



School of Management
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Corporate Social Responsibility as a Catalyst for Consumer Choice

MBA Thesis

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ABSTRACT

Even though research on CSR activities has been on the rise, they do not have generally ratified and widely acclaimed explanation with regard to the variation in consumer response to firms operating within the same industry and supporting the same CSR activities. The aim of this research was to investigate the role of corporate social responsibility (CSR) in catalyzing consumer choice. The writers used quantitative research method whereby data was collected by means of online questionnaires in an online survey. The analysis was carried out through frequency, descriptive, reliability, correlation and regression analyses.

We realized that although a relationship exists between CSR and consumer behavior through the three channels including legitimacy, information asymmetry and ethical decision making, CSR does not drive sales, but increases the appetite for more CSR information for use in product assessment. Therefore, the engagement in CSR may only increase purchasing and evaluation intention, but not the actual purchase. Given that CSR directly results in the increased information search, the best way to orient CSR to stimulate consumer purchase is through the availability of CSR information to the consumer through localization of CSR activities alongside product excellence and competitive product pricing. Our recommendation is that future research should consider smaller geographical zones, for instance an institution or a city.

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CHAPTER 1: INTRODUCTION

Numerous literatures have attempted to give definitions for CSR. According to Hah and Freeman (2014), the definition of CSR was first spelt out by R. Bowen, although by then; researchers used the term “social responsibility” much more than CSR. According to the author, SR refers to business peoples’ obligations towards the pursuance of policies, decisions and lines of action that are in line with the societal values and objectives. From that time onwards, numerous scholars have given varied definitions of CSR. For instance, Bannerjee (2008) defines CSR as the responsibility of organizations for the impact of their actions and assessment on society and the environment through behavior that is ethical and transparent, as well as consistent with the sustainable development and the welfare of the society. Corporate responsibility initiatives have been the driving force in society and business today.

1.1 BACKGROUND TO THE STUDY

CSR has been considered as a relatively new research area due to its gain of prominence in the late 20th and the 21st centuries (Bigné-Alcañiz, Currás-Pérez, Ruiz-Mafé and Sanz-Blas, 2012). Even though its major impacts were felt in the late twentieth century, the concept is rooted in a history that is long and wide ranging. Corporate contributions were regarded as important in the 1800s, although there were no distinctions between business and individual philanthropy. The contributions were no well perceived by the public who viewed them as giving away the assets that belong to stockholders without the stockholder approval. This perception has, however, changed with time. Social responsibility in business behavior evidenced by the contributions as mentioned by Jayakumar (2013) was not widespread.

The 1950s, according to Gelbmann (2010) was the starting point of modern literature concerning the subject of CSR in which R. Bowen published the book 'Social responsibilities for the businessman'. The book summarized in three core concepts the meaning of CSR including the idea that managers of businesses ought to regard themselves as persons entrusted with the interest of the public, they ought to balance the firm's competing claims to the business resources and that they ought to acknowledge philanthropy as the demonstration of the business' support of a good cause (Marquina and Morales, 2012). Although numerous scholars discussed CSR, there were few corporate actions. This was similar to the 60s where the major development was the attempt to formalize the definition of CSR.

In the 70s, many scholars started making references to CSR instead of the former SR and numerous articles were done with the suggestions of the managerial dimension of CSR. Although in the beginning there were less corporate actions on the matter, legislative initiatives began emerging that dealt with particular dimensions of CSR for instance, laws regarding the environment, employment discrimination, employee and product safety (Feldman and Vasquez-Parraga, 2013). Strong focus till the 80s had been on defining CSR but at the onset of the 80s, writings stemmed out on complementary ideas; for instance, social performance, social responsiveness, stakeholder theory and business ethics. This trend went on into the 90s with the difference in this period being significant expansion of CSR activities with the evolution in the manner that CSR is carried out for instance the creation of management positions devoted to business giving.

In the 21st century, the focus of CSR has been on empirical research of the same together with other associated issues rather than theoretical contributions (Abd Rahim, Jalaludin and Tajuddin, 2011). The century has further been attributed to a rise in interest in best practices of CSR. The increased interest has been because of many factors, including reactions to scandals for instance WORLDCOM and ENRON, which resulted in a decrease in public support for firms and growing pressure from non-governmental organizations as well as trade unions towards the adoption of good practices and the support of human rights and the belief in the existence of a case for ethical management of the business.

1.2 JUSTIFICATION OF THE RESEARCH

The research into the impact of CSR on consumer decision making has significant implications both to the academic and managerial communities. In the first place, not many studies have focused on the impact of CSR on the process of consumer decision making. Moreover, research that has given attention to this area has focused on the firm side of the CSR relation and activities related to marketing (Roeck and Delobbe, 2012). Mogele and Tropp (2010) which regards consumers as being active partakers of the business process and therefore their lack of consideration yields a significant gap in the comprehension of business corporate responsibility (Calabrese, Costa, Menichini and Rosati, 2013). Moreover, this research explains the link between CSR and consumer choice through the various channels including legitimacy, information asymmetry, and ethical decision making thereby bringing unique contributions to the CSR-consumer behavior literature.

In the second place, for the purpose of building corporate assets that are intangible for instance brand loyalty, trust and equity, CSR is of great significance. Therefore, the existence of consumers that are sensitive to CSR has significant implications for the management of firms. The strategic employment of CSR in product differentiation as well as having a competitive advantage is of significance for the realization of business commercial rewards. Furthermore, the implication of this is that corporations in the last place look out for consumer levels of reference concerning what is regarded as ethical or socially acceptable. This would provide opportunities for revenue growth, especially for firms that are able to identify consumer points of reference and build their strategies from the same.

1.3 STATEMENT OF THE PROBLEM

Mishra and Modi (2013) conducted a study investigating the belief of consumers with regard to firms' motives in their engagement in CSR activities. The motives were divided into four, including 1) the firm is seeking rewards for itself, 2) the firm is seeking to reward mainly itself, but also its partners, 3) the firm is seeking to reward mainly its partners and itself and 4) the firm is solely seeking to reward others. According to the results, only 7% of the participants believed that firms' motives are truly selfless while 29% of the respondents believed that the incorporation of CSR by firms are in their self-interest. The remaining respondents believed that the motives of the firms are mixed.

According to Jonikas (2012), CSR activities can be regarded as futile or counterproductive if the consumers hold the perception that it is out of self-interest. This makes the perception of consumers on firms' motives of great importance. Companies still do not know the manner in

which they should implement CSR given that numerous researchers have realized that successful implementation of CSR activities is very rare. The problem in part lies in the lack of a generalized definition of CSR while the other problem is a lack of total comprehension of the consumer. This is further complicated by cultural landscapes, belief systems, religious affiliations and social divides which separates consumers from one region to another.

This lack of comprehension comes from the complexity of consumers. Consumers do not have a similar reaction to particular CSR programs. In the opinion of Remišová and Búčiová (2012), the reactions of consumers to CSR are not straightforward and not obvious as suggested by the marketplace, polls show that numerous factors exist which affect the translation of CSR activities into purchases (Fooks, et al, 2013). Even though research on CSR activities has been on the rise, they do not have explanation with regard to the variation in consumer response to firms operating within the same industry and supporting the same CSR activities. Given the complexity associated with consumer behavior and the difficulty of most CSR initiatives to connect with consumer preference, we aim to highlight salient issues via this thesis that would provide additional understanding of how CSR can connect with consumer choice despite the problems stated earlier.

1.4 RESEARCH PURPOSE

The purpose of this research is to investigate the extent to which corporate social responsibility (CSR) influences consumer choice within North America. Our focus is on analyzing consumer perception of Corporate Social Initiatives and to determine via the collection and analysis of data, how such social corporate involvement alters consumer preference. The research seeks to

determine whether or not companies can perform well by involving aspects of corporate social responsibility. In this case, the research intends to find out if by strategically investing in corporate social responsibility, the company will attract more customers, and maximize profits while fulfilling demands from the various stakeholders.

1.5 RESEARCH QUESTIONS

1. Through which channels does CSR influence consumer behavior towards a brand?
2. What is the relationship between the various channels of reference?
3. How can a firm orient its CSR in order to achieve increased purchasing?

1.6 STRUCTURE OF THE REMAINING SECTIONS

The remaining chapters comprise the review of literature, methodology, results, discussion and conclusions and recommendations. In the literature review, the researchers present current studies on consumer behavior and the manner in which CSR activities affect the behavior of consumers. Further, the researchers present various empirical studies that have been carried out with the aim of identifying research gaps. The theory chapter highlights theoretical framework for consumer behavior and CSR and the critique of these theories.

The methodology chapter involves the presentation of the research design, including data collection and analysis with the aim of aiding in future replication of the research. We would also be discussing other research issues, for instance, the validity and reliability of the research and the ethical considerations in the process of conducting the research. This is followed by the results chapter in which findings are presented. Following the presentation of findings, the researcher compares the findings with previous research and this helps in the formation of

generalized statements (conclusions) for the next chapter. Moreover, the researcher discusses the challenges experienced during the research process and from such presents recommendations for future research.

CHAPTER 2: LITERATURE REVIEW

This chapter comprises the review of literature on consumer behavior and Corporate Social Responsibility. Also, the researcher discusses the influence of CSR on consumer behavior through varied channels. Further, the researcher presents various empirical studies that have been carried out regarding the relationship between CSR and consumer behavior. The researcher seeks to identify the varied research gaps which this research seeks to address.

2.1 THE RECIPIENTS OF CSR

There has been variation in the views regarding who the recipients of CSR are. Amaladoss and Manohar (2013) accept that a series of three approaches to CSR have been mentioned by scholars in different academic literature. Each of the approaches includes, but goes beyond the previous approach in attempting to formulate organizational responsibility (Deng, 2012) and they include shareholder, stakeholder and societal approaches.

In the shareholder approach, the social responsibility of any firm is the increase in profits. It commences from the focus on the maximization of profits as the highest goal and holds the belief that activities that are socially responsible go beyond the boundary of any organization and is the main duty of the government. Firms should therefore be concerned with the value of CSR as it pertains to the maximization of profits for the firm. This approach is mainly linked to Friedman (Currás-Pérez, Bigné-Alcañiz and Alvarado-Herrera, 2009).

In the stakeholder approach, a firm ought to be accountable to its shareholders and consider the interest of all the firm's stakeholders who may be affected by the firm's bid to accomplish its

objectives (Wang and Anderson, 2011). The stakeholders in this case refer to the persons or groups that affect the firm's welfare in a substantial way, for instance, financial claimants, customers, government officials, employees and communities (Williams and Zinkin, 2008). The third approach is considered as having a broader and most contemporary perspective of the recipients of CSR. The approach indicates the firm is responsible for the entire society to which they form part of (Berens, Riel and Rekom, 2007). The implication is that the operation of the organization should be in such a way that fulfills and serves the societal needs. Other literatures that examine the recipients of CSR have grouped them into three, depending on the period in which scholars discussed the matter, including the management of profit maximization, trusteeship management and the management of quality of life. Guthey and Morsing (2014) denote that the latter classification is the same as the first except that the different wordings are used to describe similar concepts.

2.2 MOTIVATION BEHIND THE INCORPORATION OF CSR

Research on CSR includes the outcomes, effectiveness, consumer responses and awareness of CSR. Irrespective of the varied perspectives, research indicates that consumers care about CSR. This has led to the increased participation of companies in CSR activities. Schreck, van Aaken and Donaldson (2013) mention that firms incorporate CSR because its various stakeholders care, thus providing incentives for firms to focus on CSR. Three reasons are cited by Chun, Qiang and Hao (2013) for CSR incorporation into the firm, including the adoption of CSR as an obligation, forceful adoption or as a voluntary activity.

The motivation behind the adoption of CSR can be caused by internal or external influence or negative and positive factors (Calabrese, et al, 2013). Pérez and Rodríguez del Bosque (2013) point out that internal drive towards the adoption of CSR may come from employees, the management, directors and shareholders because of the existence of individual values and vision of ethics and sustainable development. This is further asserted by Mahoney (2012) in the statement that an increasing number of firms execute CSR due to ethical and intrinsic convictions thereby developing the intentions of good citizenship. The external driving forces on the other hand may take different forms (positive or negative). These external forces could come from the demand by shareholders for the adoption of CSR, a scandal that damages the company's image, thus its response through the engagement in CSR to redeem its image or laws regarding CSR.

2.3 THE SIGNIFICANCE OF CSR TO CUSTOMERS

In the research conducted by Torugsa, O'Donohue and Hecker (2013), the conclusion arrived at is that consumers have developed attitudes that favor ethical companies as well as products with practices that are socially responsible. This is in agreement with the suggestion of Boulouta and Pitelis (2014) that approximately 90% of buyers regard corporate responsibility as a factor in their purchasing as well as consumption behaviors. In the current times, consumers do not consider CSR as an extra activity for a company but have expectations that firms will have high degrees of CSR. This is in agreement with the study carried out by Homburg, Stierl and Bornemann (2013) in which the findings indicate that a majority of the persons interviewed had expectations of a fairly high degree of CSR.

In Elliott, Jackson, Peecher and White's (2014) examination of the importance of CSR for consumers, the author examines the gap between buying behavior and attitude. The gap between attitude and behavior means the phenomenon in which the thoughts of people concerning their buying decisions and their ultimate act of purchasing do not agree. The reasons cited for this include the fact that green products are very expensive and that the quality of a product, its price and convenience are still of significance. Also, Pérez and Bosque (2014) suggest that consumers may be biased and not give correct responses. The explanation given is that answering questions costs lower than the actual conduct leading to an over-estimation of the potential effect of CSR on buying decisions (Yin and Zhang, 2012).

The other factor is that consumers lack information regarding CSR and its importance thereby inhibiting the responsiveness of the consumer to CSR. Gadeikiene and Banyte (2013) posit that while corporate philanthropy has been received quite well, consumers are not sufficiently informed regarding which specific companies practice it. This is supported by the Kim, Kim and Kim's (2014) claim that less awareness regarding companies' records of CSR exists and that it is hard to get such information.

2.4 PROCEEDS FROM CSR

The initiatives of CSR are addressed based on market forces with the aim of satisfying a single or numerous stakeholders. The provision of CSR is dependent on product differentiation, government contracts, firm size, and the life cycle of the industry, the ratio of marketing to sales and the supply of labor. A conglomerate extending its coverage has the tendency of being actively involved in CSR activities. According to Vlachos, Panagopoulos and Rapp (2013),

market competition determine the rate of profit for both socially responsible and socially irresponsible companies at the same degree. The difference is that firms that are socially responsible have the ability of benefiting from highest revenues with the increased costs of social responsibility while companies that are irresponsible have lower revenues and lower costs.

According to Inoue, Kent and Lee (2011), there are numerous ways in which the amount of money that goes into CSR activities may result into value addition to the company. In the first place, there are CSR activities which have immediate effects on the firm's cost savings which leads to increased profits and ultimately increasing the valuation of a firm. An example is a firm which pursues energy efficiency, which is considered as a CSR activity because of its ability to impact positively on the environment.

The second benefit of CSR to a company is goodwill. The example of this is the enhancement of the quality of a product which although may have high costs at the beginning, the result is increased profitability. Also, when firms undertake activities that may discourage the government from introducing future regulations, for instance control of pollution may have initial costs. Nevertheless, this may prevent future government regulations on the same and the imposition of taxes, which in the end may be more expensive for the company.

Lutz (2011) posits that CSR result in an increased willingness to purchase products at a premium cost, customer loyalty and lower risk of loss of reputation when a firm is faced with a crisis. Other benefits include positive valuations of the company, resilience to company's negative information, positive word-of-mouth and increased purchase intentions. Research further

indicates that companies have acknowledged that CSR is strongly linked to firms' financial performance and that increased profitability is their ultimate goal.

Employing the cost-benefit analysis, managers have the ability to establish the optimum degree of a firm's involvement in CSR thereby balancing the interests of the demand and supply sides of CSR. One of the perspectives is the financial gains of CSR. Numerous researchers have investigated the relationship between the involvement in CSR and the financial performance of a firm with no general conclusions being derived. Social responsibility implies greater costs in comparison with being irresponsible. CSR may not have a significant improvement in the financial report of a firm, but it does not lead to its lag.

The last benefit of CSR for the firm is a competitive advantage. Socially responsible firms have the tendency of attracting more consumers, competitive employees and business partners. All the stakeholders have a contribution towards the generation of competitive advantage for a firm. Calabrese, Costa, Menichini and Rosati (2013) regard the alignment of CSR to the strategies of business of great significance even though many firms in the perspective of Roeck and Delobbe (2012) always conceive CSR at the level of marketing, being an add-on to building a favorable image of the brand. Through the integration of CSR into the daily operations of the business, CSR becomes a proactive approach which leads to the promotion of long-term growth and the creation of a competitive advantage. When deployed in ways deemed appropriate, they can contribute to more resources and greater opportunities.

2.5 TYPES OF CSR ACTIVITIES

CSR is described by Fooks, et al (2013) as a set of specific investments known as activities which over time and collectively have the potential to result in a reputation of being socially responsible. The activities are categorized into three including products associated activities, philanthropy and business practices. Philanthropy includes charity events, donation of sales or products. Business practices include reduced consumption of energy, employee relations, recycling, ethical conduct and animal testing. Product quality includes organic products, energy efficiency and increased product quality.

Yin and Zhang (2012) categorize CSR activities into six, including the promotion of a cause which means activities that lead to a rise in awareness as well as regard for social causes; marketing that is cause-related meaning that participation in social causes is on the basis of sales levels; marketing that is targeted towards changing behavior; direct contribution towards social causes; community volunteering by company employees; and business practices that are socially responsible.

The classification of CSR activities is crucial to the understanding of its impact on consumer choices. According to Calabrese, et al (2013), the reactions of consumers to CSR activities are dependent on the manner in which CSR manifests. Therefore, different activities have the potential of resulting in different results. Furthermore, Lamberti and Noci (2012) reports that consumers' view of CSR is on the manner in which the activity increases the value of the products.

2.6 CONSUMER DECISION MAKING

Consumer decision making is categorized into problem recognition, the search for information, evaluation of alternatives, purchase and post purchase. The purchasing process begins with the recognition of the problem. The consumer is therefore stimulated to search for additional information. The stimulation of consumers towards an information search is grouped into heightened attention in which a consumer becomes more open to information regarding a product and active search for information which the consumer searches for information from friends, various shops, and the internet and through reading materials (Lutz, 2011).

The level of influence of the varied sources of information on consumers differs for each category of products. Generally, information is retrieved by consumers from sources that are dominated by markets. Sources of information include independent authorities and commercial sources and the information is grouped into an awareness set (knowledge regarding a sub-set of brands); consideration set (some of the brands that satisfy the initial purchasing criteria of the customer) and the choice set (brands that are regarded as worth consideration). The purchase decision is thus made from the choice set.

In the evaluation of alternatives, Groza, Pronschinske and Walker (2011) posits that selecting from a sample the brands available is an attribute that aids in simplifying the process of consumer decision making. Consumers have the tendency of using information regarding the list of the brands available and the evaluation criteria. Moreover, Romani, Grappi and Bagozzi (2013) explain that consumers tend to have between three to five brands for consideration which

are known to the consumer and regarded as acceptable. The brands that do not end up in the consideration list could be unknown as a result of selective exposure or unacceptable as a result of inappropriate position or which are perceived as lacking special gains or not fully satisfying the needs of the consumer.

At the purchasing stage, consumers act on five subsections comprising the quantity, brand, dealer, payment method as well as timing. In certain cases, consumers may not carry out formal assessment of each purchasing decision. Nevertheless, there are other cases in which intervening factors may have an effect on the purchase decision (Inoue, Kent and Lee, 2011) for instance others' attitude and situational factors that are not anticipated. The decision of the consumer to avoid, modify or change purchase may also be influenced by the risk perceived which varies with product price, the level of self-confidence of the consumer and uncertainty regarding the product attributes. The risk avoidance methods developed by consumers include information gathering, national brand preference and decision avoidance.

Following the purchase of a brand, consumers might be uncertain concerning a brand following some disquieting features or favorable recommendations regarding other brands.

2.7 CONSUMER PRODUCT KNOWLEDGE

According to Matute-Vallejo, Bravo and Pina (2011), consumers have varying levels of product knowledge which they use in the retrieval of information and in making purchasing decisions. The levels of product knowledge are formed through the acquisition of different meaning ideas and gather them into larger knowledge categories. Purchasing decisions are made at every degree

of product knowledge, including knowledge of product attributes, benefits of product usage and the values that are satisfied with the products. Inoue and Kent (2014) indicate that consumers, many times consider the products' benefits rather than the characteristics. The benefits are divided into psychosocial and functional benefits. Functional benefits include the immediate physiological results as well as the physical performance results following the consumption or usage of the product. Psychosocial results of product usage, refer to the manner in which product usage affects the consumer emotionally.

2.8 EFFECTS OF CSR ON CONSUMER BEHAVIOR

CSR affects consumer behavior through varied channels including the increase in organizational legitimacy, reduction of information asymmetry and through consumer ethical decision making.

2.8.1 THE LEGITIMACY OF AN ORGANIZATION

In corporate behavior and the perception of consumers, legitimacy mirrors in corporate behavior and the shared beliefs and values of consumers. This means that for a company to be regarded as legitimate, its CSR has to be known, acknowledged and supported as in line with the beliefs and values of consumers. Legitimacy is therefore defined by Tian, Wang and Yang (2011) as an overall view or assumption that a firm's actions are proper, desirable or appropriate within a particular socially built system of beliefs, norms, values and definitions.

Legitimacy is of significance given that it affects the behavior of consumers and the attitude of consumers toward an organization. Consumers view legitimate organizations as more meaningful, worthy, trustworthy and predictable. It is therefore vital for any endeavor into CSR

for the purpose of differentiating the firm from other firms that do not practice CSR and also helps in building brand trust.

According to Torelli, Monga and Kaikati (2012), there are three kinds of organizational legitimacy including pragmatic legitimacy which refers to the direct effect of organizational actions on consumers' well-being; moral legitimacy which is based on the judgment of whether the CSR promotes the social wellbeing of consumers on the basis of their system of values, norms and beliefs (Vlachos, Panagopoulos and Rapp, 2013); and moral legitimacy and cognitive legitimacy which means the active assessment of whether firms truly benefit the society (Kim, Kim and Kim, 2014). Through organizational legitimacy, CSR therefore affects the attitudes of consumers towards a firm and its products which a factor in decision of consumers to purchase products.

2.8.2 ASYMMETRY OF INFORMATION

In the study of the psychology of consumers, the widely held belief is that in the formulation of an opinion, greater emphasis is placed on the negative in comparison with positive information (Gadeikiene and Banyte, 2013). The implication is that immoral behavior is regarded as bad character given that bad firms do not perform bad acts in a consistent manner while moral acts are not regarded as good character given that they could be the result of attempts at ingratiation or due to conformity pressures (Pérez and Bosque, 2014). This means that in the case that a firm behaves unethically or in a socially irresponsible way, consumers conclude that the firm is irresponsible in a more confident way compared to their ability to conclude that a firm is responsible when it carries out CSR activities.

The information regarding the ethical or unethical conduct of a firm is theorized as having an asymmetrical impact on the attitudes and purchase behavior of consumers; unethical conduct having a more negative impact on the attitude of consumers compared to the positive impact on the attitude of consumer created by positive behavior. The consequence is an expectation of punishment of unethical behavior with no obvious reward for ethical behavior unless it is notably higher than the consumers' point of reference.

For the transformation of consumer buying behavior in ethical purchasing, consumers have to be aware of the firms' behaviors. Many times, this is not the case, given that consumers have more information asymmetries to deal with. Furthermore, given that there is abundant information with ease of accessibility, customers may be overwhelmed as opposed to disinterested to the knowledge of ethical firms and products. The information is available for discriminating consumers, but for other consumers, this information gets lost among other numerous communications. This brings the reason for different ways of communicating CSR information in a way that makes it reach consumers without needing a disciplined effort or creating inconvenience.

2.8.3 CONSUMER ETHICAL DECISION MAKING

The majority of customers has expectations of more than legal compliance and holds the belief that firms have a moral duty to the society (Elliott, Jackson, Peecher and White, 2014). When involved in an ethical decision, customers apply ethical values that are internally built on the basis of varied expectations and philosophies. The expectations of consumers have a significant

role in the process of decision making same as firm associations (Homburg, Stierl and Bornemann, 2013) which include inferences, beliefs, and perceptions concerning the firm and its operational context. Although the experiences of consumers with firms affect the individual's assessment of the firm and help in setting beliefs and expectations, it is the expectations that determine the satisfaction of consumers with the product and in the end, with the company. Consumers assess the decision alternatives through expressing their outcomes as either gains or losses in comparison to a specific point of reference. The major determining factor is the consumer's point of reference given that it serves as the absolute zero from where each of the alternatives is evaluated as either gain or loss.

The consumers' point of reference is formed from the moral standards and values gained from early life. The reference points continue to change depending largely on the context of the firm. In terms of CSR, the consumer first develops initial point of reference from inbuilt morals and values and continually modifies the point of reference by factors within the environment for instance regarding a firm and its rivals. This goes on to the consumer makes a selection between a firm and its rivals.

Research for instance MORI 2003 confirms the existence of consumers' point of reference and that there is an actual expectation of firms to conduct their business in an ethical and in a socially responsible way. According to Aouina and Bhatli (2014), ethical behavior is not highly valued by consumers given that it is among the expectations of the consumer and that it is in line with the customers' expected degree of firm behavior. This means that firms have to go beyond the expectation of consumers as well as consumer points of reference for the purpose of

differentiating themselves among rivals in terms of CSR. On the other hand, unethical behavior results in poor perceptions of consumers regarding the firm because of their lack of achievement of maintenance of the point of reference. On the basis of the point of reference, Assiouras, Siomkos, Skourtis and Koniordos (2011) argue that consumers determine whether they will reward or punish companies through purchasing their products. The implication is that consumers reward firms whose CSR outperforms their point of reference and punish those that underperform. The pattern of ethical decision making based on the point of reference, therefore connects to the theory of consumer behavior through the consumer's beliefs, norms and values.

2.9 EMPIRICAL ANALYSIS OF CSR AND CONSUMER CHOICE RELATIONSHIP

According to Fernández and Marie (2013), the first survey on CSR was carried out in 1999 by Environics and involved groups of 1000 citizens drawn from 23 different countries. The results of the survey revealed that two thirds of the participants have a desire for the contribution of firms to wider roles in the society, helping in the development of a better society with improved ethical standards. Additionally, 20% of those surveyed had either punished or rewarded firms within the preceding twelve months based on their social performance. The study also revealed that 39% of consumers in Europe had involved themselves in such behavior with 14% having the intention of carrying out the same. Moreover, 50% of the respondents agreed that their perception of a firm is influenced by the firm's social performance.

In the same way, a similar poll was conducted in 2002 by the same organization which involved 1000 consumers from 25 countries (Boulouta and Pitelis, 2014). The results indicate that 33% of consumers reward ethical conduct of companies and contrary to that punishes unethical firms.

30% of shareholders moreover made a declaration that they would sell their shares if their company acted irresponsibly even with important earnings.

Ramasamy, Yeung and Au (2010) further reports the MORI research carried out in 2004 on the perspective of the British public on corporate responsibility. The sample comprised 2,026 adults, and the results reveal that most of the respondents did not think that firms listen and react to the concern of the public regarding environmental and social matters even though that was regarded as vital for them. 38% of the respondents agreed that CSR was an important factor in their purchasing decisions.

In the same manner, Carvalho, Sen, Oliveira and Lima (2010) showed that 50% of consumers have a higher likelihood of purchasing from a firm with a good social reputation with 60% indicating that they would avoid purchasing products or services from firms with a bad reputation. Additionally, research carried out by Marquina (2010) revealed that 86% of respondents have a higher probability of purchasing a product in the case that they come to the realization that the firm helps in the enhancement of the society.

A survey carried out by Öberseder, Schlegelmilch and Murphy (2013) focused on the manner in which consumers think concerning issues of corporate responsibility and the factors influencing their buying decisions. The respondents indicated that they have expectations of firms' ethical behavior, and ethical behavior is among the important factors that they consider when making purchases and they are willing to reward ethical actions through paying higher prices for products from ethical firms. Also, the TGI survey conducted in 2002 (Torugsa, O'Donohue and

Hecker, 2013) highlighted that 67% of participants agreed that it is of significance for companies to act in an ethical manner.

Park, Lee and Kim (2014) report a survey which examined the attitude of students towards CSR in which 772 respondents were sampled from eight countries. 80% of the students indicated that they had attempted to recycle while on campus, 70% preferring environmentally friendly goods and packaging and 58% reporting their readiness to pay slightly higher for such products. In the same manner, a survey that involved 1000 students from all over the world disclosed that CSR is among the significant issues considered by students while developing an impression regarding a firm (Mahoney, 2012). The research also disclosed that CSR will be vital in the future employment decisions of students given that 50% of the students claimed that they would not accept a job offer from a firm regarded as being unethical. It of significance to note that particularly in Western Europe and North America, students actively involve CSR in their purchasing decisions given that the majority holds the claim that they have punished firms that had irresponsible behavior.

Another survey conducted in the US involves a sample comprising 2000 persons above 18 years. 64% of the respondents agreed that CSR ought to be included among a firm's activities with 85% of the respondents declaring that they would favor a firm which supports a social cause (Pérez and Rodríguez del Bosque, 2013). The survey also revealed that CSR leads to the attraction of new consumers given that 76% stated that they would take into consideration switching to brands which hold the same interest for the society. Although these studies shown consumers' interest in firms that are socially responsible, and their willingness to reward or punish them, they do not

give an indication of the manner in which CSR affects the specific traditional determinants of consumer behavior.

Contrary to the studies indicating that consumers care about CSR activities, there is evidence for opposing views. Some researchers argue that consumers have no strong feelings regarding CSR and that the statement can be shown by three factors, including the fact that the market share of the majority of ethical brands would be large; some researchers have provided evidence for the non-existence of the relationship between corporate ethical perception and the understanding of consumers regarding brands. For instance, Bigné-Alcañiz, Currás-Pérez, Ruiz-Mafé and Sanz-Blas, (2012) report a research in which 75% of consumers sampled in the UK who had chosen to buy products from a particular brand had not included ethics as among the reasons that caused them to behave in that manner. The research showed that the majority of the respondents were not aware of the CSR practices of firms with only 30% having the capability of naming a firm that they thought had acted in an ethical manner and 37% being able to name one firm that had practices which helped the society.

It is of significance to note that the majority of consumers merely express concerns regarding ethical issues, but does not consider ethics above other criteria when making purchasing decisions. Although research shows that there is a decline in the importance of ethics in consumer purchases. Marquina and Morales (2012) however, justify that the decline is caused by hard economic times and corporate scandals that caused consumers to lose trust in firms. Feldman and Vasquez-Parraga (2013) moreover indicate that consumers only make ethical purchases when it is convenient and will not pay more in terms of increased prices or loss of

quality. Also, Abd Rahim, Jalaludin and Tajuddin (2011) report that although almost 50% of consumers have the willingness to pay more for ethical products, less than 20% according to Deng (2012) have actually attempted to do that. Presented with a list of firms that have significant variations in their CSR activities, consumers are not able to identify the firms that have less responsibility. This suggests that even with the willingness demonstrate in the majority of the surveys, lack of specific information reduces the capability of consumers to identify ethical companies and actually reward them.

Some researchers suggest that CSR only influences the purchasing behavior of consumers when the activities carried out are observable. Currás-Pérez, Bigné-Alcañiz and Alvarado-Herrera (2009) denote that unethical conduct leads to decreased consumer spending, although the author also showed that exemplary behavior did not necessarily lead to increased spending. Such relationships, according to Wang and Anderson (2011) are complex and are affected by numerous other variables. For instance, in the study conducted by Williams and Zinkin (2008) regarding the effect of location on the purchasing behavior of consumers, the results reveal that in the case that CSR is conducted locally; the positive influence is more in comparison with when the activities are carried out globally. The implication is that for CSR activities to make an impact on the behavior of individual consumers the impact of the activities has to be felt by the consumer.

The existing literature gives evidence for the impact of corporate social responsibility on the purchasing behavior of consumers. Past studies have provided proof that firms can gain from carrying out CSR, and that CSR has the capability of impacting on the behavior of consumers in

numerous aspects including their buying intent (Chun, Qiang and Hao, 2013), the valuations and selection of products and brand recommendations. Berens, Riel and Rekom, (2007) also posit that CSR not only impacts on the purchasing decisions of consumers but also on their evaluation of new products.

Given that consumers' loyalty, attitude, word-of-mouth and product valuation are the major dimensions that determine the process of purchasing and which are affected majorly by CSR activities, the next sub-sections examine how CSR affects each of the four concepts.

2.9.1 CSR AND CUSTOMERS' ATTITUDE

Past literature gives a significant contribution to the relationship between the attitude of consumers and companies' CSR initiatives. For instance, Lamberti and Noci (2012) carried out a study in which the control of corporate credibility and spokesperson was carried out by use of newspaper and advertisement. The results indicated that corporate credibility significantly affected the buying decisions of consumers and their attitude towards a brand while the contributions of a firm to charity and environmental protection gave a reflection of positive company credibility. Marketing research reveals that customers have the tendency of patronizing companies which actively participate in CSR activities. For example, Mishra and Modi (2013) contend that promotions based on CSR must not emerge from past negative incidents or motivated towards the enhancement of profits.

Jonikas (2012) shows a relationship between the attitudes of consumers and CSR initiatives. Consumer attitudes can be affected by the ethical conduct of a firm and in turn affect the

estimates regarding a firm and its products. Consumers have the tendency of choosing a firm with ethical conduct over another that is regarded as unethical when both the firms offer excellent product attributes. Consumers have the capability of comparing the ethical conduct of different firms in their purchasing decisions.

Numerous studies additionally show that the way in which CSR is carried out is of great importance. In the research on the influence of corporate charity on consumer attitudes, the results disclose that this yields positive attitudes towards the firm in one time disaster relief (Schreck, van Aaken and Donaldson, 2013). Continuous donations were regarded as having a very minute effect on the attitude of consumers.

Other researchers have acknowledged the collective effect of multiple strategies of CSR on the attitudes of consumers. For instance, Remišová and Búciová (2012) investigated the combined effect of different CSR actions, including support for causes and the environment and corporate contributions and the findings indicate that CSR links affect the attitude of consumers towards the products through their effect on the overall evaluation of the firm. Mogele and Tropp (2010) investigated the impact of linked CSR activities on the attitudes of consumers. The activities observed included energy conservation, promotion of human welfare, the contribution to the development of the economy, corporate social marketing and consumer protection. The findings show that CSR programs result in enhanced consumer attitudes towards a company as well as the belief in the honesty of the firm, increased support for the company and increased consumer positive reactions.

2.9.2 CSR AND CUSTOMER LOYALTY

Pomeroy and Dolnicar (2009) define customer loyalty as a commitment that is deeply held to re-patronize or re-buy a product or service preferred in the future. Consumers that are loyal have a preference for one company over another and will continue making purchases from the same company. The implication is that customer loyalty is manifested in repeated buying behavior. The accomplishment of such repeated purchasing behavior is the major challenge for firms. Zaharia and Zaharia (2013) posit that the CSR initiatives of a company have the capability of helping in achieving repeated purchases. Consumers that purchase products on the basis of CSR have the tendency of making purchases based on the CSR performance of the company. For instance, animal protectors have the tendency of purchasing products from companies whose products are not tested on animals (Guthey and Morsing, 2014). This gives the suggestion that in the case that the CSR initiatives of a company are regarded as inadequate; the consumers may switch products or brand reducing their loyalty.

In the research conducted by Öberseder, Schlegelmilch and Gruber (2011), the conclusion arrived at is that there exists a direct and positive relationship between CSR and consumer loyalty. From the dimension of retail, CSR activities including support for causes that are non-profit or ethical practices result into loyalty, emotional attachment and interest in a store. As a consequence, a positive rise in the percentage and volume of shopping is realized (Amaladoss and Manohar, 2013).

2.9.3 CSR AND PRODUCT EVALUATION

Product evaluation is the judgment and selection of a product among alternatives on the basis of the cues provided by a marketer and on other information sources concerning the attributes of the product (Gelbmann, 2010). Positive CSR relations result into positive evaluation of a firm and this has the capability of affecting consumers' reaction to a product or service positively (Jayakumar, 2013). Contrary to this, negative relations have a negative impact on a firm and its products. In the case that a firm provides its consumers with information regarding its involvement in CSR activities, and in the case that a consumer supports the initiatives of the firm, the customer tends to believe that the firm's products are decent.

Information regarding the process of production has the capability of affecting the purchase decisions of consumers. Lii and Lee (2012) conclude that numerous practices that socially irresponsible for instance low wages, child labor and a work environment regarded as dangerous has the capability of significantly discouraging consumers from purchasing a product. The researchers additionally find a negative impact unfavorable ecological attributes such as poor biodegradability of the products. The findings support product positioning on the basis of CSR characteristics which Groza, Pronschinske and Walker (2011) regard as being significant particularly for homogeneous products in low differentiation markets.

Some products are however regarded as complex for instance products of IT whereby customers may have to trade CSR with product functionality. According to Romani, Grappi and Bagozzi (2013), in certain cases, CSR may lead to a restriction of product functionality or lead to a rise in costs for the consumer. According to Inoue and Kent (2014), consumers tend to select products

with added CSR characteristics, but in the case that a trade –off between CSR and price or performance is introduced, consumers have the tendency of going for products that are cheaper or with better performance. This finding is however not supported by all researchers. For instance, Matute-Vallejo, Bravo and Pina (2011) do not confirm that customers favor functional characteristics more than CSR.

2.9.4 CSR AND WORD OF MOUTH (WOM)

WOM is informal communications which take place between parties regarding the assessment of products and services (Hah and Freeman, 2014). WOM can both be positive or negative and reflect the performance of a firm in the perspective of a consumer. Given that the major weakness of CSR is its lack of awareness, WOM has the capability of enhancing its impact. Past studies provide proof for the manner in which CSR influences WOM in that they are likely to recommend products from firms that are socially responsible. Tian, Wang and Yang (2011) noted that consumers are involved in positive WOM concerning firms that have CSR commitments.

Although the research involving the particular impacts of CSR on the behavior of consumers with regard to word of mouth, product evaluation, consumer loyalty and attitude has been carried out; not one of the researchers has tried to combine these factors in order to give a complete view of the CSR impact on consumer behavior. Furthermore, the researchers only mention these factors and do explain the channels through which CSR activities influence these behaviors. The authors have also not attempted to give the relationship between the changes in attitude brought about by the CSR activities and the ultimate purchase decision. Torelli, Monga and Kaikati

(2012) explain that although the attitudes of consumers affect purchase decision, they are just one among other determinants. A consumer may have a positive attitude towards a product, but fail to purchase it due to other elements in the consumer decision making process. The current research links the consumer decision making process with CSR activities with the aim of determining the channels through which CSR activities affect the final purchase.

CHAPTER 3: THEORIES

3.0 THEORY OF CORPORATE SOCIAL RESPONSIBILITY

According to Elisabeth Garriga and Domenec Mele (2004); the Corporate Social Responsibility (CSR) field represents not only a landscape of theories but also a proliferation of approaches, which are controversial, complex and unclear'. Several Scholars have propounded varying approaches and perspectives so much so that it makes the discussion too wide to narrow down. CSR entails adaptive methods that seek to institute connection between economic resources and social/ environmental needs. It also involves maximizing political capital to achieve social integration and structured cohesion within the society. In order to provide clarity, we would delineate and discuss CSR theories under four major categories.

3.1 CSR INSTRUMENTAL THEORIES

Under this category, CSR is viewed as a means of achieving economic gain, increased wealth creation and ultimately as a pathway for continued economic leverage. Milton Friedman captures the essence of this CSR theoretical perspective when he asserts that 'the only one responsibility of business towards society is the maximization of profits to the shareholders within the legal framework and the ethical custom of the country' (Gariga and Mele, p.g 53). Theories relating to instrumentalism have a lot to do with using available capacity to solve much more complex needs. With emphasis placed on the correlation of business relations and the wider community, this perspective has been more dominant.

The underlying need to make profit is not mutually exclusive to satisfying the interests of stakeholders. Severally, it has been established that organizational profit making works in

consonance with creating value for parties that are involved in a venture. Elizabeth and Domenec stated in their article on CSR theories that there are three main groups of instrumental theories and they can be identified by the economic objective they propose.

The first, being the maximization of shareholder interest or value, which can be measured by the value of a company's share price. Furthermore, corporations are better served when the supreme basis for engaging in specific social activity is connected to the bottom-line. Consequentially, if a company's social engagement would not material into gain in the long run, in terms of positive return on investments, it is therefore not considered appropriate for organizations. If social demand will impose unprofitable cost to a company, they should be denied corporate support. Inclusive of this approach is the fact that corporations still consider investments in the community as being consequential to their long term interest. They are able to leverage their goodwill to attract good employees within the base of their operation as well as reduce negative effect on their brand.

Following the maximizing shareholder value are strategies that are aimed at realizing competitive advantage. These set of theories are aimed at realizing long term competitive advantage through social engagement. Corporations that are active within this approach consider social engineering as a basis for achieving economic leverage in the long run. For Porter and Kramer (2002), investing in philanthropic activities may be the only way to improve the context of competitive advantage of a firm and usually creates greater social value than individual donors or government involvement.

Burke and Lodgson (1996), further argue that philanthropic activities are closer to the company's mission; they create greater wealth than other kinds of donations. Furthermore, there is the view of the firm that is based on resource factor that relates to how firms can perform better than others, based on the interplay of human, organizational and physical resources over time. According to Elizabeth and Domenec (2004, pp. 54) 'resources that are most likely to lead to competitive advantage are those that meet four criteria: they should be valuable, rare, and inimitable, and the organization must be organized to deploy these resources effectively'.

Dynamic capabilities focus on the 'drivers behind the creation, evolution and recombination of the resources into new sources of competitive advantage (Teece et al., 1997). We see that these perspectives to CSR theories focus on how corporations can find effective means of connecting corporate resources with possible external resources which may include elements from the community from where they operate from. The capacity to be competitive would hinge on a company's capacity to effectively deploy available resources in a productive manner. For example, a company might discover that developing proper relationship with stakeholders such as: employees, customers, suppliers and communities would enhance overall corporate brand image. As such, resources would be provided to achieve this strategic approach to achieve corporate competitiveness.

There are also concepts that relate to the structure of economic strata. Typically, business strategies are mostly fitted for middle to upper income clientele, but it is noteworthy that majority of the eligible consuming population of the world consists majorly of those that we can categorize as the poor. Companies may design products based on supposed common good to

alleviate poverty problems or to grant access to certain products or services so that the less privileged can participate or use. This may improve the social order of those categorized as poor and at the same time be a channel that creates competitive advantage for a company.

3.2 CSR POLITICAL THEORIES

Political theories related to CSR are mostly connected to relations between business and the society. They involve political decisions as it affects the business community as well as political consideration under the CSR banner. In line with Elizabeth and Domenech's classification, we would delineate two major theories and they are: Corporate Constitutionalism and Corporate Citizenship.

3.2.1 CORPORATE CONSTITUTIONALISM

Davis (1960) held that business is a social institution and it must use power responsibly. He was one of the first set of scholars to introduce the concept of business power into the discussion of corporate social responsibility. Part of Davis's legacy was the exploration of the role of power that corporations hold in society and the subtle impact they bare on society. He was of the opinion that the drivers of social power of the firm are not entirely internally generated by the firm, but they are also influenced by external causes. Factors influencing the social or business power are not static; they are constantly evolving and changing depending on the prevalent dynamics in play at a given time.

The idea of business power was developed to challenge the traditional view of perfect competition that posits that a company's involvement in the economy is primarily for the

creation of wealth. In addition to wealth creation, corporations have the capacity to influence the balance of market interplay. It therefore, means that market performance is not entirely dependent on the free will of players with the composite knowledge of the market. But it should be understood that there are other intervening variables that may determine the ultimate result of market output.

Two principles have been derived from Davis's work and they are:

- Social power equation
- The iron law of responsibility.

Social power equation relates to the responsibilities of businessmen arising from the amount of social power that they own. Iron law of responsibility, on the other hand; is connected to the negative consequences of the absence of use of power. He writes that whoever does not use social responsibility power will lose it. In the long run, those who do not use power in a manner which society considers responsible will tend to lose it because other groups eventually will step into assume those responsibilities'' (Davis1960, p. 63). The structure of power and its associated responsibilities can be understood through the lens of business and managerial functionality. From this end, Davis contests the view that business should shoulder all responsibility with regards to social influence as well as the rejection of the view of radical free market perspective of denial of responsibility from business.

In line with Davis's thoughts on business and social power, there comes the dimension of social contract theory in which some sort of agreement is assumed to exist between society and business. In this regard, business is seen as having some obligations towards society which may include the delivery of quality service and products. Inclusive of pseudo-moral duties to society

to ensure that it is not just involved in profit making but to be seen as a caring member of the society in which the profit is derived.

The works of Donaldson and Dunfee (1999) have further expanded this aspect of political theory to an approach known as integrative social contract theory. This view includes contexts of socio-cultural interplays and empirical/normative aspects of management. According to Elizabeth and Domenech, 'these scholars assumed two levels of consent. Firstly, a theoretical macro-social contract appealing to all rational contractors, and secondly, a real macro-social contract by members of numerous localized communities (Elizabeth and Domenech 2004, pp. 56). The highlight of these sets of thoughts relate to how society and business engage in an acceptable give and take relationship which may be agreed to emanate from the contractual understanding that corporations exist because of society and they are bound by certain expected obligations to be considered a meaningful member of a society. Therefore, for a company to be socially engaged means it understands that there is a social contract that binds to the community. As stated by Elizabeth and Domenech (Ibid, pp. 56) 'the micro-social contracts show explicit or implicit agreements that are binding within an identified community whatever this may be; industry, companies or economic systems. These micro-social contracts, which generate 'authentic norms' are based on the attitudes and behaviors of the members of the norm-generating community and, in order to be legitimate, have to accord with the hyper-norms (Ibid. pp. 56).

3.2.2 CORPORATE CITIZENSHIP

Corporate citizenship focuses on the firm as a corporate citizen. Crisis of the welfare state, globalization and the deregulation processes in the global economy has strengthened academic focus on this perspective to CSR. Technological improvements to production processes, newer and efficiently more creative models of delivering, advanced information technological systems and radical branding streams have created transcontinental corporations that wield so much power and influence than some governments. Matten et al. (2003) laid out three dimensions of corporate citizenship as follows:

- A limited view,
- A view equivalent to CSR and
- An extended view of corporate citizenship, which is held by them.

Under the limited stream, corporate citizenship relates to philanthropy, social commitment or activities directed towards the society. Carrol (1999) captures the view equivalent to CSR when she wrote that “corporate citizenship” seems a new conceptualization of the role of business in society and depending on which way it is defined, this notion largely overlaps with other theories on the responsibility of business in society. Citizenship is derived from political science as an individual who belongs to a community of people beholden with certain responsibilities and inalienable rights. For a corporation, however, it is similar conceptually but differs in the sense that it is secondary to the individual. The underlying understanding is that corporations have some role to play in society, an idea that firms can partner with communities to develop a better sense of engagement and the view that contributions from firms can help to improve society.

3.3 ETHICAL THEORIES RELATING TO CSR

These sets of theories focus on moral demands and requirements that business has towards society. They contain written and unwritten moral codes that guide the relationship between corporate entities and the communities in which they operate. Ethical theories of CSR involve coded values that define wrongness or rightness of corporate conducts, they specify the latitude of goodness as well as the boundary surrounding equity, social justice and fairness.

Based on the work of Elizabeth and Domenech, they have identified four major approaches under the ethical theories relating to CSR:

- Normative Stakeholder Theory
- Universal Rights
- Sustainable Development and
- The Common Good Approach.

3.3.1 NORMATIVE STAKEHOLDER THEORY

There is a moral demand on business to be loyal and committed to groups that are considered as stakeholders. Stakeholders have legitimate holding in a business either through financial connection or some social link. Donaldson and Preston (1995) held that the stakeholder theory has a normative core based on two major ideas.

- Stakeholders are persons or groups with legitimate interests in procedural and /or substantive aspects of corporate activity (stakeholders are identified by their interests in the corporation, whether or not the corporation has any corresponding functional interest in them).

- The interests of all stakeholders are of intrinsic value (that is, each group of stakeholder's merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as the shareowners).

Based on the foregoing, the community, shareholders, environmental activists, the municipal government, suppliers, business owners, employees and union members may be regarded as stakeholders as long as they have intrinsic connection to a particular business. A socially responsible business would typically include consideration for all stakeholders in the running of its day to day operation. Giving legitimate attention to the interest of its constituency or stakeholders would be considered a good business practice.

3.3.2 UNIVERSAL RIGHTS

CSR can be viewed from the prism of fundamental human rights, especially in the market place. Human rights approach to CSR has been gaining traction in the academia in recent years owing to some work done through the United Nations like the UN Global Compact which includes ten principles in the areas of human rights, labor and the environment. In 1999, Kofi Anan, the then United Nations Secretary General presented an address to the World Economic Forum. The operational phase was launched in 2000 and many companies have since adopted the basic tenets. For example, principle: (1) States that 'Governments have the primary responsibility to protect human rights. However, individuals and organizations also have important roles to play in supporting and respecting human rights. The business community has a responsibility to respect human rights, that is, not to infringe human rights, in the context of their own activities and their business relationships. Operating context, company activities and relationships can pose risks that the company might negatively impact human rights, but they also present

opportunities to support or promote the enjoyment of human rights while also advancing one's business' (United Nations Global Impact). From the foregoing, we see how rights of persons and communities have been delicately intertwined with the responsibilities of corporations. A connection has been made between business functionality and the rights of environment, people and business relationships. Meaning, therefore, that business are not only established to make profit, but also to be responsible partners within the enclaves in which they operate.

3.3.3 SUSTAINABLE DEVELOPMENT

In 1987, the World Commission on Environment and Development (United Nations) published a report generally known as 'Brutland Report' that initiated the concept of sustainable development. This report specifies that development of any kind should seek to meet the needs of the present without compromising the ability to meet the future generation to meet their own needs (World Commission on Environment and Development 1987, pp.8). The initial concepts focused more on the environment; they have now grown to include other social dimensions as being interconnected with development. According to the World Business Council for Sustainable Development (2000, p.2), sustainable development 'requires the integration of social, environmental, and economic considerations to make balanced judgments for the long term'. The overarching aim of the sustainable development stream is to connect business process with practices that will suit balanced societies. The underlying idea is that profit should not be the only paramount basis for engaging in trade, but there should adequate consideration for the environment in which the business is conducted as well as the people who will be affected by end result of the business.

3.3.4 THE COMMON GOOD APPROACH

This integrated ethical based approach to CSR theory relates to the idea that business has a common good duty to serve society. This perspective emanated from the Aristotelian tradition (Smith, 1999), and assumed into Catholic social thought (Carey, 2001) as a key reference for business. It is fundamentally based on the view that business in connection with other social networks in society is required by the intrinsic bounds of morality to contribute to the common good because it belongs to the society. Fort (1999) argues that ‘business is a mediating institution. It should neither be harmful to nor a parasite on society, but purely a positive contributor to the well-being of the society’. This approach is similar to the stakeholder approach and sustainable development, however, it is different in the sense that the ‘interpretation is based on the knowledge of human nature and its fulfillment’ (Elizabeth and Domenec 2004 pp. 62). In relation to CSR, business may show common good through different channels such as wealth creation and provision of services in more efficient ways. In addition, service delivery with the background of respect for human rights, environmental sustainability and respect for society. Furthermore, it contributes to social well-being and a harmonic way of living together in just, peaceful and friendly conditions, both in the present and in the future (Mele, 2002).

3.4 CRITIQUE OF THE THEORY OF CORPORATE SOCIAL RESPONSIBILITY

In the introduction to Corporate Social Responsibility and the theory of the firm, Inga Kristoffersen et al. (2005) expressed the view that although CSR appears to have wide acceptance within academia and considerable attention in the media, but there remains inconsistencies with regards to definition and meaning of the term. The deduction from several sources is that scholars have not been able to articulate a consensus ground upon which to lay a

widely acclaimed theoretical framework for CSR. This calls for concern as it begs the question of its theoretical framework and widely accepted academic structure. Reading through the plethora of academic materials on CSR, the researchers perceived that there seems to be no generally defined theory of CSR unlike game theory and Institutional theory. This lack of widely acclaimed structure projects CSR as merely a descriptive model and not a concept that deserves in-depth and critical construction. Part of the problem is that academics have not been compelled by foundational theoretical framework in their definition of CSR, hence, they have been free to construct definitions that correlates with their biases. The lack of rigorous academic underpinning for CSR has led to Corporations adopting definitions that may be considered loose at times and probably suited to fit corporate goals primarily.

3.5 CONSUMER BEHAVIOR THEORY

Cherchye, De Rock and Vermeulen (2009) define consumer behavior as the dynamic dealings of cognition, affect and behavior as well as the context by which humans carry out the exchange dimension of their lives. Customer behavior entails the feelings and thoughts experienced by customers and their actions during the process of consumption. The environment has an additional impact on the process of consumption through advertisements, other consumers, packaging, pricing, and labeling and product appearance. Consumer behavior is presented using the black box model in which the interaction of consumer attributes, stimuli, consumer responses and the decision process are illustrated. The model separates intrapersonal from interpersonal stimuli.

The history of consumer behavior theory is often tracked back to the works of English empiricists like Thomas Hobbes, Bentham and Bacon who considered the human consciousness as some kind of storage space for human experience. As with memory, experiences may become subliminally suppressed, but they remain stored, filed and they form the basis for our decision, because we are able to draw from seemingly inactive sources to make our decision. The process of decision making by consumers has been an interesting academic focus for scholars. Much work has been done to examine the basis of consumer decision making and the correlates that influence such decisions. Foremost academics that provided initial thoughts on consumer choice worked on it mostly from the view of economics; they based their work primarily on the process of purchase.

One of the earliest concepts that relates to consumer behavior is the theory of utility. This theory is expressed from the perspective that consumer choice hinges on the projected outcomes of their decisions. This view considers consumer choice as involving rationality as well as the fact that consumer decisions are mostly selfish based on the fact that the decision maker thinks of his own interest first before others. According to Zinkman (1992), utility theory defines the consumer as the 'rational economic man. However, recent study on consumer choice considers many other variables that impact consumer choice and behavior.

The underlying idea is that a consumer will make its choice based on budget and economic constraint. Consumer behaviour relates to processes of consumer buying, exchange and selling off economic goods and services. It involves the decision making process with respect to determining what best suits a consumer's needs. Understanding how consumers behave would provide clarity as to how they purchase, how best to market product and the touch points that

influences their purchase pattern. This theory is primarily focused on how a consumer that is rational would decide on consumption. It looks into the variants of influences that trigger consumer decision. According to Jeff Bray (2008), 'Consumer behaviour considers a wide range of factors influencing the consumer, and acknowledges a broad range of consumption activities beyond purchasing. These activities commonly include; need recognition, information search, evaluation of alternatives, the building of purchase intention, the act of purchasing, consumption and finally disposal'. Jeff's perspective outlines a more holistic and well evolved form that consumer behaviour represents. Improvements to marketing and scholarly methodologies have been instrumental to the transitions that consumer behaviour has experienced over the past century.

3.5.1 DETERMINANTS OF CONSUMER BEHAVIOR

Customer behavior is affected by social, cultural, psychological and personal factors, although Chhabra (2012) mentions that cultural factors have the most influence on customer behavior. Culture is regarded by Pomeroy and Dolnicar (2009) as the most basic determinant of an individual's needs and behavior. Values, behavioral models and preferences are acquired from the family and other important institutions. Each culture is further divided into subcultures on the basis of nationality, race, geography, race among others. Subcultures help in the formation of different market segments and target groups. The behavior of consumers is affected by social groupings on the basis of cultures and sub-cultures which many times takes the form of social classes.

Psychological factors comprise learning, beliefs, perception and motivation. Motivation is affected by the perception of an individual and perception is defined by Zaharia and Zaharia (2013) as the process of selection, organizing and interpreting information inputs in order to develop a meaningful image. Learning involves continuous changes in the behavior of a person and is produced through stimuli, responses, drives, cues and reinforcement. Attitudes and beliefs are acquired through the process of learning. While attitudes refer to an individual's favorable or unfavorable assessment, feelings and action towards something, beliefs are descriptive thoughts held concerning something.

Personal characteristics, for instance occupation, lifestyle, personality, age and the economic situation affect consumer behavior. According to Öberseder, Schlegelmilch and Gruber (2011), the choice of a product is influenced by economic circumstances for instance savings, assets, income and debt and affects especially price-sensitive goods.

Social factors include the family, reference groups, status and social roles. According to Lii and Lee (2012), reference groups comprise all the groups which have an impact on the attitudes or behavior of consumers either in a direct or indirect manner. The reference groups affect consumers through exposing them to new behaviors and lifestyles, affecting their self-concept and attitudes and pressuring them to conform to the group which in turn affect the brand and product preferences. The family is regarded as the most significant reference group because of its role in shaping the individuals values and beliefs. Approaches to consumer behaviour can be grouped into three major categories, namely: Economic theories, psychological theories and socio-cultural theories.

3.5.2 ECONOMIC THEORIES OF CONSUMER BEHAVIOUR

Under this category, the focus is on how consumers appropriate earnings to meet perceived needs. The approach suggests that consumers are rational, meaning that they are well aware of the proposed choice of product, informed about the fair market value of the product or service they are buying and would ultimately make decision based on the presumption that they are educated. To achieve maximum satisfaction, the consumer is believed to be able to compare options that are available and supposedly be inclined to choose the option with the optimal utility, be it based on price, quantity, quality or pleasure.

The traditional assumption about the economic man has evolved to include other considerations as it has been established that there other intervening variables that affect consumer choice and behaviour. Consumers are now considered to seek satisfaction rather maximization in terms of choice. Through the theories of revealed preferences and indifference curve analysis, economists have been able to establish that other factors like psychology and sociology are often in play when consumer decisions are to be made. In the indifference curve analysis, the overall consumer choice problem is structured as a relative choice between product alternatives within constraints related to price, income and the available budget (Ghandi, 1991). Strictly rational man is longer seen to be a realistic account of human decision making, as consumers rarely have adequate information, motivation or time to make such a 'perfect' decision and are often acted upon by less rational influences such as social relationships and values (Simon 1997).

3.5.3 PSYCHOLOGICAL THEORIES OF CONSUMER BEHAVIOUR

This unit of consumer behaviour theory hinges on the hypothesis that individuals learn from events and the outcome of past experiences will influence their response in the future. Through repeated contact with events, individuals learn to respond to stimulus, while they are rewarded with benefit for an appropriate response. Psychological theories include psychodynamic and psychoanalytic approaches, cognitive model, behaviourist approach and psychoanalytic theory. Under psychodynamic approach, the works of Sigmund Freud is highly emphasised, as he is considered the proprietor of this approach. The key tenet of the psychodynamic approach is that behaviour is determined by biological drives, rather than individual cognition, or environmental stimuli (Jeff Bray pp.4).

In contrast to the core tenet of the psychodynamic model, cognitive approach ascribes observed action to intrapersonal cognition. Stimulation and want are conditioned by consumers overarching knowledge base, life's experience, values and beliefs. Cognitive model contains the view that consumers do experience post purchase anxiety caused by negative impulse arising from doubts about economic decision they have made. Behaviourism relies heavily on the view that external stimuli provides substantive basis for understanding consumer decisions. Fundamentally, behaviorism is composed of thoughts that propose that behaviour is defined by outside events, while it includes all things that biological entities engage in like actions, thoughts and feelings.

3.5.4 SOCIAL-CULTURAL THEORIES OF CONSUMER BEHAVIOUR

The idea that man is principally a social animal living within certain space and requires prescribed interactive templates to function is core to the foundation of this approach. As a cultural being, people strive to conform to societal norms and value system, as such; man is subject to influences from the group that he identifies with. With regards to consumers, group affiliation and alignment often influence their economic decisions. People have a tendency to make economic decisions based on communal influence or popular cultural preferences. Buyer behaviour sometimes follows social references or concepts that are popular within a cultural enclave. To belong to a group, a race, a community, an association or a society generally comes with expectations to behave or act in some ways. Expected pattern of association often compels members to follow rules that are considered crucial to remaining a member or loyal associates of such groups.

3.6. CRITIQUE OF THE THEORY OF CONSUMER BEHAVIOUR

Consumer behaviour as expressed under the economic theory model assumes that people are rational; hence, they are well informed about product specification and choice. However, there are critics against this theory stating that not all consumers are rational actors and this lends credence to the view that consumer choice can be more influenced by external stimuli which may determine the purchase of product. Additionally, scholars partly accept economic theories of CSR on the ground that economics alone cannot account for differences in sales and choice of products, but are affected by issues relating to psychological and sociological factors.

Critics of the psychological theory of consumer behaviour are of the view that biological factors cannot account for the major reasons behind consumer behaviour as they are considered less influential than the effects of marketing and branding. It is argued that individuals are less biologically predisposed to choosing a product when compared to the more dominant effect of the environment in which the consumer lives.

CHAPTER 4: METHODOLOGY

In this chapter, the researcher discusses the research design chosen together with the justification for the techniques chosen. The design comprises the research philosophy, research method and strategy, sampling, data collection and analysis as well as research issues including validity and reliability and ethical considerations. These are presented in the sections 3.1 to section 3.7.

4.1 RESEARCH PHILOSOPHY

There are two major research philosophies: the interpretivist and positivist philosophies. The positivist philosophy comes from natural science and is attributed to testing of hypotheses constructed from the existing theory by means of measuring observable social realities (Leitch, Hill and Harrison, 2010). It presumes the objective and external existence of the social world and that the validity of knowledge is only realized by observing the external realities and theoretical models can be generalized and can provide explanations for cause-effect relations and which enable the researcher to predict the outcomes. Positivism has its basis in truth, reason and validity and focuses purely on facts got from experience and direct observations and statistical analyses (Mkansi and Acheampong, 2012). According to Leitch, Hill and Harrison (2010), this can be related to the context of an organization and positivist philosophers make assumptions that what takes place in firms can be revealed only through the classification and scientific measurement of people and systems' behavior. Also, they assume that language truly represents reality.

The interpretivist philosophy is described as post-positivist or anti-positivist because of the argued existence of subject matters in social and natural sciences. Groups and individuals are perceived as making sense of circumstances based on their individual memories, expectations

and experiences. Meaning in this way is developed and re-developed from time to time in a constant manner through experience, leading to a variety of interpretations. The numerous interpretations are what make up social reality. Under this perspective, it is of importance to discover and comprehend the meanings and the situational factors which affect, lead to and affect the interpretations by varied persons.

Interpretivist philosophies consider that numerous realities exist given that knowledge is relative and the aim of the researcher is to work with others in making sense of circumstances, drawing realities from them and making realities for the purpose of comprehending their viewpoints and interpreting the experiences in accordance with the academic experience of the researcher (Leitch, Hill and Harrison, 2010). The philosophy is therefore inductive. Given that the researcher focuses on comprehending meanings and interpreting social factors and understanding the participants' view points, the research is highly contextual and is not often generalized (Leitch, Hill and Harrison, 2010). The nature of closeness between the researcher and those researched introduces the risk of biasness given that the interpretation is within the researcher's mind. This research considers the use of the positivist philosophy.

4.2 THE RESEARCH METHOD

In general, two types of research methods are often used in business studies, including qualitative and quantitative research. Qualitative research answers the how, the why questions and involves the collection of data among few respondents mostly using interviews. The method follows the interpretivist philosophy and therefore upholds all the assumptions of its assumptions.

The quantitative research on the other hand is used for testing hypotheses. It places emphasis on the quantification of measures in data collection and analyses whereby the strength of the method is in its ability to help in testing theories (Creusen, Hultink and Eling, 2012). Moreover, the quantitative research employs quantified analysis of data in the explanation of the research and in finding solutions for problems and the data is based on numbers and variables (Mkansi and Acheampong, 2012). The method follows the positivist philosophy and therefore upholds its assumptions. The current research uses the quantitative research strategy. The method was deemed most fit for the research given that the research problem is from a field that has been widely researched and therefore it is easy to come up with predictions based on the previous studies. Furthermore, it involves the collection of data in quantifying forms, having both dependent and independent variables from which relationships will be established for the purpose of proving the consumer behavior theory in the context of CSR.

4.3 RESEARCH STRATEGY

Quantitative research strategies are numerous, including ethnography, experimental study, surveys and quantitative case studies. This research uses quantitative surveys. Survey strategy is chosen because of its uniqueness in that it is able to capture information not available in other strategies (DuGoff, Schuler and Stuart, 2014; Williams, 2012); it enables the researcher to use probability sampling thus enabling unbiased representativeness; and enables measurement standardization implying that similar information is gathered from each of the respondents. Surveys are divided into cross-sectional and longitudinal surveys. Longitudinal surveys comprise trends where samples are collected at different points in time; cohorts where data is gathered from the same population over time with a variation in samples and panel surveys where data is

collected at various periods with the same sampled respondents. Cross-sectional surveys are, however collected among respondents at one point in time (Rindfleisch, Malter, Ganesan and Moorman, 2008). This research uses cross-sectional surveys.

4.4 SAMPLING

Sampling according to Yavuz and Senoglu (2011) is defined as the process of selecting a smaller population to represent a larger one. Sampling is divided into probability and non-probability sampling. Non-probability sampling involves the selection of participants using some chosen criteria and includes methods such as convenience and judgment sampling (Molenberghs, et al, 2014). In probability sampling, each of the respondents has an equal chance of being a part of the sample and comprises simple random sampling, systematic random sampling and stratified random sampling (Bouza and Al-Omari, 2012). This study used simple random sampling whereby questionnaires were randomly linked to the Facebook page of potential participants using the Survey monkey from which participants had a choice of participating or not. The questionnaires were created on 30th July and collected on 11th August. Although the researcher did not participate in choosing participants, each of them had an equal chance of being part of the sample. The researcher targeted 100 respondents. Following the completion of the one week period of data collection, the researcher pulled the results from the web with the number of completed questionnaires amounting to 61. The advantages of simple random sampling include its simplicity and high representativeness in comparison with other probability techniques of sampling (Singh and Solanki, 2013).

4.5 DATA COLLECTION

This research uses majorly primary data, although secondary data in the form of past literatures are used to discuss the results for the purpose of enhancing their validity and reliability. The primary data is collected through closed ended questionnaires distributed to the potential participants online. According to Williams (2012), the decision regarding the mode of data collection is made with considerations of the targeted population, the attributes of the sample, the types of questions, rate of response, cost and time. McPeake, Bateson and O'Neill (2014) further cautions that the use of online surveys as the method of questionnaire administration has the major disadvantage of difficulties in obtaining representative samples given that one is unable to generate random samples from the overall population. Nevertheless, the method has the advantages of cost effectiveness, is able to reach global populations, has reduced time of implementation and the sample size can be greater. Moreover, the problem of representativeness can be solved through the programming of complex skip patterns.

Given that the advantages far more outweigh the disadvantages, the researcher employed the method of questionnaire administration. The link to the questionnaire was attached to participants' Facebook accounts by use of survey monkey and the researcher waited for one week after which the filled in forms were extracted and coded.

4.5.1 QUESTIONNAIRE DESIGN

Questionnaire, according to Adigüzel and Wedel (2008), is the most often used and practical method of quantitative data collection although other methods for instance experiments and observations exist. Ergu and Kou (2012) define a questionnaire as a pre-formulated collection of

questions to which the participants record their responses (Rezaeian, 2014). Closed ended questionnaires usually have alternatives that are closely defined (Mochimaru, Takahashi, Hatakenaka and Horiuchi, 2012). It is regarded as effective in the collection of primary data given that it is especially suitable for samples that are geographically expanded (Makienko and Bernard, 2012).

Adigüzel and Wedel (2008) mention three aspects that should be considered in the design of a questionnaire including conciseness, clarity and neutrality; the classification of variables should be carried out in a way that captures the answers of the respondents and the overall layout should be neat. The researcher uses English as the language used in collecting data. The researcher nevertheless made the questionnaire wordings simple and the structure clear to reduce misunderstanding, especially for participants who do not speak English as their first language but are willing to participate in the survey. The researcher used attribute variables for the purpose of recording information regarding the demographics of the respondents for instance, gender, age group and the level of education among others. Opinion and behavior variables are also used for capturing the attitude and tendency of consumer purchasing behavior with regard to CSR companies and products. To ensure accuracy of measurements, the researcher uses only closed ended questions. Also, the researcher uses Likert scales which range from 1-5 in order to capture the participants' respondents on the basis of assertion (Strongly disagree – strongly agree).

4.5.2 PILOT STUDY

Following the design of the questionnaire, a pilot study was carried out among five respondents selected by convenience. The participants were asked to go through the questions and identify

questions that were ambiguous and provide comment regarding the clarity and quality the questions. Following the pilot test, the researcher made certain corrections and added more questions on aspects of consumer behavior which the respondents felt needed to be captured in the data collection. This was followed by the actual collection of data.

4.5.3 DATA ANALYSIS

The data collected was analyzed by use of SPSS software. The responses were coded and afterwards entered into the SPSS software and the data then analyzed in three stages. In the first stage, the researcher provided a summary of the demographic characteristics by the use of frequency and descriptive analyses with the results being presented in terms of bar-charts, pie-charts and tables. The researcher then proceeded to the reliability analysis of the Likert scale responses which helped in knowing the variables to retain or dropped based on the results of the Chrobanch's alpha coefficient. In the third stage, two kinds of analysis were carried out, correlation, and multi-linear regression analysis. The specifics of the analyses are presented in the results chapter.

4.6 VALIDITY AND RELIABILITY

Regarding the questionnaire, the major types of validity include criterion, content and construct validity. According to Creusen, Hultink and Eling (2012), content validity is satisfaction with which a measure samples from the content domain. The population is drawn from users of Facebook given that the survey monkey is linked to their Facebook pages. Although Facebook has the largest number of users worldwide among social networks, its use may limit

representativeness because of populations that do not belong to any social network or who belong to other social networks but not Facebook.

In this study, the researcher places focus on consumers in North America who have been identified in literature as being sensitive to matters of CSR. Therefore, this research draws its sample from the intended content domain. Criterion validity means the link between the scores on the scale and certain particular measurable criteria (Creusen, Hultink and Eling, 2012). Given that this research places emphasis on North American consumers, majority of whom speak English the questions are designed in English. The researcher assumes that the consumers with a lesser understanding of the English language will tend to shy away from participating in the survey. In the last place, construct validity refers to the relationship between the questionnaire and other related or unrelated constructs. The research instrument was constructed from past literatures as well as established theories. This makes the questionnaire have commendable construct validity.

Reliability on the other hand, refers to the consistency of the chosen measurement. Reliability can be estimated by means of internal consistency whereby the reliability coefficient is used in the measurement of scales' internal consistency. One of the most popular indicators of internal consistency is the Cronbach's alpha, which has a range of 0-1. The recommended level of the coefficient is 0.8 which indicates that measurement of the scale is similar every time in the same conditions and with the same subjects. This means that beyond 0.8, the scales are regarded as reliable. Reliability is further enhanced through the pilot study conducted which ensures that the questions lack ambiguity and thereby enhancing the ability to produce the same findings in

future research and through triangulation whereby the results obtained are compared to the results of past studies and discrepancies explained.

4.7 ETHICAL CONSIDERATIONS

In the course of the research, the researcher gave heed to the ethical codes of conduct, including issues regarding participants' confidentiality, informed consent and voluntary participation. In terms of confidentiality, the researcher did not require participants to include their personal information except for the general demographic characteristics. The researcher also assured the participants that the results will be presented in summary and the data will be destroyed immediately. The participation in the research was on a voluntary basis. The researcher informed the participants of the objective of the research and that the research will be solely used for academic purposes. This enabled the participants to make informed decisions regarding whether to participate in the research or not.

CHAPTER 5: RESULTS

In this chapter, the researcher presents the results from the various analyses conducted. In the first section, the results of the demographic characteristics are displayed followed by the descriptive and reliability analysis and finally the results of the relationship between variables including correlation and regression analysis. The researcher reserves the discussion of the results for the next chapter.

5.1 DEMOGRAPHIC CHARACTERISTICS

The researcher segmented the participants' age groups in three including young adults (18 to 24 years), middle aged (25 years to 34 years), and mature adults (35 years to 45 years) and the elderly being 5 years and above. The purpose of this segmentation was to understand the opinions of the age brackets with regard to CSR activities of firms and the manner in which relates to their purchasing behavior. The results are indicated in the Table 5.1 and graphically in the Figure 5.1.

	Frequency	Percent	Valid Percent	Cumulative Percent
18 years – 24 years	2	3.3	3.3	3.3
25 years – 34 years	12	19.7	19.7	23.0
35 years - 44 years	30	49.2	49.2	72.1
45 years and above	17	27.9	27.9	100.0
Total	61	100.0	100.0	

Table 5.1: Participants' Age Group

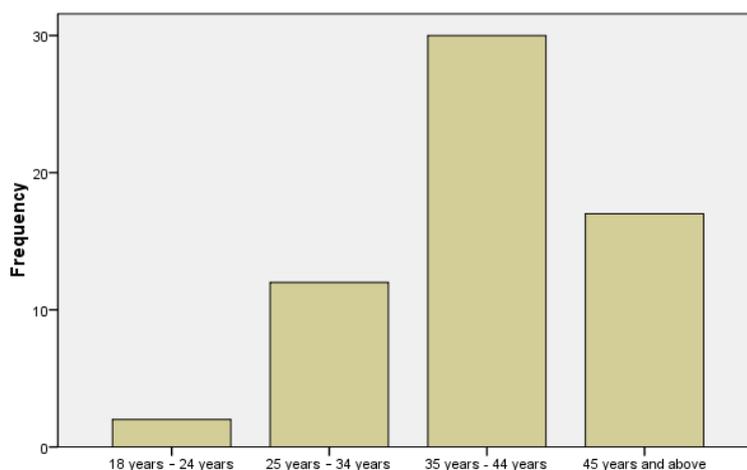


Figure 5.1: Bar Chart Representation of Participants' Age Group

The researchers also sought to establish the participants' level of education. Four levels of education were used, including those who have never attended any form of tertiary education (high school degree or equivalent), those who went to college but have no degree, bachelors or associate degree holders and those with graduate degrees. Those with a bachelor's or associate degree formed the majority (49.2%), followed by graduate degree holders (24.6%). The results are displayed in the Table 5.2 and graphically in the Figure 5.2.

	Frequency	Percent	Valid Percent	Cumulative Percent
High school degree or equivalent	7	11.5	11.5	11.5
Went to college but no degree	9	14.8	14.8	26.2
Bachelor or Associate degree	30	49.2	49.2	75.4
Graduate degree	15	24.6	24.6	100.0
Total	61	100.0	100.0	

Table 5.2: Participants' Level of Education

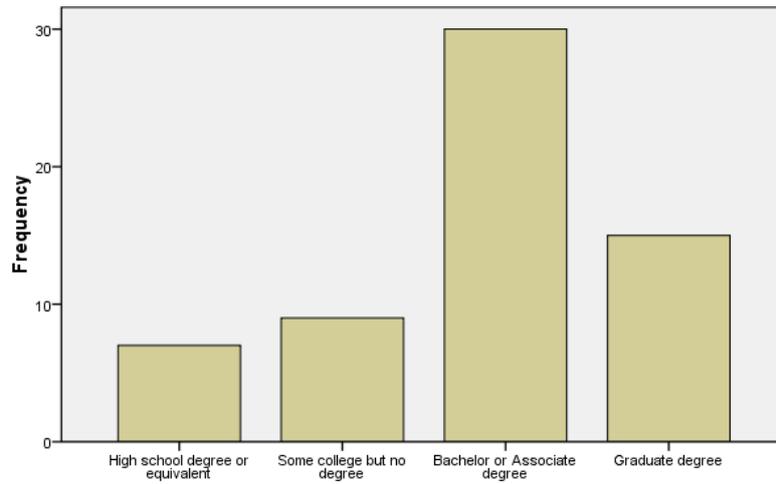


Figure 5.2: The Graphical Representation of Participants' Level of Education

The researchers included the demographic attributes of the participants in order to understand the influence that they have on the purchasing behavior of consumers in the context of CSR.

5.2 DESCRIPTIVE AND RELIABILITY ANALYSIS

For the purpose of understanding the Likert scale variables used together with their internal consistency, the researcher performed both descriptive and reliability analyses. The variables are grouped into three with the classification based on the channel through which CSR affects consumer behavior, including organizational legitimacy, information asymmetry and consumer ethical decision making. The results are indicated in the Table 5.3.

Channel	Symbol	Question	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
Organizational legitimacy	L1	I consider a firm's CSR activities to be of 'importance' if they promote my personal values, beliefs and practices	3.7000	.96199	.901
Organizational legitimacy	L2	A firm carrying out 'important' CSR activities must be a trustworthy organization	3.2333	1.06352	.916
Organizational legitimacy	L3	I would consider purchasing products from a firm engaged in 'important' CSR activities	3.6667	1.03607	.903
Organizational legitimacy	L4	I would only consider purchasing products from a firm engaged in 'important' CSR activities if the activities of the firm directly or indirectly affect me	3.3667	.99092	.916
Organizational legitimacy	L5	I would consider buying a product from a firm engaged in CSR activities that improves ethical standard in my community	3.8667	.98233	.903
Information asymmetry	IA2	If I knew CSR activities of firms, I would use the information more actively when deciding what to buy	3.2500	1.18786	.909
Information asymmetry	IA3	In the case that a firm does something unethical, I would actually stop purchasing its products	3.4833	1.01667	.903
Ethical decision making	ED1	Companies should not charge higher for practicing CSR because it is their responsibility	3.7500	1.00212	.916
Ethical decision making	ED2	When making purchases, I would only pay higher for products from companies practicing CSR if they surpass industry standards	3.4500	1.09583	.905
Ethical decision making	ED3	Regardless of whether a product is CSR based or not, high quality and performance are what drives my purchases	3.5167	1.18596	.910
Ethical decision making	ED4	I only purchase products from companies that practice CSR if the product has the same price and quality as other firms that do not practice CSR	3.3000	1.13943	.912
CSR		I regard CSR as a very important duty that firms ought to carry out	3.6833	1.09686	.905
N=61; N of items = 12; Cronbach's Alpha = 0.915					

Table 5.3: The Descriptive and Reliability Analysis

As observed in the Table 5.3, participants tended to agree that CSR is an obligation that firms should practice (mean = 3.68), that they only regard CSR activities as being of importance if the activities promote their personal values, beliefs and practices (mean = 3.7000), and that they would consider purchasing from such a firm (mean = 3.6667). Moreover, the participants tended to agree that they would consider purchasing from a firm that enhances ethical standards at the community level (mean = 3.8667). Nevertheless, the participants tended to agree that firms should not charge higher prices for practicing CSR (mean = 3.7500) and that their purchasing is driven by quality of product as well as performance irrespective of whether the product is CSR based or not (mean = 3.5167).

The participants nevertheless did not have a standpoint as it concerns the perspective that firms carrying out CSR are trustworthy (mean = 3.2333), that they would make purchases if the CSR activities affect them directly or indirectly (mean = 3.3667), whether they would employ CSR information actively in making purchase decisions (mean = 3.3667), whether they would stop purchasing a firm's products in the case that it does something unethical (mean = 3.2500), whether they would pay higher for CSR products only if they go beyond the industry standards (mean = 3.4833), and whether they purchase CSR products if they are priced the same as other products and have the same quality (mean = 3.3000).

From the reliability test, the researcher established a value of 0.915 for the Cronbach's alpha with all the variables found to have a small and insignificant effect on the overall reliability of the Likert scale variables. Given that the value is much closer to 1.00, this shows that the scale

used is highly reliable and has the capability of giving similar results following a recurrence of the study.

5.3 THE RELATIONSHIP BETWEEN VARIABLES

Before performing the regression analysis, the researchers sought to establish the relationship between the various variables and this was enabled by the correlation analysis whose results are presented in the Table 5.4.

		CSR	D2	ED1	ED2	ED3	ED4	IA2	IA3	L1	L2	L3	L4
D3	Pearson Correlation	.208	.302*	.237	.078	.233	.072	.184	.115	.202	.046	.095	.068
	Sig. (2-tailed)	.108	.018	.066	.552	.070	.583	.155	.380	.119	.726	.468	.602
ED1	Pearson Correlation	.344**	.197	1	.522**	.354**	.365**	.240	.470**	.326*	.192	.213	.439**
	Sig. (2-tailed)	.007	.127		.000	.005	.004	.062	.000	.010	.139	.099	.000
ED2	Pearson Correlation	.502**	.167	.522**	1	.550**	.598**	.564**	.638**	.549**	.201	.583**	.343**
	Sig. (2-tailed)	.000	.200	.000		.000	.000	.000	.000	.000	.120	.000	.007
ED3	Pearson Correlation	.481**	.423**	.354**	.550**	1	.537**	.343**	.577**	.481**	.308*	.433**	.368**
	Sig. (2-tailed)	.000	.001	.005	.000		.000	.007	.000	.000	.016	.000	.003
ED4	Pearson Correlation	.458**	.013	.365**	.598**	.537**	1	.315*	.531**	.533**	.179	.418**	.316*
	Sig. (2-tailed)	.000	.921	.004	.000	.000		.013	.000	.000	.169	.001	.013
IA2	Pearson Correlation	.655**	.314*	.240	.564**	.343**	.315*	1	.614**	.670**	.357**	.670**	.141
	Sig. (2-tailed)	.000	.014	.062	.000	.007	.013		.000	.000	.005	.000	.277
IA3	Pearson Correlation	.611**	.348**	.470**	.638**	.577**	.531**	.614**	1	.705**	.411**	.590**	.376**
	Sig. (2-tailed)	.000	.006	.000	.000	.000	.000	.000		.000	.001	.000	.003
L1	Pearson Correlation	.728**	.140	.326*	.549**	.481**	.533**	.670**	.705**	1	.570**	.851**	.371**
	Sig. (2-tailed)	.000	.282	.010	.000	.000	.000	.000	.000		.000	.000	.003
L2	Pearson Correlation	.374**	.274*	.192	.201	.308*	.179	.357**	.411**	.570**	1	.475**	.337**
	Sig. (2-tailed)	.003	.032	.139	.120	.016	.169	.005	.001	.000		.000	.008
L3	Pearson Correlation	.667**	.048	.213	.583**	.433**	.418**	.670**	.590**	.851**	.475**	1	.404**
	Sig. (2-tailed)	.000	.713	.099	.000	.000	.001	.000	.000	.000	.000		.001
L4	Pearson Correlation	.254*	.035	.439**	.343**	.368**	.316*	.141	.376**	.371**	.337**	.404**	1
	Sig. (2-tailed)	.048	.788	.000	.007	.003	.013	.277	.003	.003	.008	.001	
L5	Pearson Correlation	.700**	.134	.327**	.608**	.511**	.430**	.545**	.609**	.818**	.477**	.855**	.356**
	Sig. (2-tailed)	.000	.305	.010	.000	.000	.001	.000	.000	.000	.000	.000	.005

Table 5.4: Correlation Analysis (The parts highlighted show the significant correlations; $p < 0.05$)

The results indicate that a positive and significant relationship exists between CSR and all the variables except those that represent demographics. This gives the implication that increased CSR activities also lead to the increase in the organizational legitimacy, ethical decision making and information asymmetry. The researcher also established as people age, they tend to be more critical in their ethical decision making, increasingly paying higher for CSR products only if they surpass industry standards and going for product quality and performance as opposed to CSR.

Apart from the two variables, other variables were also found to correlate with each other. In the first place, consumers who hold the opinion that CSR products ought to be priced same as other products are driven by product quality and performance and would only pay higher if they surpass industry standards, would actually stop purchasing from firms when they do something unethical, and consider CSR activities to be of importance to them only if they promote their personal values, practices and beliefs. The researcher did not find any correlation between the participants' level of education and the three channels of CSR.

After the establishment of the relationship between variables, the researcher carried out multi-linear regression analysis. The purpose was to establish the importance of CSR to the consumer and the resulting consumer behavior and whether this varies with the demographic variables. The dependent variable used was the importance to of CSR to the consumer, represented by the variable CSR with the independent variables being all other variables. The results of the regression analysis are presented in the Table 5.5.

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-.026	.606		-.044	.965
D2	Please indicate your age group	.048	.165	.035	.292	.771
D3	Please indicate your level of education	-.023	.119	-.019	-.193	.848
L1	I consider a firm's CSR activities to be of 'importance' if they promote my personal values, beliefs and practices	.237	.263	.208	.901	.372
L2	A firm carrying out 'important' CSR activities must be a trustworthy organization	-.093	.120	-.091	-.776	.441
L3	I would consider purchasing products from a firm engaged in 'important' CSR activities	-.053	.252	-.050	-.212	.833
L4	I would only consider purchasing products from a firm engaged in 'important' CSR activities if the activities of the firm directly or indirectly affect me	-.049	.125	-.044	-.393	.696
L5	I would consider buying a product from a firm engaged in CSR activities that improves ethical standard in my community?	.441	.224	.395	1.965	.055
IA2	If I knew about CSR activities of firms, I would use the information more actively when deciding what to buy	.350	.140	.379	2.506	.016
IA3	In the case that a firm does something unethical, I would actually stop purchasing its products	.015	.166	.014	.093	.927
ED1	Companies should not charge higher for practicing CSR because it is their responsibility	.134	.132	.123	1.021	.313
ED2	When making purchases, I would only pay higher for products from companies practicing CSR if they surpass industry standards	-.215	.157	-.215	-1.376	.176
ED3	Regardless of whether a product is CSR based or not, high quality and performance are what drives my purchases	.092	.123	.100	.749	.458
ED4	I only purchase products from companies that practice CSR if the product has the same price and quality as other firms that do not practice CSR	.132	.125	.137	1.060	.295
R Square = .655; Sig. = .000 ^a						

Table 5.5: Regression Analysis (Significant Relationships are highlighted)

From the Table, the R-square value indicates that 65.5% of the dependent variables can be used to explain the independent variables with a very high significance ($p=0.000$). The implication is that the importance of CSR to consumers translates into purchasing behavior. Examining the particular variables, the researcher realizes that this relationship is not affected by the consumers' demographic attributes as they all have no significance. Moreover, almost all the variables do not show a cause-effect relationship with the increase importance of CSR to consumers. Using the B coefficients, the resulting equation for the relationship between CSR and the significant coefficients can be presented as:

$$CSR = 0.350IA_2$$

From this relationship, it can be seen that the increased importance of CSR to consumers significantly result into a consumer's desire for more CSR information.

CHAPTER 6: DISCUSSION

This chapter involves the comparison of the results presented in chapter four with the existing literature, thereby validating the findings of the current research. The chapter is divided into three sections that reflect the objectives of the research, thereby helping in the building up of arguments for the conclusions chapter. Moreover, the researcher discusses the results from the perspective of the consumer for the purpose of helping firms align their CSR to the needs and expectations of consumers and as such reaping more from CSR practices.

6.1 CSR AND CHANNELS OF CONSUMER BEHAVIOR

The results show what consumers appreciate. This is in agreement with the research conducted by the 2002 TGI survey (Torugsa, O'Donohue and Hecker, 2013) which highlighted that 67% of participants agreed that it is of significance for companies to act in an ethical manner. 64% of the respondents agreed that CSR ought to be included among a firm's activities with 85% of the respondents declaring that they would favor a firm which supports a social cause (Pérez and Rodríguez del Bosque, 2013).

The research carried out by Öberseder, Schlegelmilch and Murphy (2013) disclose that consumers have expectations of firms' ethical behavior, and ethical behavior is among the important factors that they consider when making purchases and they are willing to reward ethical actions through paying higher prices for products from ethical firms. In the case that a company behaves in an unethical manner, the firm is punished through brand switching. This therefore indicates that a relationship exists between CSR and consumer loyalty. The result is supported by the research conducted by Öberseder, Schlegelmilch and Gruber (2011), in which

the conclusion arrived at is that there exists a direct and positive relationship between CSR and consumer loyalty. It is further supported by Zaharia and Zaharia (2013) who point out that CSR initiatives of a company have the capability of helping in achieving repeated purchases.

The results also show that the importance of CSR to consumers is exhibited through three channels including their consideration of a firm practicing CSR as legitimate, through their greater efforts in punishing unethical firms compared to their reward for ethical firms (information asymmetry) and through their efforts in making ethical decisions while purchasing. The researcher also realizes that the degree of affect varies from one channel to another.

The results indicate that the importance of CSR to the consumer is pegged on the ability of the CSR activities to be aligned with the values, beliefs and practices of the consumer. According to Calabrese, et al (2013), consumers are individuals whose value systems are shaped by their social background and status, culture and subcultures. This means that what is considered important by one consumer may not be regarded as important by the other. Therefore, the evaluation of the legitimacy of a firm's activities is based on an inbuilt value system. This is further supported by Calabrese, Costa, Menichini and Rosati (2013) in the statement that CSR activities must align with the needs of the society served and must take into consideration that what one society regards as important may not have any value for another society.

Moreover, the respondents did not reach a point of agreement or disagreement regarding the perspective of firms carrying out CSR as trustworthy or their intention to purchase products from firms engaging in CSR. This neutrality comes from the fact that CSR has been used by many

companies as a public relations tool to help them in developing an image (Inoue, Kent and Lee, 2011) following a crisis or as a method of enhancing sales. Therefore, most of the consumers do not consider firms' engagement in CSR activities as genuine. This is supported by the survey conducted by Kim, Kim and Kim (2014) whereby the majority of respondents indicated that companies engage in CSR for self-gain and not as a way of genuinely helping the public. This makes consumers generally not able to immediately trust firms that are engaging in CSR. Because of the doubt regarding motives of a firm's engagement in CSR, consumers may not be willing to reward such companies through the purchase of their products.

6.2 THE RELATIONSHIP BETWEEN THE VARIOUS REFERENCE CHANNELS

In the correlation analysis, the results reveal three major issues. In the first place, the increased importance of CSR to consumers positively relates to organizational legitimacy, information asymmetry and ethical decision making. The implication is that as consumers increasingly regard CSR as an activity that firms should practice, they tend to associate CSR-practicing firms with trustworthiness and especially if the firm's CSR activities are carried out within close proximity to the consumers and are congruent with their values, beliefs and practices.

This is supported by, Lamberti and Noci's (2012) study which indicated that corporate credibility significantly affected the buying decisions of consumers and their attitude towards a brand while the contributions of a firm to charity and environmental protection gave a reflection of positive company credibility. Moreover, Jayakumar (2013) indicates that positive CSR relations have the likelihood of resulting in the positive evaluation of a firm and this has the capability of affecting consumers' reaction to a product or service positively. Although past literatures do not have an

explanation proximity relationship, the research carried out by Homburg, Stierl and Bornemann (2013) on the effect of locality on the behavior of consumers towards CSR activities revealed that the results of CSR in terms of consumer purchases were evidenced more when the CSR activity was carried out in close proximity. This therefore confirms the findings of this research.

Also, with the increased knowledge on CSR, consumers are empowered to make ethical decisions, although they still maintain the traditional methods of product evaluation including price, quality and performance. The use of traditional decision making models of consumers in the CSR context has been supported by numerous literatures. For instance Aouina and Bhatli (2014) imply that firms have to go beyond the expectation of consumers as well as consumer points of reference which in this case refers to industry standards for the purpose of differentiating themselves among rivals in terms of CSR. Moreover, Elliott, Jackson, Peecher and White (2014) note that the majority of customers has expectations of more than legal compliance and holds the belief that firms have a moral duty to the society. This means that CSR is only perceived in that sense when it the company goes beyond the expectations of the normal moral firm behavior.

In the last place, the correlation implies that even with the trust and willingness to purchase CSR products, consumers still experience problems associated with information asymmetry, given that they would readily punish firms if they did something unethical as opposed to their readiness to reward them for engaging in CSR through accepting to pay more for CSR products. According to Pérez and Rodríguez del Bosque (2013) the experiences of consumers with firms affect their individual's assessment of firms and help in setting beliefs and expectations. Consumers with

information regarding unethical conduct have a higher rate of developing mistrust with regard to the involvement of firms in CSR as compared to the rate of development of trust among firms involved in CSR. This is explained by Guthey and Morsing (2014) as information asymmetry. Furthermore, Groza, Pronschinske and Walker (2011) regard product positioning on the basis of CSR characteristics as significant particularly for homogeneous products in low differentiation markets.

Furthermore, the researcher established that age plays a crucial role in the respondents' ethical decision making. As consumers advance in age, they tend to become more judgmental, requiring CSR to meet certain industry thresholds in order for them to purchase the items. Also, they tend to give more importance to the quality of the product and its performance as opposed to just making purchases because the manufacturer practices CSR. The implication of this is that consumers do not have the willingness to trade-off product attributes for CSR and therefore for the CSR to stand out as the criterion of conducting purchase, the product has to be either equal to its peers in price and quality or command higher prices by standard higher than the nominal industry standards.

Lastly, consumers who believe that firms practicing CSR should not charge higher for their products also regard the issue of product quality highly when making purchases, personalize CSR, requiring activities to conform to their personal beliefs and readily punish firms found to have engaged in unethical conduct. Jayakumar (2013) posits that consumers have the tendency of choosing a firm with ethical conduct over another that is regarded as unethical when both the firms offer excellent product attributes. Also, Inoue and Kent (2014) report that consumers tend

to select products with added CSR characteristics, but in the case that a trade –off between CSR and price or performance is introduced, consumers have the tendency of going for products that are cheaper or with better performance. Additionally, consumers only make ethical purchases when it is convenient and will not pay more in terms of increased prices or loss of quality (Feldman and Vasquez-Parraga, 2013). Nevertheless, in the case of homogenous products, CSR information has the capability of making a firm’s product to be among the consumer’s choice set thus enhancing product evaluation.

According to Romani, Grappi and Bagozzi (2013), in certain cases, CSR may lead to a restriction of product functionality or lead to a rise in costs for the consumer. Pérez and Bosque (2014) report the existence of consumers’ point of reference and that there is an actual expectation of firms to conduct their business in an ethical and in a socially responsible way. As such, consumers regard firms practicing CSR below a particular threshold as merely performing their duty and therefore ought not to demand higher prices. Firms that fail to perform their duty of being responsible on the other hand are subject to punishment. This is reported by Assiouras, Siomkos, Skourtis and Koniordos (2011) who argue that consumers determine whether they will reward or punish companies through purchasing their products whereby the rewards or punishment is based on some specific point of reference that has been modeled by the consumer’s value and belief system.

6.3 CSR ORIENTATION FOR INCREASED PURCHASING

From the results, it is evident that the increasing importance of CSR to consumers only results in greater information search. Jonikas (2012) posits that the majority of consumers cannot tell the

CSR activities of numerous firms because of the presence of noise such that the consumer is overwhelmed by the information received rather than using it for making purchasing decision. Positive CSR carried out in a consistent manner enables the firm to stimulate consumers towards an additional search for positive CSR information regarding the same firm thus leading to better attitudes of the consumers toward the firm and maybe a willingness to purchase the firm's products.

However, the researcher observed that this importance did not have a causal effect on purchasing. This implies that firms therefore have to work harder to cause their CSR to stimulate a positive consumer response. According to the survey carried out by Fernández and Marie (2013), two thirds of the participants have a desire for the contribution of firms to wider roles in the society, helping in the development of a better society with improved ethical standards, but only, 20% of those surveyed had either punished or rewarded firms within the preceding twelve months based on their social performance. This means that although there is so much desire and support of CSR by consumers. It takes more than the feelings created by a good CSR initiative to drive consumer choice.

6.4 SUMMARY OF DISCUSSION

This study establishes that consumers consider a firm to be legitimate if its CSR activities are aligned to their values and beliefs. The implication of this is that from the consumers' perspective, legitimate firms are those that localize their activities thus affecting the individual consumer in one way or another. Increased regard for CSR rapidly leads to the stimulation of the consumers to increase the search for positive CSR information and increase use of the CSR

knowledge in purchasing, leading to the elimination of noise on a company's CSR activities, thereby building the brand more and more and making it more resistant to negative information. CSR has been established as having the capability of enhancing product evaluation among homogenous products.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

In the current times, numerous firms continue to practice CSR for various purposes. However, very few firms have experienced positive returns from sales as a result of their CSR engagements. We have used quantitative research method whereby data was collected by means of online questionnaires in an online survey for the purpose of attempting to fulfill three objectives set for the research. The analysis was carried out through frequency, descriptive, reliability, correlation and regression analyses. The results obtained were discussed from the consumers' perspective in order to come up with solid conclusions for the existing firms.

The major challenge in carrying out this research is the use of online surveys. The collection of data over a wide geographical range, while consumer behavior varies with culture and geography poses the threat of lack of representativeness. Couper (2000) emphasized that even if access to internet were universal, sample representativeness often remains difficult while generating samples framed out of target participants.

We identify that our research questions should have been limited to one question in order to be better focused in our analysis. However, we retained the three research questions to maintain and connect our flow of thoughts.

Researchers experienced some limitation with the level of efficiency required to complete this thesis. Completion time was delayed due to researchers living in two different countries. We had issues with communication and compilation of work from the contributors due to differences in time zones.

Overall, three conclusions were arrived at. Firstly, CSR positively stimulates consumer purchasing by the channel of legitimacy through localization of the CSR initiatives which enables them to be aligned with the values and the beliefs of the local community. Along with the aforementioned, we agree with the view expressed by (Elliott, Jackson, Peecher and White, 2014); that the majority of customers has expectations beyond legal compliance and holds the belief that firms have a moral duty to the society. In addition, this view was also strengthened by (Homburg, Stierl and Bornemann, 2013) that the expectations of consumers have a significant role in the process of decision making same as firm associations, which includes inferences, beliefs, and perceptions concerning the firm's operational content.

Secondly, positive CSR information gradually and positively stimulates a further information search while negative information results in the termination of customer loyalty. As stated earlier, Jonikas (2012) "posits that the majority of consumers cannot tell the CSR activities of numerous firms because of the presence of noise such that the consumer is overwhelmed by the information received rather than using it for making purchasing decision. Positive CSR carried out in a consistent manner enables the firm to stimulate consumers towards an additional search for positive CSR information regarding the same firm thus leading to better attitudes of the consumers toward the firm and maybe a willingness to purchase the firm's products". A firm's CSR activity only becomes a source of competitive advantage over other firms if it beats the standards set by other competitors or if the product is at par with those of other firms that do not practice CSR.

We have attempted to establish that increased organizational legitimacy stimulates CSR information search thereby leading to increased consumer knowledge which in the end enhances ethical decision making. In the same manner, when a consumer comes across information regarding the unethical conduct of a firm, the consumer's image of the firm is negatively affected, leading to the decrease in the legitimacy and the ethical decision making ends in the termination of product evaluation. The process of ethical decision making has the capability also of stimulating information search to determine the product with the potential harm to the consumer, thus leading to the identification of CSR firms which then makes a firm legitimate in the perspective of the consumer, leading to increased trust and possible repeat purchases.

All these give a clear indication that CSR channels are linked to each other and vice versa, action within a channel produces a rippling effect that influences other channels. The implication is also that among all channels, information asymmetry has the greatest damaging effect if not properly managed. As such, the second objective of establishing the relationship between the identified channels is accomplished. We, therefore, have come to the conclusion that regarding the relationship among the channels, each channel stimulates the other in the positive direction following increased practice of positive acceptable CSR, but when information on a firm's unethical conduct is introduced; all the remaining channels are brought to a stop through consumer brand switching. Anand and Shachar (2004) showed that the purchase probability of a product/brand is a function of the match between the consumer's taste and the product/brand attributes. Thus if the brand failed to fulfill the consumer's expectations, the consumer is likely to switch his/her brand.

In fulfilling the third objective which was to investigate how a firm can orient its CSR in order to achieve increased purchasing, the researcher compared all the findings discussed and established that CSR positioning is the major determining factor in firms' successful utilization of CSR for increased purchasing. This has three implications: the localization of CSR activities, wider integration of CSR into the entire firms and the use of CSR alongside increasing product quality through research and development. The implications of these is increased shielding of the firm against negative events or information that may lead to massive switching, and the increased consumers' willingness to reward CSR firms for going beyond industry standards in terms of environmental friendliness, high performance and ethical conduct.

With reference to the theories of consumer behavior and CSR, it is evident that the ethical aspects of these theories have more bearing on the conclusion of our research. This is because it has been established that consumers are endeared to CSR when its initiatives are in tandem with their values.

It is also worth noting that CSR is expensive and therefore the pursuit of competitive advantage solely through engaging in CSR activities for instance corporate philanthropy may not be sustainable. We would suggest that the best way to orient CSR to stimulate consumer purchase is through the availability of CSR information to the consumer through localization of CSR activities alongside product excellence and competitive product pricing. This approach should be undertaken from an organic perspective in that it should evolve from a corporate value system and not a means to address customer satisfaction. While conducting the research for this thesis, we realized that although a relationship exists between CSR and consumer behavior, CSR does

not drive sales, but it increases the appetite for more CSR information for use in product assessment. Therefore, the engagement in CSR may only increase purchasing and evaluation intention, but not the actual purchase. The three objectives of the research have therefore been achieved.

We would like to recommend that future research should consider smaller geographical zones, for instance an institution or a city. Data collection would be easier, while providing better representation of responses and facts relative to population size, as well as the level of accuracy would be better achieved and it would better reflect actual events versus intended research. Furthermore, our research has been slightly broad in nature due to the need to provide wider view for the topic in consideration; however, we would recommend that future research should seek to focus on specific issue that relates to CSR so as to provide in-depth research on the issue.

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APPENDIX: SURVEY QUESTIONS

D2-Please indicate your age group

18 years – 24 years

25 years – 34 years

35 years – 44 years

45 years and above

D3-Please indicate your level of education

High school degree or equivalent

Some college but no degree

Bachelor or Associate degree

Graduate degree

In the following section, Tick where appropriate

SD= strongly disagree; D=disagree; N=neutral; A=agree; SA=strongly agree

	SD	D	N	A	SA
L1-I consider a firm's CSR activities to be of 'importance' if they promote my personal values, beliefs and practices					
L2-A firm carrying out 'important' CSR activities must be a trustworthy organization					
L3-I would consider purchasing products from a firm engaged in 'important' CSR activities					
L4-I would only consider purchasing products from a firm engaged in 'important CSR activities if the activities of the firm directly or indirectly affect me					
L5-I would consider buying a product from a firm engaged in CSR activities that improves ethical standard in my community					
IA1-Most of the information I come across usually involve companies that behave in an unethical manner					
IA2-If I knew CSR activities of firms, I would use the information more actively when deciding what to buy					
IA3-In the case that a firm does something unethical, I would actually stop purchasing its products					
ED1-Companies should not charge higher for practicing CSR because it is their responsibility					
ED2-When making purchases, I would only pay higher for products from companies practicing CSR if they surpass industry standards					
ED3-Regardless of whether a product is CSR based or not, high quality and performance are what drives my purchases					
ED4-I only purchase products from companies that practice CSR if the product has the same price and quality as other firms that do not practice CSR					
CSR-I regard CSR as a very important duty that firms ought to carry out					