Impact of Corporate Social Responsibility Awareness, Expectations and Attitudes on the Purchasing Intentions of Students in a State University

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Abstract:
This paper investigated the impact of Corporate Social Responsibility (CSR) awareness, expectations and attitudes on the purchasing intentions of college students. The study was conducted in one of the state universities of Pampanga, Philippines. Probability sampling, specifically stratified sampling technique was used in the study.

The results of the study show that students expected companies to behave in a socially responsible manner, they demonstrated higher expectations towards companies’ fulfillment of their economic obligations. It also revealed that even if corporations are highly expected to relate to its stakeholders, students actually lack information about companies’ overall behavior not only its social responsibility. Majority of the students declared that they would only buy socially responsible products if they are at the same price and quality as the competing products. Majority of them perceived the media to be the information source which they depended on and trusted the most.

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There was also no significant relationship between the students’ level of awareness and students’ attitude towards CSR. This could be explained by the fact that students are aware of socially irresponsible companies but not necessarily of socially responsible ones. Moreover, students’ attitude towards social responsibility is not a dominant criteria in their purchasing intentions.

Key words: Corporate Social Responsibility, CSR Practices, Awareness, Expectations, Attitudes, CSR Programs.

INTRODUCTION

In these constantly changing, demanding and turbulent environments, Corporate Social Responsibility (CSR) has become an essential part of organizations and their existence, reputation and performance. According to Falck and Hebich (2009), if an organization seeks to survive and prosper it must adopt a long-term approach towards its stakeholders, as treating them right has been linked to several positive results for the organization, including economic performance. Adopting a different approach, Boatright (2008) claimed that CSR has been attracting increasing attention, both empirical and theoretical, due to the increase in social problems such as poverty, unemployment, race and religious discrimination and environmental pollution. In any occasion, organizations are nowadays expected to combine their core profit-oriented activities with actions relevant to the social well-being (Hopkins, 2009). Besides, consumers have become increasingly aware of the CSR related practices that organizations engage in and, in fact, push companies towards this direction.

Moreover, companies nowadays are not focusing on the wealth alone. By recognizing the importance of CSR, many companies have started to apply CSR within the company’s policies, strategies and activities or programs toward the society and environment (Norway, 2011). CSR is a good strategy for companies to gain comparative advantages and
ensure long term business success (Ellen et al., 2010). Furthermore, consumers are likely to purchase products from companies that are projecting positive image (Lafferty et al., 2009). If a company has a positive image and reputation, it tends to create customer loyalty and commitment towards the company, which in turn, leads to profit maximization. It can be concluded that CSR can create a win-win situations for both businesses and society around them.

Searching for the consumer-CSR link and determining the public’s opinion on companies’ CSR practices have been an important research area to date (Wagner et al., 2012; Pomering and Dolnicar, 2011). Results indicate that consumers are influenced by corporate social responsibility (CSR) initiatives of businesses if they are aware of them (Pomering and Dolnicar, 2011). Consumers who tend to have better attitudes towards socially responsible companies will, in turn, demonstrate positive behavioral intentions and finally positive behavior (Shaw and Shiu, 2009; Vermeir and Verbeke, 2012).

Moreover, as cited in Pomering and Dolnicar (2011), marketplace polls reported that consumers expect corporations to provide information about what they do, and they will support those corporations that pursue CSR initiatives. The findings of Creyer and Ross (2012) indicated that consumers regard ethical behavior as an important consideration during their purchase decisions. Chaudhri and Wang (2011) concluded that as society becomes more affluent and faces an increase in the level of awareness among consumers, these consumers become more sensitive to the ways in which corporations behave, which in turn may influence their buying decision behavior.

Clearly, consumers’ awareness of a company’s CSR activities is a key prerequisite to their positive reactions to such activities. Notably, there is significant heterogeneity among consumers in terms of awareness and knowledge of companies’ CSR activities (Bhattacharya and Sen, 2010). However, several
researchers found that consumers generally have a low level of awareness of companies’ CSR practices (Carrigan and Attalla, 2012; Bhattacharyya and Sen, 2010; Pomering and Dolnicar, 2011). Others propose that consumers actually lack information about companies’ overall behavior not only its social responsibility, i.e. the ethical practices as well as the unethical ones (Carrigan and Attalla, 2012; Swaen, 2009). Literature also presents conflicting evidence because consumers are often informed of the negative side of corporate conduct but not the positive side. Consumers are aware of socially irresponsible companies but not necessarily of socially responsible ones (Swaen, 2009), probably because media tend to cover corporate scandals (Carrigan and Attalla, 2012; Swaen, 2009; Wagner et al., 2012).

For consumers who are actually aware of the companies’ CSR initiatives, several researchers declared that these consumers tend to have a better image and favorable attitude towards socially responsible companies (Bhattacharya and Sen, 2010; Wagner et al., 2012; Dastous and Legendre, 2013). Bhattacharya and Sen (2010) researched on reaction of consumers to CSR which showed that CSR directly affected consumers’ intentions to purchase corporation's products. They further supplemented that consumers’ company evaluations were positively influenced after reviewing CSR information about the company. Interestingly, this positive relationship is even stronger among consumers that perceive the focal company to have a better reputation, perceive a high fit between the company and the cause, and have a personal connection to the cause that is represented by the company’s CSR initiative. However, not all consumers perceive companies’ CSR practices positively. The discounting of socially responsible companies by consumers could be due to ‘consumer skepticism’ (Swaen, 2009; Pomering and Dolnicar, 2011). Consumers often mistrust companies due to their awareness of corporate corruption scandals (Ellen et al., 2010). Moreover, some
consumers associate a company’s CSR practices with profit generating motives, which tarnish their perceptions and inflate their skepticism (Becker-Olsen et al., 2011).

According to Branco and Rodrigues (2010), marketers should select social programs carefully and ensure that their communications make the connection between the social domain and the firm so that consumers perceive initiatives as proactive and socially motivated. All companies were, however, obliged to direct their CSR activities to the social issues which interested their target markets (Grunig, 1979; Kotler and Lee, 2010; Branco and Rodrigues, 2010).

Figure 1 shows that students who are aware and who tend to have better attitudes towards socially responsible companies will, in turn, demonstrate positive behavioral intentions and finally positive behavior. Students’ actual behavior was not studied.

![Figure 1. Conceptual Framework](image)

Although ample evidence exists supporting the idea that companies that invest in CSR will achieve positive benefits across all stakeholder groups in Western countries, this paper proposes that companies in the Philippines can also maximize consumer stakeholders' response to CSR programs in the marketplace by carefully identifying which categories of CSR affect or are noticed by students the most. By understanding these connections, managers can adopt a specific category of a CSR program contingent on the desired response from the consumer stakeholder group. In addition, the findings of this
research will also contribute to academicians as well as public policymakers.

Statement of the Problem
This research sought to answer the following problems:
1. How may the students’ expectation towards company behavior be assessed?
2. How may the students’ level of awareness on corporate social responsibility be assessed?
3. How may the students’ attitude towards CSR be assessed?
4. How may the students’ purchase intentions be assessed?
5. What is the extent of importance of the sources of information where the students learned about CSR practices?
6. Is there a significant relationship between the students’ expectation towards company behavior and students’ level of awareness on CSR?
7. Is there a significant relationship between the students’ level of awareness and students’ attitude towards CSR?
8. Is there a significant relationship between the students’ attitude on corporate initiatives and their purchasing intentions?

Null Hypotheses
1. There is no significant relationship between the students’ expectation towards company behavior and students’ level of awareness on CSR?
2. There is no significant relationship between the students’ level of awareness and students’ attitude towards CSR
3. There is no significant relationship between the students’ attitude on corporate initiatives and their purchasing intentions.

Scope and Delimitation
The study involved college students from one of the State Universities in Pampanga, Philippines. Respondents were

This study utilized descriptive method of research to assess the impact of CSR initiatives on students’ purchasing intentions. The descriptive method was undertaken in order to ascertain, and be able to describe the relevant aspects of the phenomena of the interest from an individual (Sekaran and Bougie, 2010).

The research study was conducted in one of the state universities in Pampanga, Philippines. The target population of the study consisted of third and fourth year students of Bachelor of Science in Business Administration Major in Marketing and Bachelor of Science in Entrepreneurship.

Probability sampling, specifically stratified sampling technique was used in the selection of actual respondents. To obtain a stratified sample of students who took CSR subject, the researcher first organized the population by year level and course. Then selected appropriate numbers of third and fourth year students. This ensured that the researcher has adequate respondents from each course and year level in the final sample. The minimum required sample size for respondents was 248 from the total population of 774.

The researcher used a set of questionnaire adapted from Kolkaila et al. (2012), a research study in assessing CSR and its impact on consumer behavior with some modifications to suit the Philippine setting.

A dry run was also conducted for this study to find out whether the instrument were clearly stated and understandable. The questionnaires were distributed to thirty third and fourth year BSBA Marketing and BS Entrepreneurship students of Tarlac State University. It was
found out that all the survey questions were comprehensible to all respondents (see Table 1). The group was not included in the study.

In order to measure the reliability of the instruments, Cronbach's Alpha coefficient was computed. A minimal alpha coefficient of 0.70 is required to claim the instruments and its subscale scores internally consistent and reliable though the alpha value between 0.80 and 0.90 is preferred (Guyatt, et al. 1993).

Table 1: Instrument Reliability Test Results

<table>
<thead>
<tr>
<th>Year and Course</th>
<th>Expectations</th>
<th>Awareness</th>
<th>Attitude</th>
<th>Purchase Intentions</th>
<th>Sources of CSR Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Year Bachelor of Science in Business Administration Major in Marketing</td>
<td>0.924</td>
<td>0.825</td>
<td>0.841</td>
<td>0.819</td>
<td>0.891</td>
</tr>
<tr>
<td>Fourth Year Bachelor of Science in Business Administration Major in Marketing</td>
<td>0.890</td>
<td>0.819</td>
<td>0.818</td>
<td>0.826</td>
<td>0.915</td>
</tr>
<tr>
<td>Third Bachelor of Science in Entrepreneurship</td>
<td>0.871</td>
<td>0.802</td>
<td>0.823</td>
<td>0.827</td>
<td>0.867</td>
</tr>
<tr>
<td>Fourth Bachelor of Science in Entrepreneurship</td>
<td>0.877</td>
<td>0.815</td>
<td>0.842</td>
<td>0.811</td>
<td>0.903</td>
</tr>
</tbody>
</table>

All the required approvals were obtained for the conduct of this study. The President of the state university was contacted through a prior appointment and the purpose of the study was discussed during a meeting. The university was also given a request letter to support the researcher in the distribution of the questionnaire and the collection of data from the students.

Upon receiving permission from the university administration, the distribution of questionnaire began and the collection of the data were accomplished with the help of the instructors. Adequate care were taken while distributing the questionnaires to make sure that these are given to third and fourth year BSBA Marketing and BS Entrepreneurship students only.

The gathered data were encoded, analyzed, and interpreted using the frequency and percentage distribution,
arithmetic mean, standard deviation, and Pearson’s Correlation. Pearson’s Correlation using Stata was used to measure the strength of a linear association between two variables, i.e. understand whether there is a relationship between students’ level of awareness and students’ attitude towards CSR and whether there is a relationship between students’ attitude towards CSR and students’ purchasing intentions.

RESULTS AND DISCUSSIONS

This chapter presents, analyzes and interprets the data gathered in the study.

The study was conducted mainly to assess the students’ awareness, expectations and attitude towards CSR practices and its impact in their purchasing intentions.

Profile of the Students
The bulk of the students (48.79%) are 18-19 years old. The next largest percentage of students was aged 20-21 years old. These findings are logical given that the respondents for this study are third year and fourth year college students. Great majority of the respondents are females (81.85%). 130 (52.42%) of the respondents are fourth year college level students and 118 (47.58%) are third year college level students.

Students’ Expectations of Corporate Behavior
10 statements had the mean responses of “Highly Expected” which indicates that students expect corporation to obtain maximum profit from its activities, be ethical even if this negatively affects its economic performance, obtain maximum long-term success, direct part of its budget to donations and social work, improve its products’ quality, offer better prices, fulfill its obligations towards its shareholders, suppliers, distributors and other groups with whom it deals, behave
honestly with its customers, respect and protect natural environment in its operations, ensure that its employees act within the legal standards, and play a role in our society that goes beyond the mere generation of profits. This means that corporations are highly expected to relate to its stakeholders, such as shareholders, employees, suppliers, competitors, community, and even the natural environment.

The results of the quantitative research revealed that respondents “Highly Expected” companies to constantly improve their economic offerings and to provide better product quality and lower prices. This is actually in support with previous studies, which declared that there has been a rise in students’ expectations about companies’ contribution to the society, such as providing high-quality goods and services at affordable prices (Pomering and Dolnicar, 20012; Podnar and Golob, 2011). Furthermore, respondents “Highly Expected” companies to always behave honestly with their customer base. This means that students expect companies to be committed to the highest standards of ethics and business conduct. Companies must conduct its business as a good corporate citizen and complies with all laws, rules and regulations applicable to it or the conduct of its business. Moreover, respondents “Highly Expected” employees to act within the legal standards that they are required to comply fully with all laws, rules and regulations affecting the company’s business and its conduct in business matters.

It is important to note also that students “Highly Expected” companies to obtain maximum profit. This is in support to the literature that corporations have an economic responsibility towards themselves, that is, making profits to be able to continue providing goods and services that society needs and wants at reasonable prices (Carroll, 1979).
Students’ Awareness of Corporate Social Responsibility

The study revealed that respondents were actually “Aware to a Very Great Extent” of the CSR concept before taking the questionnaire. However, surprisingly, respondents did not understand the true meaning of CSR. They considered it as a synonym for charity despite previously indicating high levels of awareness of the CSR concept.

Moreover, respondents declared that they were “Aware to Some Extent” of socially responsible companies operating in the Philippines. On the other hand, respondents are “Aware to a Great Extent” of socially irresponsible companies in the Philippines. Literature suggests that communication of the media only covers unethical and irresponsible corporate behavior, which explains why consumers are not aware of the full picture (Carrigan and Attalla, 2012). Although students in the Philippines consider the media to be the most important information source they depend on. They were not fully aware of socially responsible companies, which hold significant implications about the media in the Philippines.

Students’ Attitudes towards Socially Responsible Companies

Respondents have a positive overall impression of socially responsible companies with an over-all mean response of “Agree”. This is in accordance with the CSR literature where several studies revealed that students have a positive image about companies that are socially responsible (Swaen, 2009). An interesting result was on students’ believability of companies’ claims of being socially responsible. Respondents “Disagree” on the statement “I never believe the companies’ claims of being socially responsible and they only use it as advertisements”. This is a promising indicator for companies in the Philippines and is in contrast with the CSR literature (Carrigan and Attalla, 2012; Ellen et al., 2010) that showed that consumer skepticism is relatively high. Furthermore, the
respondents “Agreed” in believing the company’s claims of being socially responsible if a neutral third party is the source of such information.

Students’ Purchasing Intentions towards Socially Responsible Companies
The mean response of the respondents to all the statements except for statement No. 7 is “Agree”, which indicates that the students have a positive purchasing intentions towards responsible companies. An interesting result was that respondents declared “Strongly Agree” for statement No. 7 which is to buy from socially responsible products if these products were of the same price and quality as the other products they were accustomed to buying. According to the literature, it is true that many consumers would only switch to the more socially responsible company if the price and quality were similar (Phillips, 2010) because they were not willing to incur any added costs (Carrigan and Attalla, 2012).

Students’ Dependency on Information Sources
It revealed that respondents rated “Highly Important” depending on the media such as television, newspapers, radio, etc. to learn about the companies’ CSR programs, while the respondents rated “Important” the use of word of mouth, use of the internet, advertisements and web sites as their main source of CSR information. These results were confirmed by the literature, which indicated that students consider the media to be a very powerful source of information about companies’ ethical and unethical acts (Carrigan and Attalla, 2012).

More interestingly, advertisements and web sites were the least important sources of CSR information in this survey. This could be attributed to consumers’ natural tendency to be skeptical of companies’ advertising more than other information sources, as clarified by Pomering and Dolnicar (2009).
Correlation between the Students’ Expectation towards Company Behavior and Students’ Level of Awareness on CSR

There is no linear trend between students’ level of awareness and students’ expectation towards CSR is apparent in Figure 2. The scatter diagram indicates that there is no significant relationship between students’ level of awareness and students’ expectations towards CSR.

The students’ level of awareness does not have any significant relationship with students’ expectations towards CSR. Relevant data has shown in Table 2. The Pearson Coefficient of correlation (r) of 0.062 that is not significant at 0.05 level. Therefore, the corresponding null hypothesis is accepted.

This means that even if corporations are highly expected to relate to its stakeholders, such as shareholders, employees, suppliers, competitors, community, and even the natural environment, consumers actually lack information about companies’ overall behavior not only its social responsibility as pointed by Carrigan and Attalla (2012).

Figure 2: Scatter Diagram of the Relationship between Students’ Level of Awareness and Students’ Expectations towards CSR
Table 2: Pearson Coefficient of Correlation (r) between the STUDENTS’ Expectations towards COMPANY BEHAVIOR AND STUDENTS’ Level of Awareness ON CSR

<table>
<thead>
<tr>
<th>Bivariates</th>
<th>R</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness and Students’ Expectations towards CSR</td>
<td>0.062</td>
<td>No relationship</td>
</tr>
</tbody>
</table>

Correlation between the Students’ Level of Awareness and Students’ Attitude towards CSR

There is no linear trend between students’ level of awareness and students’ attitude towards CSR which is apparent in Figure 3. The scatter diagram indicates that there is no significant relationship between students’ level of awareness and students’ attitude towards CSR.

The students’ level of awareness does not have any significant relationship with students’ attitude towards CSR. Relevant data has shown in Table 3. The Pearson Coefficient of correlation (r) of 0.037 that is not significant at 0.05 level. Therefore, the corresponding null hypothesis is accepted.

This is in contradiction with the literature which declared that consumers tend to have better image and favorable attitude towards socially responsible companies if they are actually aware of the companies’ CSR initiatives (Sen and Bhattacharya, 2011; Kotler and Lee (2010); Wagner et. al., (2012); Dastous and Legendre (2013). This is maybe due to the fact that students are aware of socially irresponsible companies but not necessarily of socially responsible ones.

Figure 3: Scatter Diagram of the Relationship between Students’ Level of Awareness and Students’ Attitude towards CSR
Table 3: Pearson Coefficient of Correlation (r) between the STUDENTS’ Level of Awareness and STUDENTS’ Attitude towards CSR

<table>
<thead>
<tr>
<th>Bivariates</th>
<th>R</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness and Students’ attitude towards CSR</td>
<td>0.037</td>
<td>No relationship</td>
</tr>
</tbody>
</table>

Correlation between the Students’ Attitude on Corporate Initiatives and their Purchasing Intentions

Figure 4 displays no linear trend between students’ attitude on corporate initiatives and their purchasing intentions. The Pearson Coefficient of correlation (r) of -0.081 that is not significant at 0.05 level is shown in Table 4. It suggests that students’ attitude on corporate initiatives and their purchasing intentions has no relationship. The extent of attitude in CSR does not appear to influence their purchasing intention.

These results are in contrast of the theory that a person’s behavior is consistent with his/ her attitude (Grunig, 1979). However, the findings supports several literature that despite positive attitudes towards companies taking a social responsibility, purchase intentions too often remains unchanged because of the “attitude-behavior gap” (Sen and Bhattacharya, 2011; Swaen 2009; Ellen et. al, 2010) that purchase decisions on ethical criteria rather than price or quality requires consumers to break out of their traditional self-oriented way of purchasing and to learn about companies’ efforts to address social issues (Castaldo et al., 2009). This meant high-involvement behavior that takes time and effort to develop.
Figure 4: Scatter Diagram of the Relationship between Students’ Attitude on Corporate Initiatives and their Purchasing Intentions

Table 4: Pearson Coefficient of Correlation (r) between the STUDENTS’ Attitude on Corporate Initiatives and their Purchasing Intentions

<table>
<thead>
<tr>
<th>Bivariates</th>
<th>R</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude on corporate initiatives and their purchasing intentions</td>
<td>-0.081</td>
<td>No relationship</td>
</tr>
</tbody>
</table>

SUMMARY OF FINDINGS

The study aimed to assess the Business students’ expectations, awareness and attitude towards CSR practices and its impact in their purchasing intentions.

The salient findings of the study are presented hereunder.

Students’ expectations of corporate behavior

Students highly expect corporations to obtain maximum profit from its activities, be ethical even if this negatively affects its economic performance, obtain maximum long-term success, direct part of its budget to donations and social work, improve its products’ quality, offer better prices, fulfill its obligations towards its shareholders, suppliers, distributors and other groups with whom it deals, behave honestly with its customers, respect and protect natural environment in its operations, ensure that its employees act within the legal standards, and
play a role in our society that goes beyond the mere generation of profits.

**Students’ awareness of corporate social responsibility**
Students were very much aware of the CSR concept. However, the respondents did not understand the true meaning of CSR. They considered it as a synonym for charity despite previously indicating high levels of awareness of the CSR concept. Additionally, respondents were not aware of socially responsible companies operating in the Philippines. On the other hand, the majority were aware of socially irresponsible companies.

**Students’ Attitudes towards Socially Responsible Companies**
Students have a positive overall impression of socially responsible companies. Majority of the respondents would only believe the company’s claims of being socially responsible if a neutral third party is the source of such information.

**Students’ Purchasing Intentions towards Socially Responsible Companies**
Students disclosed that they have positive purchasing intentions towards responsible companies. An interesting result was that respondents declared “Strongly Agree” to buy from socially responsible products if these products were of the same price and quality as the other products they were accustomed to buying. Moreover, few of the respondents did not attempt to search for information about the CSR practices of companies to aid them in their purchasing decisions.

**Students’ dependency on information sources**
Great majority of the respondents depend on the media such as television, newspapers, radio, etc. to learn about the companies’
CSR programs. Word of mouth was found to be the next most powerful source of information about companies’ CSR practices.

CONCLUSIONS

The following conclusions were drawn from the study:
1. The respondents expected companies to behave in a socially responsible manner, although they demonstrated higher expectations towards companies’ fulfillment of their economic obligations.
2. The respondents are very much aware of CSR practices but did not really understand the true meaning of CSR.
3. Students tend to hold positive attitude towards socially responsible companies.
4. The majority of respondents declared that they would only buy socially responsible products if they are at the same price and quality as the competing products.
5. Majority of students perceived the media to be the information source which they depended on and trusted the most.
6. There was no significant relationship between the students’ expectations towards CSR and students’ level of awareness. This means that even if corporations are highly expected to relate to its stakeholders, students actually lack information about companies’ overall behavior not only its social responsibility.
7. There was no significant relationship between the students’ level of awareness and students’ attitude towards CSR. This could be explained by the fact that students are aware of socially irresponsible companies but not necessarily of socially responsible ones.
8. There was no significant relationship between the students’ attitude on corporate behavior and their purchasing intentions. This means that students’ attitude towards social responsibility is not a dominant criteria in their purchasing intentions.
RECOMMENDATIONS

1. Companies in the Philippines must ensure that they meet and even exceed students’ expectations of the constant improvement in their economic offerings, as they are still the students’ major consideration since the majority of respondents declared that they would only buy socially responsible products if they are at the same price and quality as the competing products.

2. Companies should make their CSR practices more effective in the marketplace by complementing them with good service quality and economic offerings.

3. Companies must provide students with the information they need to make more informed decisions by knowing what students perceive and value.

4. Companies should communicate their CSR initiatives through media where students depended on and trusted the most.

5. Future research should include respondents of different educational and economic background in order to have a more comprehensive view of student responses.

6. Follow-up researches should consider the actual purchases of students.

7. Finally, corporate managers should educate consumers on what CSR really means as the majority of respondents did not really understand the true meaning of CSR.

Acknowledgement
The researcher would like to express his deepest gratitude and appreciation to Don Honorio Ventura Technological State University, Bacolor, Pampanga.
REFERENCES: