

# The Relationship between Corporate Social Responsibility Initiative (CSRI) and Consumer Purchase Intention: A Case Study of Consumer Goods Industry in Lao PDR

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#### **Abstract**

This study investigated the relationship between corporate social responsibility initiative (CSRI) and consumer's purchase intentions, and their attitudes (loyalty, trust, and commitment). By focusing on the consumer goods industry in Lao PDR, this study examines whether CSR activities can influence consumer purchase intention towards the products and service of the firm that engaging CSRI. Four hundred samples are analyzed by descriptive statistics and hypothesis testing by Chi-square analysis, and Correlation with Alpha .05. The result shows that: there is signification relationship between the degree of matching of brand image and CSR (Brand/Cause fit), and consumer perception of CSR, which will affect consumer purchase intention. When there is a high level of fit consumers are more likely to participate and tend to perceive that the corporate's CSRI is came from altruistic motivation, positive consumers perception on firm motives and good corporate image are associated not only with higher purchase intention but also with longer-term brand loyalty. The study also investigates further on the role of consumer brand loyalty and demographic variables, to advancing the understanding on consumer behavior in Laos. The finding revealed that, there is a positive correlation among brand loyalty, demographic characteristics and their perception on CSRI. In addition, the study showed that not all CSR initiatives can create equal positive impacts, but firm needs to make sure there is a high level of matching between brand and the CSR cause, in order guarantee the favorable judgment from consumer.

**Keywords:** Corporate social responsibility, Consumer attitude, Consumer purchase intention, Firm motive, Brand/Cause fit.

#### Contribution

This study finds that CSR initiative has a very significant role in creating the positive attitude in the consumers in Laos, which leads to higher purchase intention. So we hope that our finding could assist all companies, who are seeking for venture their investment in Laos, to apply and improve their sales together with contributing to local society and leads to sustainable development.

#### 1. Introduction

# 1.1. Background

Lao PDR is a lower – middle - income country with a population of 6.9 million people, GNI per capita of \$1,600 in 2014. After the introduction of market-oriented reforms by the Government of Lao PDR beginning in 1986, The world bank, (2011), Laos has become one of the fastest growing economies in the East Asia and Pacific region. GDP growth averaged 7 percent over the last decade, World Bank, (2015). Such an impressive economic growth has attracted many investors from outside the country and domestic to start their venture in Laos, with most of the investment flowing into the manufacturing and service sectors. But however, natural resource sectors, particularly hydroelectric power and mining, still ranked on top in term of foreign direct investments, Oraboune, S. (2012).

Among those investment sectors, consumer goods industry has become one of the most interesting sectors in Laos, as the result of growing middle class, as well as public wages, double-digit growth in all consumer goods categories over 15% between the 2009-2013 period to reach US\$290 million base on a report from Euro-monitor international (2014).

But, if we mention about CSR it is still a relatively new in Lao PDR, there are some large international companies that have implemented CSR programs in their business operations, but the motive was just to maintain their social license to operate, GIZ, & BRG, (2015). Therefore there is a need to investigate deeper in the competitive context. In such a highly competitive market like Laos, firms must work harder in order to achieve some degree of differentiation and avoid being viewed as a commodity, so it require not only a good appearance of the physical product, but also good brand personality and corporate image that accompany the product, McQuiston (2004). Therefore CSR has become a favorite choice for the marketer, but in order to formulate the most effective CSR strategy, the firm needs to understand how consumers perceive and react to each CSR actions, Bhattacharya & Sen, (2004).

The aim of this paper is to advance our understanding of how consumer's perception toward CSR activities influences their purchase intention, by focusing on consumer goods industry in Laos. Which will help



both foreign and domestic investors to understand more about attitude and purchasing behavior of Lao consumer.

#### 1.2. Research method

The sample used in this study consists of 400 general consumers in Vientiane capital, the capital city of Lao PDR, the questionnaire approach was used in order to collect preliminary data and information to investigate the hypothesis. For data analysis, we applied Frequency, Percentage, Mean, Standard Deviation, differences test between the mean of two populations (Independent Samples t-test), and One-Way ANOVA for more than two populations, Least Significant Difference (LSD) and Pearson Product Moment Correlation analysis, Paksupank Srisawad, (2011).

#### 2. Literature review

Numbers of studies have been conducted to understand the definition of corporate social responsibility in different industries, Guthrie, Cuganesan, & Ward, 2008; Lee & Kim (2009). Corporate social responsibility is the continuous commitment by corporates to contribute in economic developments, as well as addressing the positive impact on society, Carroll, 1999; WBCSD (2011). It is about "Do Better by Doing good", rather than just focusing on making profit like the traditional way of business. Stakeholders need the more sustainable way of development, Varandarajan & Menon (1988), as the result, CSR is becoming a requirement for business nowadays (Joyner and Payne, 2002). However consumer goods industry did not gain much attention and items that are considered to be significant and important to this industry have not been deeply investigated, Guthrie, J., Cuganesan, S., & Ward, L, (2008). Especially in a small country like Laos, there were only a few studies done by the non-profit organization about CSR, mostly in the perspective of the organization. This paper will study from the perspective of consumers toward CSR.

#### 2.1. Brand/Cause Fit

Brand behavior and CSR cause fit refer to the similarity, relevance, compatibility or coherence between enterprises business and their social undertakings, Trimble & Rifon (2006), which absorbs the connotation of brand extension and has similar dimensions to brand matching, Robert & Wilson (2004). In the context of social marketing, brand/cause Fit is often defined as the perceived link between the product line, location, brand image, target market and their CSR cause, Varadarajan & Menon (1988). Brand/cause fit is important because it affects people's thought toward the brand and generates a positive or negative brand attitude, Forehand & Grier (2003).

Previous studies of sponsorship, branding, and endorsement all agreed with the associative network theory that, a high-level of perceptual linkages can increase consumer's attitude toward the brand, because people perceive the CSR behavior as reasonable, John et al. Al., (1998); Speed & Thompson (2000). As a result, when a company's behavior matches people's expectations, knowledge, and connections, there is higher chance that the CSR initiative would be accepted and participate by consumers, Olsen (2004), thereby strengthening the consumer's social initiate, and further influencing consumer's perception on the CSR behavior, Wojciszke et al (1993).

## 2.2. Firm motive

Various studies have shown that perceived firm motive could influence consumer's attitude and the way they judge the CSRI, but the attribution theory pointed out that there are two types of firm motivation, Jones & Davis (1965), which include altruism (social oriented) and self-interest (Profit oriented) motivation. Consumers tend to use more persuasion knowledge to rationalize business motives, Szykman et al, (2004). When consumer perceived that the motive is social oriented, they would response positively toward the brand or product, Kelley (1973); on the contrary, if consumer perceive that the motive is based on profit oriented, they tend to create a negative attitudes in there mind, Szykman et al, (2004).

Consumers often question the motivations of companies involved in social responsibility activities, because sometimes the motivation of enterprise's didn't come from the intrinsic moral or sense of responsibility, but only to tax cuts or cover up other negative images, GIZ, & BRG, (2015). Bhattacharya and Sen (2004) found that the degree of skepticism was influenced by two factors: corporate reputation, and degree of corporate / social responsibility activities fit. When a less prestigious business participates in a social responsibility activity, it would be more skeptical by the consumer. For example, a large tobacco business's charity activities about "tell your children not to smoke" it would cause widespread consumer suspicion, resulting in possible negative evaluation.

# 2.3. Perception of CSR

Webster (1975) confirmed the existence of consumer social consciousness that some consumers usually considering about the impact of their consumption to the society. Mohr et al. (2001) proposed the concept of socially responsible consumer behavior on the basis of predecessors' research, and concluded that consumers



with different demographic characteristics have different levels of perception on corporate social responsibility. Some consumers are more sensitive on social responsibilities, they will always give priority to the social responsibility of the company's products. Sen and Bhattacharya (2001) mention that consumers with higher levels of CSR awareness are more likely to accept and purchase the CSR brand/product.

Smith and Alcorn (1991) found that about half of consumers (56%) think that it is important to contribute to a charitable cause, and 46% of interviewees would switch brands because of the desire to support a cause. Ross et al. (1992) found that CRM has a positive effect on consumer perceptions of the sponsoring firm. Research has also shown that the general response of customers to CSR tends to be positive (Webb and Mohr 1998). So we can say, consumer perception to the service or product is the key factor that can affect consumer purchase intention.

#### 2.4. Purchase intention

Consumer purchase intention is the likelihood that a consumer will buy a product or service, Shah et al., (2012). Mullet et al. (1985) mentioned that purchase intention is the basis for buying behavior, and an important indicator of consumer behavior prediction. Kolter (1994) proposed four factors influencing consumer purchasing decisions, including psychological, personal, social, and cultural factors. Consumers' attitudes towards firm CSR initiate behavior are consumer's psychological factors, which have an impact on consumers' purchasing intention. There are many studies investigated the influence of corporate image on consumers' purchase intention and found a significant relationship between them, Arslan & Altuna (2010); chi et al. (2008); Tariq et al, (2013). Divolf (2005) states that higher brand awareness leads to the high brand relation in the consumer's mind. Consequently, greater brand awareness leads to the higher chance that consumer will purchase the brand, Tih & Lee, (2013).

## 3. Hypotheses and Research model

## 3.1. Hypotheses

## 3.1.1. The role of cause fit

As mentioned earlier, "Fit" is defined as the perceived link between a CSR cause and the firm's product line, brand image, position, and/or target market (Varadarajan and Menon, 1988). Thus, when an enterprise launches a CSR initiative, the connection and fit between the brand and CSR cause will make consumer believe that it's the altruistic motive in the social tendencies (rather than in the self-interest). This indicates that the level of fit between CSR behavior and the social cause will create the positive attitude towards firm's motive. On the other hand, if the degree of match between social responsibility behavior and the social cause is low, consumers may question the behavior motive of the enterprise, and it may create a negative judgment on the enterprise.

Based on the above analysis, this paper proposes:

H1: The higher degree of fit between brand behavior and social cause, the more positive consumer's attitude toward firm motives.

## 3.1.2. Firm motive and perception of CSR

Motivation of CSR behavior could be divide into two types: altruistic (social oriented) and self-serving (Profit oriented) motivates. Consumers will evaluate CSR behavior of the company according to its intrinsic motivation, Barone, Miyazaki, and Taylor (2000). In other words, attribution will affect the consumer's judgments and evaluation of business behavior. Szykman et al, (2004) mentioned about the differences in the perception of motives between non-profit corporations and for-profit corporations, and finds that consumers tend to perceive as altruistic motives when a non-profit organization is the sponsor, However consumers perceive as self-serving motives when a business corporation is the sponsor. But however, in the case of developing country like Lao PDR, consumers with less experience on CSR tactics should attribute more altruistic motives to CSR campaigns. When consumers judge that firm motive is come from altruistic motives, the perception of CSR tends to be positive, and increase the chance of purchase intention, Szykman et al. (2004).

Therefore, this paper proposes the following hypothesis:

H2: When consumers judge firm motive as altruistic, their perception of the CSRI will be more favorable.

# 3.1.3. Perception of CSR and Purchase intention

Many studies have shown that, there is a positive relationship between consumer perceptions of CSR and purchase intention (Davids, 1990). According to Chaiklin, (2011), attitude as a social structure is so important in establishing and maintaining social order and also believe, consumer perception must be changed before CSR behavior, which means, first perception then behavior is formed subsequently (Reily et al., 1999). The results of Sen and Bhattacharya (2001) also showed that CSR has a significant impact on consumers' assessment of the brand, which means that consumer behavior is how they show before, during and after buying a product or service. So we can say, consumer perception of CSR behavior is the key factor of anticipating purchase intention, Montazeri et al, (2013). Carrigan and Szmigin (2004) and Youn and Kim (2008) also found that demographic variables such as gender, income, and education levels influence consumer responses to CSRI, their findings



shows that the consumer groups of female, high income, and elder age are more likely to participate in CSRI. Based on the above analysis, this paper proposes the following assumptions:

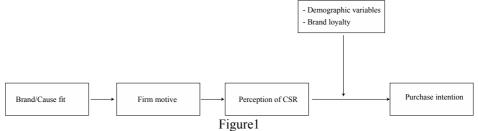
H3: The positive perception of CSR behavior has a significant positive impact on consumer purchase intention.

H4: Demographic variable will adjust the impact of CSR initiative on consumer purchase intention.

H5: Brand loyalty will adjust the impact of CSR initiative on consumer buying intentions. The higher brand loyalty, higher positive impact of CSR initiative on consumer Purchase intention. While lower brand loyalty, lower impact of CSR initiative on consumer Purchase intention.

#### 3.2. Research *model*

According to the above theoretical and research hypotheses, this paper constructs the following research model:



## 4. Method and procedure

# 4.1. Participants and procedure

In this paper, the research model was validated by means of questionnaire survey, which was conducted by local consumers in Laos. The questionnaire is divided into three parts: the first part is the introduction, which mainly introduces the purpose of this research; and to ask the respondents "what's the first brand that comes into their mind? When they think about CSR, "; the second part are different group of questions, using the Likert 7 point scale for measurement, from 1-7 (represent from Totally disagree to Totally agree) including with: group A questions, is to test Brand/Cause Fit, group B, is to test Firm motive, group C, is to test Perception of CSR, group D, is to test Brand Loyalty, group E, is to test Purchase intention; the third part is demographic information of respondent, including gender, age, occupation, income, education and so on.

In this study, we mainly focus on local consumers in Vientiane capital, the capital city of Laos as sampled. Data collection was done by offline method. The average time to completing each questionnaire is 6 minutes, and the questionnaire was filled-in by anonymous method. 400 valid questionnaires were distributed to local consumers, and the effective rate is 93.46%.

#### 4.2. Measures

# 4.2.1. Brand/Cause Fit

The variable measurements of Brand/Cause fit are adapted from the studies of Alcan  $\sim$  et et al (2010), and Lafferty et al. (2004). Corporate CSR behavior and its brand fit is not only reflected in the functional level, but also reflected in the image level. This paper combines the two, while studying CSR behavior, corporate brand image. In particular, the measurement of fit is composed of five questions as following: (A1: I think the combination of the brand and its charity activity is meaningful; A2. I think the brand is matched with its charity activity; A3. I think the combination of the brand and its charity activity is logical; A4. I think the brand and its charity activity are congruent). The CSR behavior fit score is measured by matching brand's CSR behavior with the brand itself.

#### 4.2.2. Firm motive

In order to measure firm motive, this paper has adapted according to the research of Becker-Olsena et al. (2006), and Strahilevitz (2003), including five questions (B1. I think the brand is starting from their own interests when they are conducting charity activities; B2. I think the brand is starting from the charity cases when they are carrying out charitable activities; B3. I think the brand is starting from the interests of the whole society when they are carrying out charity activities; B4. I think the brand is starting from the interests of the consumers when they are carrying out charity activities; B5. I think the brand is starting from the interests of the public when they are carrying out charity activities). Firm motive is to identify in the eyes of consumers, whether the real motive of corporate behavior is self-interest-oriented or public-oriented.

## 4.2.3. Perception of CSR

The measurement of Perception of CRS, adapted from Alcan  $\sim$  z et al (2010) study, including four questions (C1. I think the brand have a very high social responsibility; C2. I think the brand is a socially responsible enterprise; C3. I think the brand has assumed somewhat certain social responsibility; C4. I think the brand holds a willingness to bend social responsibility). Perception of CRS is a measure of consumer attitudes and awareness,



and is concerned with whether the consumer can perceive that the firm has a high CRS.

# 4.2.4. Purchase intention

According to Nan and Heo (2001) study, the measurement of Purchase intention is divided into five questions (D1. I am a loyal consumer of this brand; D2. I always buy products from this brand; D3. I have recommended this brand to my friends; D4. I seldom buy products from this brand; D5. I will continue to buy products from the brand).

# 4.2.5. Loyalty

Consumer loyalty is a key variable in consumer attitudes research, which has been studied by many scholars. The research of this paper combines the research of Becker-Olsena, et al (2006) and Newell and Goldsmith (2001) measurement forming five measurement statements (E1. I think I will buy products from this brand; E2. I think I will give priority to purchase the products of this brand; E3. I think I will recommend this brand to my friends; E4. I think I will prefer to buy products from this brand than others; E5. I think I won't buy products from this brand).

#### 5. Data analysis

This part conducts a descriptive statistics analysis at first, then analyzes the validity and reliability of the sample data, and in the end it makes the correlation analysis, regression analysis and hypothesis testing.

## 5.1. *Descriptive statistics*

In this section, the sample data includes gender, age, occupation, education, monthly salary and so on, through statistical analysis methods, sort out one by one and descriptive statistics were used to understand the characteristics of this study sample, CSR brand selection and brand purchase of the survey. The detailed analysis results are shown in the following table 1.

Table 1 Demographic Data Analysis

Demograph	ic variables	Number	Percent (%)	Demographic		Number	Percent (%)
	male	145	36.3		Less than 800,000 Kip	17	4.25
Gender	female	255	63.7		800,001 – 1,500,000 Kip	288	72
Gender	missing	0	0		1,500,001 – 3,000,000 Kip	94	23.5
	Total	400	100		More than 3,000,001Kip	1	0.25
	18—25	99	24.75		Total	400	100
	26—35	224	56		CoCa CoLa Co.,Ltd	39	9.75
A ===	36—45	47	11.75		Beerlao Co.,Ltd	308	77
Age	46—55	20	5	Choice of brand	PS laos Co.,Ltd	42	10.5
	56—65	10	2.5	Choice of brand	Dao Co.,Ltd	7	1.75
	Total	400	100		Others	4	1
	Middle school	17	4.25		Total	400	100
	Undergraduate	288	72		One to two years	29	7.25
Dogwoo of	Graduate	94	23.5		Two to three years	17	4.25
Degree of education	Doctor or higher	1	0.25	Brand understanding of the year	More than five years	352	88
	Total	400	100		Missing	2	0.5
	1 Otal	400	100	U	Total	400	100

As shown in Table 1, the interpretation of the results of the demographic data analysis is:

- (2) Age: In this study, age was divided into 5 segments. According to the table, it's obvious that most participants in the survey are from 18 to 35 years old, occupying almost 80 percent.
- (3) Education level: In the survey, education for middle school the number is 17, accounting for 4.3%; undergraduate education the number is 288, accounting for 72% of the total number of respondents; graduate education number is 99, accounting for 23.5% of the total number of respondents; Dr. and above the number is 1, accounting for 0.3% of the total number of respondents.
- (4) Income level: In this study, most participants in the survey hold an income between 800,000 Kip and 3,000,000 Kip, which is in line with the average income level of citizens in Laos.
- (5) Brand choice: The survey also investigates participants' choices of brands. On this basis, the study calculates the frequency of purchase of each selected brand for each respondent, and the data showed that each respondent purchased 3.42 times a week for a specific brand of products, indicating that respondents Of the CSR brand

<sup>(1)</sup> Gender: There were 145 male respondents, accounting for 36.3% of the total number of respondents in the survey; 255 female respondents, 63.7% of the total number of respondents; From the data can be seen, the proportion of male to female respondents was about 1: 1.5.



purchase frequency is very high.

# 5.2. Reliability and validity test

Reliability refers to the reliability of measured data. In other words, it is the "stability" or "consistency" of the results of a test. Cronbach's  $\alpha$  coefficient is a measure of internal consistency, which is suitable for the Likert scale for reliability analysis. Guielford (1965) stated that if the Cronbach's  $\alpha$  coefficient is greater than 0.7, the reliability is very high. We can use this scale. If reliability coefficient is between 0.65-0.7 that the scale is acceptable; if the trust factor is less than 0.6, it is better not to select the scale. If the scale reliability is less than 0.35, it has the low reliability. In this study, Cronbach's  $\alpha$  was used to test the degree of internal consistency of the variables in the questionnaire. If the coefficient was greater than 0.7, it was high internal consistency. If the coefficient was less than 0.35, it was low internal consistency. Table 2 is obtained by SPSS18.0 data analysis.

Table 2 Results of Reliability and validity test

z Cronbach's α Cronbach's α value after removing the option					
Z			Cronbach's α value after removing the option		
	A1		0.712		
	A2		0.706		
Fit	A3	0.745	0.716		
	A4		0.7		
	A5		0.668		
	B1		0.636		
	B2		0.697		
Firm motive	В3	0.734	0.723		
	B4		0.709		
	B5		0.665		
	C1		0.605		
Perception of CSR	C2	0.665	0.556		
refeeption of CSK	C3		0.611		
	C4		0.618		
	D1		0.603		
Loyalty	D2	0.695	0.633		
Loyalty	D3	0.093	0.606		
	D5		0.682		
	E1		0.755		
	E2		0.755		
Purchase intention	E3	0.757	0.666		
	E4		0.674		
	E5		0.7		

From the above table we can see that the Cronbach's  $\alpha$  values of each variable in this study are all greater than 0.65, which shows that the scale selected in this paper has high reliability and the result is stable and reliable. So we can continue the further research.

Then, the validity test will be done. Validity is divided into content validity, criterion validity and construction validity. Construct validity measures can be analyzed by means of factor analysis. And this paper refers to factor analysis and Kaiser-Meyer-Olkin test (KMO) in order to guarantee the validity of measurements.

And Factor analysis of fit by SPSS18.0 shows that the KMO value was 0.793 and the Bartlett test chisquared value was 396.854, indicating that the fit variable was suitable for factor analysis. The data results are shown in the following table 3:

Table3 Fit variables KMO and Bartlett test

The Kaiser-Meyer-Olkin metric f	.793	
Bartlett's Sphericity Test	Approximate chi-square	396.854
	df	10
	sig	.000

Then, according to the principal component analysis method, the maximum variance rotation method is adopted to carry out exploratory factor analysis on the items, and the number of extraction factors is formulated. The extracted sum of squares load is 49.725% of the variance. The data results are shown in the following table 4:



Table 4 The total variance of each statement about Brand/Cause fit variable

Ingredients		Initial eigen	value	Extract the square and load it			
ingredients	Total	Variance %	accumulation%	Total	Variance %	accumulation%	
1	2.486	49.725	49.725	2.486	49.725	49.725	
2	.730	14.608	64.333				
3	.679	13.578	77.910				
4	.635	12.697	90.608				
5	.470	9.392	100.000				

The factor analysis of firm motive variables showed that the KMO value is 0.791 and the Bartlett test chi-square value is 390.356, indicating that the firm motive variable was suitable for factor analysis. The data results are shown in the following table 5:

Table 5 Firm motive KMO and Bartlett test

The Kaiser-Meyer-Olkin n	netric for sampling adequacy.	.791
	Approximate chi-square	390.356
Partlatt's Sphariaity Tast	df	10
Bartlett's Sphericity Test	sig	.000

Then, according to the principal component analysis method, the maximum variance rotation method is adopted to carry out exploratory factor analysis on the items, and the number of extraction factors is formulated. The extracted sum of squares load is a 49.069% of the variance. The data results are shown in the following table 6:

Table 6 the total variance of each statement about firm motive

Ingradiants		Initial eigen	value	Extract the square and load it			
Ingredients	Total	Variance %	accumulation%	Total	Variance %	Accumulation%	
1	2.453	49.069	49.069	2.453	49.069	49.069	
2	.778	15.568	64.638				
3	.731	14.621	79.259				
4	.554	11.082	90.341				
5	.483	9.659	100.000				

The results of factor analysis of perception of CSR, Purchase intention and Loyalty also show that the data of this study are suitable for the next regression analysis, and all of them are significant. The factor analysis of perception of CSR showed that the KMO value is 0.724 and the Bartlett test chi-square value is 212.186. The factor analysis of Purchase intention showed that the KMO value is 0.735 and the Bartlett test chi-square value is 269.526; The factor analysis of the loyalty variable showed that the KMO value is 0.781 and the Bartlett test chi-squared value is 500.227.

## 5.3. Correlation analysis and regression analysis

Using the measures of association, to measure the relationship between two variables, and the significance of the correlation was further examined (He, 2001).

# 5.3.1. Correlation analysis

First of all, the Pearson correlation analysis was applied to test whether there are significant correlations among Brand/Cause Fit, Firm motive, Perception of CSR, Loyalty, and Purchase intention. The data results are shown in the following table 7.



# Table7 Coefficient of correlation

V	ariables	Fit	Firm motive	Perception of CSR	Loyalty	Purchase intention
Fit	Pearson Correlation	1	.720**	.675**	.546**	.582**
ГIL	Significance (Bilateral)		.000	.000	.000	.000
	N	400	400	400	400	400
	Pearson Correlation	.720**	1	.695**	.540**	.668**
Firm motive	Significance (Bilateral)	.000		.000	.000	.000
	N	400	400	400	400	400
	Pearson Correlation	.675**	.695**	1	.583**	.582**
Perception of CSR	Significance (Bilateral)	.000	.000		.000	.000
	N	400	400	400	400	400
	Pearson Correlation	.546**	.540**	.583**	1	.624**
Loyalty	Significance (Bilateral)	.000	.000	.000		.000
	N	400	400	400	400	400
	Pearson Correlation	.582**	.668**	.582**	0.624**	1
Purchase intention	Significance (Bilateral)	.000	.000	.000	.000	
	N	400	400	400	400	400

<sup>\*\*</sup>means significant correlation between.01 level (bilateral).

It can be seen from the above figure that the significance is less than 0.001, at the level of significance level of 0.05. Thus, there is a significant correlation between the factors.

Specifically, the correlation coefficient between fit and Firm motive is 0.72, and the significance test is adopted. Therefore, there is a significant positive correlation between fit and Firm motive. The correlation coefficient between Firm motive and Perception of CSR is 0.675. There is a significant positive correlation between Perceived CSR and Purchase intention, the correlation coefficient between Perception of CSR and Purchase intention is 0.583, and the significance test shows that there is significant positive correlation between Perception of CSR and Purchase intention; The correlation coefficient between Loyalty and Purchase intention is 0.624, and the correlation between Loyalty and Purchase intention is significant.

Correlation analysis shows that there is a significant relativity between variables. In order to test the hypothesis in the model, regression analysis is used to analyze the correlation degree between the variables according to the regression coefficient ( $\beta$ ) by SPSS software. Based on the determination coefficient (R2) and the adjusted coefficient R2), to analyze the linear regression line fitting degree, that is, independent variables explain the degree of regression variables; and according to the significant index (p value) to determine whether the correlation between variables is significant, to make a more accurate affirmative or negative evaluation about model variables.

# 5.3.2. Linear regression analysis

First of all, in order to explore the causal relationship of the main variables, this study conducts a linear regression analysis. And the researching results are shown below.



Table8 Regression results (1)

Dependent value	Firm motive	Perception of CSR	Purchase intent	ion
	Model1	Model2	Model3	Model4
Intercept	0.989***	1.527***	1.862***	1.868***
Fit	0.712*** (20.688)			
Firm motive	(	0.66*** (19.308)		
Perception of CSR			0.629*** (14.290)	
Loyalty				0.64*** (15.944)
adjusted R <sup>2</sup>	0.517	0.482	0.337	0.388
F value	427.999	372.811	204.194	254.214
Degree of freedom	398	398	398	398
P value	0.000	0.000	0.000	0000

<sup>\*</sup>p < 0.1(two-tailed tests).

The value in the bracket is t-value

From the above regression analysis, it can be seen that fit regression is significant for Firm motive, Firm motive for Perception of CSR is significant and Perception of CSR for Purchase intention is also significant, so the original research hypothesis 1, Hypothesis 2, Hypothesis 3 are supported.

## 5.3.3. Tests of moderation and mediation effect

In order to further verify the moderation role of loyalty and the mediating role of Firm motive, the research models are established and the regression result are as table 8:

Table 9 Mediating and moderating analyses (2)

Dependent value	Perceptio	on of CSR	SR Purchase intention					
	Model5	Model6	Model7	Model8	Model9	Model10	Model11	
Intercept	1.355***	0.947***	0.159***	1.214***	1.862***	1.125***	0.404	
Fit	0.635*** (18.263)	0.341						
Firm motive		0.413***	0.685***	0.522***				
rirm mouve		(8.93)	(17.892)	(10.032)				
Perception of				0.247***	0.629***	0.357***	0.312***	
CSR				(4.505)	(14.290)	(7.304)	(6.024)	
Loyalty						0.442***	0.304***	
Loyalty						(9.527)	(4.513)	
P*L							0.112**	
L.T							(2.764)	
adjusted R <sup>2</sup>	0.455	0.545	0.444	0.470	0.337	0.459	0.466	
F value	333.530	239.632	320.131	177.973	204.194	170.500	116.912	
Degree of freedom	398	397	398	397	398	397	396	
P value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

<sup>\*</sup>p < 0.1(two-tailed tests).

The value in the bracket is t-value

From the above models, we can see that the regression of Fit and Perception of CSR is significant (r=0.635, p < 0.001). However, when firm motive is included in the model, the significant relationship of fit and Perception of CSR turns into a non-significant one (r=0.341, NS), indicating that the influence of fit on Perception of CSR is totally mediated by firm motive.

Similarly, the mediating role of Perception of CSR is also demonstrated. According to the analysis, the regression coefficient of Firm motive and Purchase intention is 0.685, which is significant. Whereas when Perception of CSR is included in the model, the coefficient of Firm motive is lower but still significant. It indicates that the influence of firm motive on Purchase intention is partially mediated by Perception of CSR.

Additionally, we can refer to the moderating role of brand loyalty from model 9 to model 11. The

<sup>\*\*</sup>p < 0.05 (two-tailed tests).

<sup>\*\*\*</sup>p < 0.001 (two-tailed tests).

<sup>\*\*</sup>p < 0.05 (two-tailed tests).

<sup>\*\*\*</sup>p < 0.001 (two-tailed tests).



regression of Perception of CSR, loyalty and Purchase intention is significant, but when the interaction of Perception of CSR and loyalty is included in model 11, the effect of Perception of CSR is lowered (the coefficient decreases from 0.357 to 0.312), which indicates that the effect of Perception of CSR on Purchase intention is partially moderated by Brand Loyalty.

Thus, the moderation effect of Perception of CSR and the moderation effect of loyalty are all validated. Hypothesis 5 is supported and Hypothesis 2 as well as Hypothesis 3 is further verified.

In order to verify the effect of Demographic variable, such as age and education, on Perception of CSR consumer response, this paper explores the variance analysis. The results shows that gender (male = 4.61, female = 4.51) have no significant effect on Perception of CSR (F = 0.161, P = 0.198); age has a significant effect on Perception of CSR. The mean scores of Perception of CSR in the five age groups are 4.55, 4.45, 4.78, 4.91 and 4.90. In other words, with the age increase, the Perception of CSR is higher. There are significant differences (F=1.315,P = 0.006) between the 26 - 35 age group 's CSR awareness (4.45) and the 36 - 45 age group (4.78). The effect of education on the social responsibility awareness is insignificant (F = 2.109, P = 0.148). The average score of Perception of CSR are 4.41, 4.53, 4.67, and 4.45, and are not the trend, so it does not support the original hypothesis. Based on the above analysis, suppose 4 are partially supported. Therefore, the hypothesis test results in this paper are as table 9:

Table 10 the hypothesis test results

Hypothesis	Prediction	Results
H1	The higher degree of fit between brand behavior and social cause, the more positive consumer's attitude toward firm motives.	Supported
H2	When consumers judge firm motive as altruistic, their perception of the CSRI will be more favorable.	Supported
Н3	The positive perception of CSR behavior has a significant positive impact on consumer purchase intention	Supported
H4	Demographic variable will adjust the impact of CSR initiation on consumer purchase intention	Partially supported
Н5	Brand loyalty will adjust the impact of CSR initiations on consumer buying intentions. When brand loyalty is high, CSR initiations have a higher positive impact on consumer's willingness to buy. When brand loyalty is low, CSR initiations have a lower positive impact on consumer's willingness to buy.	Partially supported

## 6. Discussion

This research has explored the relationship between CSR initiatives on consumer purchase intention. The findings indicate that there is a positive impact of the matching degree between CSR behavior and brand image on consumer attitude toward the firm motive, which influences the perception of CSR. All five hypotheses are supported by empirical data and find that there is a theoretical and practical significance.

Theoretically, this study has emphasized the previous researches on the positive impact of CSR and consumer purchasing behavior. In addition, it further enriches and deepens the influence of CSR on Lao consumers' purchase intention in consumer goods industry.

First, this study confirms the close relationship between CSR behavior and brand matching. The data shows that the effect of matching degree on consumer's perception is significant only when the CSR behavior and its brand image are matched. Second, this study examines the significant impact of CSR motivation on consumer perception of CSR and finds that, when consumers perceive CSR as socially oriented or in the public interest, their perception of the CSR will be positive, and leads to higher chance of purchase the brand. Thirdly, the study shows that consumer perception of CSR has a significant impact on consumer's purchase intentions. Finally, the paper examines the role of consumer's geographic variables and brand loyalty. The results show that the higher the age of consumers, the greater positive impact of perceived brand CSR on consumer purchasing intentions.

From the practical point of view, the conclusions of this paper are also very instructive. On the one hand, the results of this study are consistent with previous studies and verify the positive impact of corporate social responsibility on consumer purchase intentions. Enterprises should focus on strengthening the implementation of social responsibility initiative, with particular attention to ensure consistency with its brand Image or brand function. For example, an enterprise in the beverage industry, suppose to implement CSR initiatives on public welfare activities that associate with water saving or environmental protection, which matched to the brand image and function, which can leads to more favorable consumer perception of the CSR, thus it can enhance the positive feedback to the enterprise performance.

On the other hand, although there is a strong evidence that CSR behavior has a significant positive impact on corporate's performance, but our study also shows that, in the process of implementation of CSR activities, the corporate must pay attention to consumer demographic characteristics of consumer as well,



especially consumer age and consumer loyalty. For the elder consumers, CSR initiatives have more significant impact on their purchasing behavior, so products or brand image for the elder consumers should pay more attention to corporate altruistic social responsibility image. In addition, enterprises should not only build the CSR brand image, but a great combination of marketing strategies should be in place to enhance consumer loyalty.

Although this study obtains a lot of valuable conclusions through empirical analysis, but due to the limited time and lack of information about local industry, which are rarely find in online source, therefore there is no comparative analysis of other industries, and all the samples were collect only in Vientiane capital, the capital city Lao PDR. In the future research, we will further analyze in multiple industries, and explore deeper on the industry differences of the matching degree and the different effects of CSR on consumers in different industries.

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