The Impact of Corporate Social Responsibility on Consumers Purchase Intention

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Abstract. Corporate Social Responsibility (CSR) occur the new development and new trends under the influence of globalization. This article studies the importance of Corporate Social Responsibility, and then, we discuss the impact of consumer behavior and we will put forward the Corporate Shared Value for improving in the future. The conclusion shows that the consumer behavior in our consciousness proved hard to overcome. Corporate Shared Value provides a new win-win way for consumers and businesses.

The Corporate Social Responsibility

With the development of the global business economy grow, the CSR’ disclosure are very deficiency, even had happened the negative information about market and social responsibility. In a few years ago, some multinational companies from all over the world were reported scandal. International company Wall-Mart (a retail group) sold the chilled fresh pork as a “green food” in China. After Wall-mart, a subsidiary of multinational food giant Nestle has been published to withhold milk dairy farmers and monopolies. Furthermore, Nike sweatshop problems, exploitation of natural gas resources may result in permanent damage to the environment and ecological system, such as catastrophic oil spill in the Gulf of Mexico, SK-II cosmetics contained toxic ingredients, Amazon’s staff felt the inhuman treatment, Volkswagen’s exhaust gas emission cheating lead stocks tumbled (wisdom & smith, 1999).

Dow Jones Global Index (DJGI) research, 5% companies of sustainable development return on investment, which is higher than the global index in the DJGI. In the five years of comparative study, the DJGI was 34.7% higher than the performance of global index. Furthermore, energy companies in the DJSGI compared to the average performance of same industry which is one times higher. Hence, the Socially Responsible Investment (SRI) in developed countries is tuning into a trend. Until 2012, the economies of scale of the growth rate were inconceivable from SRI’s significant data (Timothy, 2013).

Consumer impression of an enterprise evaluation comes from the enterprise to fulfill CSR more than the brand marketing and profit appropriation. Such as Clorox spent three years and invested more than two thousand research and development “Green Works” which is a deep clean with the concept of the CSR. These range of product price 20% more expensive than traditional detergent. However, during two years of operation “Green Works” has broadened the natural detergent market. In this growing market, Clorox company not only won the substantial profits, but also in environmental protection, social justice, the civil consciousness awakening, seized the consumers of fall in love more and more concerns are not limited to product quality and price, brand culture and brand responsibility also gradually appeared in the range of the supervision of the consumers (Becker-Olsen, 2013).

CSR serves enterprise product development and innovation to bring a new train of thought. When the CSR sinks into the enterprise research and development of a product or service, it can think in a different perspective on enterprise operation and the process of product development. Then corporate
constantly update existing processes, patterns and products and services which is a kind of perspective transformation and unremitting pursuit to let enterprise keep passion.

The above literature review could found that only from the single level, such as charitable donations to understand the CSR is not comprehensive. The sustainable development of the enterprise need give the credit to the CSR which deep into the corporate culture.

**Consumer Behavior**

In the modern market economy condition, enterprise research of consumer behavior is to look at and consumers to establish and develop long-term exchange relationship. Therefore, the research includes investigate the evaluation and selection of activities before use, pay attention to the behavior which is the use, disposal and other activities after purchase. Enterprise mainly based on the eight steps to the analysis of consumer behavior. It also can be concentrated to seven words: brand, reason, user, time, place, quantity and how. In the market economy, consumers purchase goods for the sake of utility maximization. Consumer sovereignty refers that enterprises should make the production according to the demands of consumers. Moreover, the greater the utility of goods, consumers are willing to pay higher prices. Utility is a kind of psychological feeling, however, depends on consumer preferences to analyze consumer psychology and meet consumer preferences. At the same time, the understanding of the consumption fashion, but also good at discovering the future consumption fashion. In this way we can learn from consumption fashion consumer preferences and change. Consumer behavior is influenced by personal stance and ethical morality. Therefore, enterprises in the development of products should locate in a group when consumers, to develop the products according to the specific group of hobbies (Carey &Smith, 1994).

**Factors That Influence Consumer Behavior**

When consumers first buy expensive, risky and high degree of self-identity products, it belongs to high-interposition. Because consumers do not have the knowledge of the performance of this product, so they consumers often obtain proper context after carefully discuss producing faith comprehensively. Then carefully making the purchase decision for the producing the attitude toward the brand. For high-interposition purchasing behavior, the enterprise need push consumers to accept the knowledge and make sure the product in the performance of the main aspects of the characteristics and functional advantages. According to the sample and a variety of forms of advertising, setting up the trust to main products is important (Arrigo, 2009).

When consumers highly involved in the purchase of a product, consumers will feel hard to separate because of the brand exist small difference. Although there is cautious attitude for purchasing behavior, but they more concerned about the preferential price, purchasing time, rather than spend a lot of energy to shop around. Meanwhile, it is very short time from buying incentives decision to buy. After purchasing behavior, consumers will produce the regret psychological or mental imbalance, but the product of certain factors is not good and gets other better comparison. In order to do the right decision-making and morale-boosting, consumers widely collected all sorts of advantageous related to the bought product. Therefore, enterprises help consumers establishing its confidence in the purchased products by adjust the price by provide beneficial information to consumers (Arrigo, 2009).

If there is the great difference between consumers’ many commodity brand and available, consumers do not spend too much time to choose the brand. The consumer purchasing behavior is not specific in this condition. Such as every time consumer can choose butter or chocolate biscuits. This variety is not satisfied with the last time, but wants to try more. Therefore, the enterprise should make full use of market dominance to occupy the sufficient supply. According to advertising reminding consumers establish a habitual buying behavior. On the other hands, the enterprise need bring down
Purchasing Decision Process

Meet demand is the foundation of the consumer purchase decision process. Consumers are aware of the difference between actual and its desire and generate the request to solve this problem, so the purchasing decisions are start. The fundamentally human needs can urge the behavior reflection of consumers, such as see the ice cream ads in TV and intend to taste one, pass by to see fresh fruit and decided to purchase and so on. Sometimes, a kind of demand would come from the combined action by the result of internal and external reasons. Consumer’ demand strength for a product will change over time and be triggered by some incentive. According to the above two points, the enterprise also is good at arranging inducement, prompt consumers to produce strong demand for enterprise products and buy action immediately (Porter & Kramer, 2011).

Staff perceives that the environment will cause the change of consumers’ needs and interests, because of the products of this enterprise actually or potentially related driving force. In other words, consumers’ demand strength for a product will change over time and be triggered by some incentive. According to the above two points, the enterprise also is good at arranging inducement, prompt consumers to produce strong demand for enterprise products and buy action immediately.

After the motive for consumers to buy, if consumers wanted to buy items nearby, they will implement purchasing activities. Consumers can understand the products of the enterprise through business information channel and then buy the products of this enterprise. When consumers from different channels obtain the relevant information, they can analysis and compare products of various brands. Consumers see one product as collection properties in general. Although consumers interested in product attributes, but they do not necessarily considered all product attributes as equally important. Therefore, if marketing staff analysis the different types of consumers interested in which attributes, it could avail for market segmentation. Corporate provide products with different properties to the different needs of customers, as well as minimize the amount of unnecessary properties caused by the cost of capital, labor and time (Banerjee & Kashyap, 2013).

From numerous available choices, consumers evaluate the various brands through a certain evaluation method. Thus forming their attitude and preference is for a certain brand. In the evaluation process, the majority of consumers always compare the actual products with their ideal products. Therefore, preferences and purchase intentions do not always lead to the actual purchase. The strength of the attitude of others influence on consumer intentions which depends on the attitude and his relationship with the consumer. In addition, the formation of consumer purchase intentions is always closely related to income, the expected price and expectations.

Corporate Shared Value

Esther David (2009) argued that as a legal person enterprises’ the only goal is to maximize profit and return the profits to the individual shareholders. However, if you want to do charitable activities, the ability depends on shareholders to decide on their own. Therefore, the enterprise’s essential problem is: how to do a good job in CSR at the same time in pursuing benefit maximization; Social problem can be transformed into a part of the core business to increase profit; Enterprises can only engage in optimizing the activities of economic value and the social value at the same time. In general, if the enterprise wants to engage in CSR, it should locate marketing demand and corporate goals again. Furthermore, enterprises need a new theory framework to break through the narrow thinking of enterprise and CSR (Cho al et., 2014).

It is difficult to achieve Shared value with the traditional business strategy thinking. Porter & Kramer (2011) put forward a new way of thinking in CSV which the enterprise must through market positioning, products, services, and the innovation of the value chain to achieve long term profit from
the beginning. Attaining CSV will require managers to develop comprehensive abilities and governments to learn how to enable shared value with regulating solutions to avoid vicious spiral.

In the early 1990s, British Prudential Investment, Loan, and Assurance Company first introduced the life insurance insured persons can cash in living part of the compensation for the cure, housing and travel. Wall-Mart was pursuing sustainable product indicators plan in 2009 and also obtained shared values at the same time. For example, in recent year ‘lease house to buy a house’, micro loans, electronic learning, and mobile Internet banking for ordinary people (Cho al et., 2014). All of these are the typical business innovation and social innovation. These similar innovations have a common characteristic: standing in the perspective of customers and to get more value for customers, but also enhance enterprise’s profit. These initiatives can make other competitors to follow and gradually became an unwritten specification. In long-term, an effective CSR transformation promoted the foundation of civil society (Schmitt & Renken, 2012).

Trust

Bennett and Harrell (2001) argued that a brand is to have their own market position and become a powerful brand in the consumer’s mind, it must have its own competitive advantage in the industry. Brand trust is essentially the businessman’s commitment to the consumers, the brand of the external appearance and inner quality should show a responsible attitude to consumers.

As same as CSR of the marketing, enterprises should put the heart into produce its products and services firstly. If the enterprise only through the propaganda of CSR throw customer off the scent, damage constant trust which consumers to the enterprise (such as the quality of the false publicity, the exaggerated advertisement, lack of sincerity service and so on) will make consumers’ interests impaired. Over time, this will lead to serious consequences which are brand reputation declining and the transfer of brand preference.

Therefore, the enterprise publicity is as another form of commitments. The trust shall establish a right starting point which the enterprise will not take of the speculation and deliberately take advantage of consumers. If enterprise was accomplished for its work and dare to make society supervise their commitment to consumers, the time will tell the consumers that company’s behavior of CSR is reliable, CSR product is useful to the society. Whether the enterprise to do the transition of the CSR or not, corporate integrity is always the key of the consumer purchase decision, and also is fundamental to do bigger and stronger and sustainable.

Conclusion

All in all, the previous literature found how CSR is used to position brands strategically and how brand equity has a direct influence on brand loyalty. However little research exists that looked at the extent to which brand recognition is stimulated because of CSR. It was found that corporate credibility has a significant impact on attitude towards brand and purchase intentions. Therefore, most consumers are hard to give up the realistic factors for pursuing CSR. Corporate Shared Value may be a good new way for consumers and businesses.

References


