



## Consumer Awareness and Attitudes toward Corporate Social Responsibility Relative to Purchasing Behaviors and Willingness to Pay More

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According to the International Organization for Standardization corporate social responsibility (CSR) is defined as a balanced approach for organizations to address economic, social and environmental issues in a way that will benefit people, community and society (Leonard & McAdam, 2003). CSR is a broad concept covering many aspects such as human rights, employee rights, fair trade, ethical business practices, environmental issues, social causes, economic development, and consumer issues. Many companies use CSR merely as a marketing tool, but many also care about their surroundings which results in them doing good and giving back to the community. It is not only doing good, but it is the right thing to do says Bhattacharya & Sen (2004).

CSR continues to increase in importance among consumers which can give companies a competitive edge as they strive to target and reach consumers by understanding their perspectives. A review of CSR studies by Mohr, Webb, and Harris (2001) shows that consumers appreciate and reward firms that make charitable donations and they expect firms to protect the environment and behave ethically. Lombardo (2011) states that if consumers' perception of CSR practices drives their purchase behavior, firms are motivated to invest in socially responsible practices. However Lombardo (2011) says there exists a gap between positive attitudes toward social responsibility and actual purchase behaviors. The conceptual framework for this study utilizes this basic relationship between attitudes and behavior. There often is a positive relationship, but sometimes consumers say one thing and do another. This especially can manifest itself in survey research where a social desirability bias may exist as consumers may want to appear thoughtful and concerned, a limitation of this study. The purpose of this study was to investigate the relationship between consumers' awareness and attitudes towards CSR companies and their reported purchasing behavior including willingness to pay more for products of CSR companies. It was hypothesized that there would be a positive relationship based on the literature.

Method. A survey was developed and distributed to a convenience sample of 304 consumers, mostly generation Y, two-thirds female, both students and non-students, and a fairly equal distribution of ethnicities of Caucasian, Asian, and Hispanic backgrounds. Likert-type scales were developed to measure consumer awareness of (2 items) and attitudes towards CSR companies and their products (4 items), and related purchasing behavior (4 items) including willingness to pay more for CSR products (3 items). Frequencies and Pearson correlations were

performed on these variables, and *t*-tests and Chi-square analyses were performed with demographics of age, student status, ethnic background, and gender using SPSS.

Results. Over two-thirds of the respondents indicated they were aware of CSR, that it was important to them, and that they had positive attitudes towards CSR companies. Even more, three-fourths, said they “like companies that use sustainable practices.” However, only one-third indicated they purchased products from CSR companies and specifically products linked to social causes.

There were no relationships with the variables and ethnic background, but there were significant relationships with age and some of the variables. Non-students were older and with higher incomes than students. They were more aware of CSR, purchased more from CSR companies, were more likely to buy organic and fair trade products, and reportedly were more willing to pay more for CSR products. There were no differences between men and women on attitudes and awareness, but there were some differences with purchasing behavior of CSR products. Women were more likely than men to purchase products linked to social causes and were more willing to pay more for products from companies that are socially responsible.

All CSR awareness and attitude questions were significantly and positively correlated with willingness to pay more for CSR products and other CSR purchasing questions except for “I purchase products linked to social causes.” That is, as awareness and positive attitudes increased for respondents, so did purchasing from CSR companies and willingness to pay more for their products. Some consumers are skeptical of companies donating to charities, that they may be using this merely as a marketing tool. Cause marketing is one part of CSR, but does not define it.

Results of this study confirm Lombardo’s (2011) thinking that attitudes and behaviors are not always linked. Most respondents indicated CSR was important to them, but considerably fewer could name specific companies that practiced CSR, and even fewer said they bought from CSR companies. Companies practicing CSR should continue to make their target population, especially women, aware of their efforts. In addition consumer education programs and reporting CSR ratings by independent evaluators would empower consumers.

## References

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