivated by the classical marketing factors namely price, convenience, taste and habit to make purchase decisions. Key marketing factors like price seems to play a large role in the respondents purchase decision.

## 6.0 DISCUSSION

Research findings showed that the respondents were CSR centric. There was no significant preference for environment, workplace and community CSR activities. This implied that corporations involved in the three types of CSR activities were aligned to the consumer beliefs and expectations. Alignment of consumer expectations with CSR engagements is important to ensure that the money and time invested by corporations is endorsed by consumers. Besides this, positive consumer CSR centricity directly impinges on the attitude construct. This study showed a positive correlation between consumer attitudes and purchase intentions implying that consumers will be more inclined to purchase products from organizations practising CSR. This research outcome is supported by several past studies such as Klien and Dawar (2004); Mohr and Webb (2005) and Maignan (2001). The two other TPB constructs of subjective norm and behavioural control showed fairly positive correlations with purchase intentions. Behavioural control was the strongest predictor of purchase intentions based on the correlation and beta statistics. This was anticipated because purchase decisions in the context of a

consumable grocery brand (chilli sauce) is more a personal matter than a social matter and as such perceived behavioural control can be expected to be a strong influencing factor. In comparison the research done by Mitchell and Ring (2010) on Swedish consumers purchase intentions of functional foods concluded that both behavioural control and subjective norm had negligible influence while attitude was the strongest predictor of behavioural intention. Behavioural control was negligible in their research because the higher priced functional food strongly moderated behavioural control and subjective norm.

To the question on willingness to switch to a CSR supported brand, 65% of the respondents were willing to do so, however out of this only 35% of them were willing to pay a slightly higher price for the CSR supported brand. This finding was supported by the Nielson 2011 Global Online Environment and Sustainability survey which concluded that Malaysian consumers may be attracted to eco-friendly products but most were not willing to pay more to purchase it (The New Sunday Times, 17 September 2011).

Despite the fact that all three variables of attitude, subjective norm and behavioural control was predictive of purchase intentions only 25% of the respondents bought the Maggie brand which was the CSR supported chilli sauce brand. No specific brand name was mentioned in the questionnaire. The inability to select CSR supported brand is indicative of superficial CSR awareness and knowledge amongst young adult Malaysian consumers. In fact 62% of the respondents reported that they had somewhat poor and poor knowledge of CSR engagements of local companies. This finding was supported by an earlier local research where only 28.6% of the respondents declared that they had good knowledge of CSR (Rahizah et al., 2011).

It is apparent that knowledge seems to be the moderating factor in the attitude-behaviour gap. Effective CSR communication can be factor that can bridge this gap to some significant degree. Frequent CSR communication can create positive CSR images, identify stakeholders and their expectations as well as foster stakeholder interactions (Maignan & Ferrel, 2004). The respondents increased knowledge of CSR can bridge this gap between intentions and actual purchase of CSR supported brands, and this proposition is supported by Beckmann, Morsing and Schultz (2006) research which emphasized the need for engagement and effective CSR communication to fulfil stakeholder expectations.

The interplay between attitude, subjective norm and perceived behavioural control creates the purchase intention motivation represented in the space where the three circles intersect shown in Fig 3 below. Although the intentions are positive but not all of it translates into actual purchase, and to illustrate this diagrammatically the area where the arrow is pointing in Figure 3 represents the small area that translates to actual purchase of CSR supported brand. Strategic CSR engagements combined with effective CSR communication can enlarge this space by pushing the circles closer to each other. The current CSR communication in the local media and corporate communication channels is rather subtle and non-engaging. For example CSR information in a corporate website is

a factual presentation, and does not have interactive features. Annual reports with pages dedicated to CSR information predominantly is read by shareholders but not by other stakeholders like consumers.

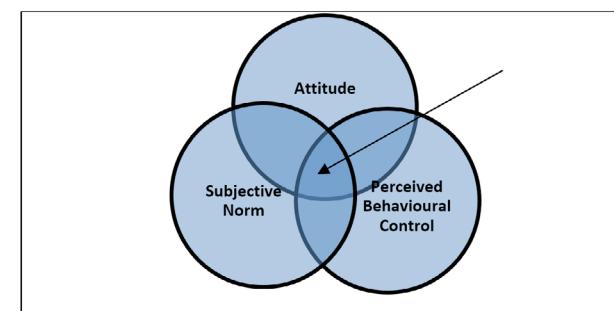


Figure 3. Interplay of variables and purchase intentions

There is evidence of stronger media coverage of CSR engagements by local companies however the frequency and follow-up on the progress of CSR projects is lacking and is mostly published in the business sections of newspapers and magazines which attracts limited number of readers. CSR communication can be made more interactive and engaging by using the new media such as social networking which can be planned to appear regularly to provide updates to readers/consumers. The 2013 Cone Communications/Echo Global CSR Study showed nearly two-thirds (62%) of global consumers use social media to engage with companies on social and environmental issues. CSR communication should also be pervasive; that is, all possible means of communication should be considered, the current focus on mainstream media, annual reports and company websites is inadequate.

CSR projects must also be strategic and engaging in order to involve staff, consumers and other stakeholders to participate in all the stages of the project. Media relations to obtain mainstream and online media support for CSR should not be ignored. Appearance of CSR news in the mainstream and online media on a regular basis adds credibility to the CSR engagements of organizations. In a study on CSR and Malaysian property industry it was found that the majority reported their CSR engagements but only the leading developers certified their CSR projects by sustainability rating agencies (Yam, 2012). CSR communication will gain greater credibility if it is endorsed by CSR sustainability rating agencies. Business organizations should take this strategic approach seriously.

CSR communication to consumers should be based on the dual media strategy of frequency and interaction. This media approach will improve the CSR knowledge levels amongst consumers and which in turn can motivate consumers to enact the targeted behaviour of purchasing CSR brands. In a qualitative study on stages of behaviour change and CSR it was found that the majority of the respondents were in the pre-contemplation and contemplation stages. Only eight of them were in the action stage and exhibited socially responsible consumer behaviour in their purchasing intentions (Mohr, Web & Harris, 2001).

This implies that strategic CSR communication is needed to move consumers to the action stage and by doing so the gap between attitude and actual purchase behaviour can be bridged.

It is recommended that further research is done in the area of CSR communications and the stages of behavioural change since there are very little studies investigating consumer expectations and responses to the CSR initiatives in the context of Malaysian consumers. Morsing and Schultz (2006) in their studies found that respondents preferred alternative ways of communicating CSR engagements. Further research is recommended to analyse optimal media options to increase CSR knowledge levels amongst consumers to empower them to act with their wallets.

## 7.0 CONCLUSION

The findings of this study indicate the existence of consumer CSR centricity, positive attitude and intentions; however the lack of sufficient knowledge on CSR supported brands resulted in consumers being unable to translate their CSR centricity to making actual purchase decisions. It can be summarised that the TPB theory tested in this research is relevant and predictive of consumer behaviour in the context of CSR.

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