

# THE EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON CUSTOMERS' PURCHASING INTENTION: A STUDY IN HANOI

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## **Abstract**

*This study investigates customers' perception of four types of responsibilities in Carroll's CSR pyramid (1991), including economic, legal, ethical and philanthropic responsibilities; and the effects of their perception of CSR on purchasing intention. The findings show some interesting points. Firstly, the importance level of four responsibilities from customers' perspective is different from that of Carroll model (1991). Secondly, purchasing power does not affect the relationship between customers' perception of price fairness on purchasing intention. Lastly, customers' perception of CSR has positive effect on purchasing intention. These research findings are a valuable reference for enterprises in implementing CSR to retain customers' loyalty.*

**Keywords:** *Corporate Social Responsibility, Customers' Purchasing Intention, Customers' Perception of CSR.*

## **1. Introduction**

### **1.1. Rationale of the study**

In Vietnam, Corporate Social Responsibility (CSR) has been increasingly playing a paramount important role in promoting a clear, transparent and friendly business environment, contributing to the improvement of people's life quality, ensuring social welfare for sustainable development in the long-term. Vietnamese government has also been developing and completing the legal frameworks in order to create conditions for enterprises to fulfill their CSR as well as to provide a firm basis for strict and comprehensive state management. Especially a series of alarming recent incidents relating to CSR have eroded the belief of local residents, for example, Vedan's destruction of Thi Vai River through releasing unprocessed wastages, chemicals and contaminated water; the marine environment and ecology destruction of Formosa Ha Tinh company; the potato bitterness of PepsiCo Vietnam, Frieslandcampina's allergy-prone milk recall... These cases represent not only the enterprises' lack of awareness and understanding of CSR but also the weaknesses in defining the challenges and issues that protect the interests of the businesses itself in the long-term.

However, there are many MNCs which focus on CSR as key element in their overall business strategy in order to creatively solve problems and actively face up with challenges in the business development process. Successful implementation of CSR will not only helps businesses to ensure high growth rate, generate higher revenues and profits, enhance brand images, maintain well-known reputation, but also helps the companies address strategic issues related to environmental, legal and social issues for sustainable development. More importantly, the implementation of CSR has huge impacts on customers' behaviors, their satisfaction and loyalty to the brand name.

### ***1.2. Definitions of CSR***

The World Business Council for Sustainable Development (2006) defined CSR as the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families, as well as that of the local public and society at large; management studies have defined CSR as a company's obligation to operate in an economically and environmentally sustainable way at the same time recognizing the interest of all stakeholders and maximizing social, economic and environmental values (Waddock and Post, 1990; Wood, 1991; Matten et al., 2003; Waddock, 2004).

As per World Bank (2001), CSR is the commitment of businesses to contribute to sustainable economic development working with employees, their families, the local community and society at large to enhance their quality of life in ways that are both for business and good for international development. World banks definition is almost same as world business council's definition with a broader point about developing at international levels.

### ***1.3. CSR Models***

#### *Carroll Model (1991)*

According to Carroll (1991), four types of responsibility composing CSR includes: economic responsibilities, legal responsibilities, ethical responsibilities and philanthropic responsibilities.

#### *Economic responsibility*

Throughout history, the businesses were set up to become an economic entity with an aim to providing goods and services for the society. The profit goal is built as the most basic motivation of the business. Before achieving any other goals, the enterprises are the

basic economic components of society. Therefore, the basic target of the businesses is producing the goods and services that the consumers need and want, and create the acceptable profits through business process. All these other kinds of corporate responsibilities are built based on economic responsibility.

#### *Legal responsibility*

The society not only expects the enterprises to operate under profit target but it also expects them to abide the law, operate under the rules and regulations set by the government and the authorities. Companies are expected to pursue its economic mission within the legal frameworks. This responsibility applies not only to the whole enterprises but also each individual of these enterprises.

#### *Ethical responsibility*

Ethical responsibility includes activities that are expected or banned by members of society, although these activities are not mentioned in law. Ethical responsibility includes standards, or expectations that reflect the company's concern about what consumers, employees, shareholders, and the whole society regard as fairness or rightness. The company shows respect for the moral norms that the entities mentioned above respect and protect. Moral responsibility can affect legal responsibility. It promotes greater accountability and sets higher expectations for entrepreneurs to do more than the law.

#### *Philanthropic responsibility*

Philanthropic responsibility includes the activities of the businesses that respond to the expectations of the society, showing that the businesses are well-performing the obligations of good corporate citizens. It includes a direct commitment of the business in action or the design of programs to promote the prosperity of the whole society, for example, contributing financial, human or other resources to culture, arts, education or community activities.

In short, according to Carroll, CSR consists of four components, namely economic responsibility, legal responsibility, moral responsibility, and philanthropic responsibility. In other words, a CSR company should try to make profit, abide the law, behave in accordance with ethical standards of society and become a good citizen in the community.

#### *Carvalho et al. (2010)*

In order to study the impacts of customers' perception of CSR on their purchasing intention, the model proposed by Carvalho et al. (2010) will be applied in this study. The

original model includes the key elements: customers' perception of CSR, price fairness, personal satisfaction, purchasing power, purchasing intention, complaining intention, and switching intention.

*Customers' perception of CSR:* This factor shows the level of customers' appreciation for CSR activities which demonstrate whether they perceive the enterprises' concern in the environment, community, law, morality and whether these activities are worth doing or not.

*Price fairness:* This factor determines whether consumers are willing to pay a higher price for a company's product than their competitors'.

*Personal satisfaction:* This factor helps assess whether when consumers use products from a company well-performing CSR, they themselves feel pleased and comfortable or not.

*Purchasing power:* This factor is measured through income, the higher the income, the greater the purchasing power.

*Purchasing intention:* The likelihood that consumers will choose to purchase a company's products.

*Complaining intention:* This factor measures the extent to which consumers are inclined to complain and spread negative rumors of a company.

*Switching intention:* This factor determines the likelihood that the consumers will no longer use a company's products, and switch to another provider.

According to this model, Carvalho et al. proposed the following hypotheses:

H1: Consumers' perception of CSR has positive effects on their perception of price fairness, personal satisfaction, purchasing intention and negative impacts on complaining intention and switching intention.

H2: Consumers' perception of price fairness and personal satisfaction mediate the relationship between consumers' perception of CSR and purchasing intention, as well as complaining intention and switching intention.

H3: The mediating effect of perception of price fairness in the relationship between perception of CSR and the purchasing intention is increased for consumers with lower purchasing power compared with consumers with higher purchasing power.

H4: The mediating effect of personal satisfaction in the relationship between CSR perception and complaining intention, between CSR perception and switching intention is

increased for consumers with higher purchasing power compared with consumers with lower purchasing power.

The study was conducted with a sample of 400 consumers in Brazil. According to the findings, the extent to which Brazilian consumers perceive whether a company is socially responsible or not can be predicted as a result of the transaction with that company, as well as switching intention and complaining intention about rising prices caused by CSR. Moreover, these relationships are mediated by the extent to which consumers perceive whether price increases caused by CSR are fair or not and personal satisfaction because of supporting a socially responsible company. Finally, the results showed that these intermediate effects depend on purchasing power. More specifically, the mediating effect of price fairness in the relationship between CSR perception and purchasing intention is stronger with lower income consumers than with higher income ones. Meanwhile, the mediating effect of personal satisfaction in the relationship between CSR perception and switching intention and complaining intention is stronger with higher income consumers than with lower income ones.

However, the study by Carvalho et al. did not investigate in depth consumers' perception of CSR. Specifically, in their study, there were only questions about philanthropy responsibility without questions to understand consumers' perception of the remaining three types of responsibilities (economic, moral and ethical responsibility). The results did not indicate whether there is a correlation between the age, income, gender, occupation, education level of the respondents and their perception of CSR or not. Their study did not arrange the importance level of four types of CSR from the perspectives of the consumers. Therefore, in order to find out more about the issues that Carvalho and his colleagues have not clarified yet, this study will revise the original model, adding research questions to understand consumers' perception of CSR. The objective of this study is to focus only on the relationship between consumer perception of CSR and their purchasing intention.

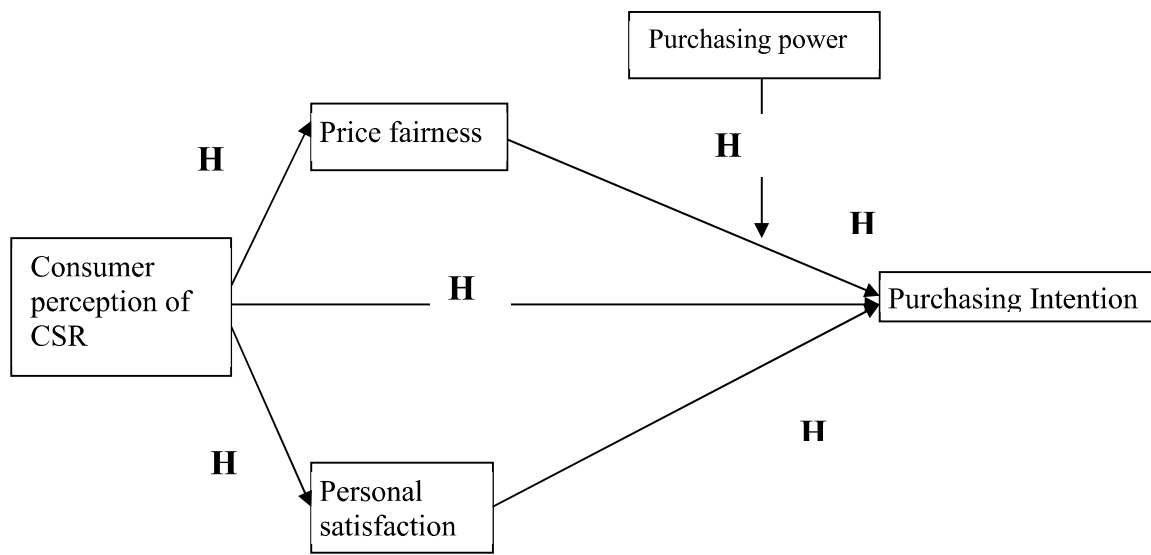
## **2. Method**

### ***2.1. Research framework***

Starting from research goals, this study is based on model of Carvalho et al. (2010). However, unlike Carvalho et al, this study investigates in depth about the customers' perception of four types of responsibilities in CSR of the Carroll model (1991), while investigating the level of effect of customers' perception of CSR on their purchasing

intention. In this model, the factors that influence the consumer's purchasing intention include: consumers' perception of CSR, perception of price fairness, personal satisfaction, and purchasing power (measured through income). One particular feature is that purchasing power does not directly affect purchasing intention; it will affect the impact of the perception of price fairness on purchasing intention.

**Figure 1: Research framework**



*Source: Author proposes*

## **2.2. Data collection**

### *The sample subjects*

The sample subjects of this research includes people from different age groups (18 – 24; 25 – 35, 35 - 45, over 45); different genders (male, female); different occupations (office workers, students, others); different income (below 5 million, 5 – 10 million, 10 – 15 million, 15 – 20 million, over 20 million); different education level (college/university bachelor, master/doctor, high school student).

### *The structure of questionnaire*

The questionnaire consists of two main sections, which were formulated with questions combined and edited from the questionnaire of two studies by Aril et al. (2009) and Carvalho et al. (2010).

The first part consists of questions to measure the consumers' perception of CSR which rooted from the study by Arli et al. (2009).

The second section includes questions that measure the impact of CSR perception, price fairness, personal satisfaction and purchasing power which rooted from the study by Carvalho et al. (2010).

#### *The method of data collection*

After completing the questionnaire, the trial survey will be conducted. The purpose of this trial survey is to determine whether the questionnaire is easy to understand or not, as well as whether the language used in the questionnaire should be changed or not. This survey will be conducted by delivering questionnaires to ten subjects, without further explanation of the questionnaire for them to assess and evaluate. After that, the questionnaire will be revised again. Then a second trial survey will be conducted before entering the official one. When conducting the official surveys, the author issued the surveys both online (through facebook, email and messenger) and offline (through supermarkets, convenience stores, shops, commercial centers, universities, hospitals and high schools). All of the respondents are customers of different ages, genders, occupations, income levels and educational backgrounds in Hanoi. Therefore the sample is quite diversified and comprehensive. After 7 days, the author collected 200 completed surveys of 200 respondents, in which there are 189 valid ones.

### **2.3. Research methodology**

In this research question, the methodology the researcher chooses to use is causal research. This is the most appropriate method because the aim of this research question is to analyze and evaluate the effects of CSR on customers' purchasing intention, i.e. the cause - effect relationship. It helps the researcher identify the reasons why the customers make decision to purchase products/services of a CSR company, what factors affect the purchasing intentions of customers and the relationship between these variables: consumers' perception of CSR, perception of price fairness, personal satisfaction, purchasing power, purchasing intention.

189 valid questionnaires were collected from total 200 questionnaires issued in Hanoi. In order to achieve the research objectives, data analysis methods used in this study include: data descriptive statistics, scale reliability analysis, analysis of variances (ANOVA), linear correlation analysis and linear regression analysis.

Scale reliability analysis will be assessed through the Cronbach Alpha coefficient to eliminate unsuitable variables and limit the extraneous variables in the research model.

Accordingly, unsuitable variables will be eliminated if the Corrected Item - Total Correction  $<0.3$  and the scale will be accepted when the Cronbach Alpha coefficient  $>0.6$ .

ANOVA method is used to analyze the relationship between qualitative cause variables and quantitative effect variables, based on the calculation of intra-group variation and the variation between group averages, from which concludes whether there is a difference in the evaluation of the significance of a factor between different groups of people or not.

Linear correlation analysis was used to measure the relationship between two quantitative variables, based on the Pearson correlation coefficient (denoted by  $r$ ). Absolute value of  $r$  demonstrates the degree of linearity. The absolute value of  $r$  approaches 1 when two variables have a close linear relationship. When all dispersed points are arranged in a straight line, the absolute value of  $r = 1$  (Hoang Trong and Chu Nguyen Mong Ngoc, 2008).

After determining two variables having close linear correlation through the correlation coefficient  $r$ , the study quantifies their causal relationship by a linear regression model in which a variable is called is the dependent variable (or variable that is explained -  $Y$ ) and a variable called the independent variable (or variable explaining - $X$ ). In this study, the regression model used would be a multiple linear regression model.

From the research model, the following hypotheses are given:

H1: Consumers' perception of CSR has a linear correlation with their perception of price fairness

H2: Consumers' perception of CSR has a linear correlation with personal satisfaction

H3: Consumers' perception of CSR has a positive effect on their purchasing intention

H4: Consumers' perception of price fairness has a positive impact on their purchasing intention

H5: The consumer's personal satisfaction has a positive impact on their purchasing intention

H6: Consumers' purchasing power has a positive effect on the relationship between consumers' perception of price fairness and purchasing intention.

The linear correlation and linear regression analysis were performed to test the hypotheses.



### *Linear correlation analysis*

Linear correlations were used to test hypotheses H1 and H2, and also to examine the variability between independent variables before conducting regression analysis.

### *Linear regression analysis*

The aim of linear regression analysis is to model the causal relationship between a dependent variable and one or more independent variables. In this study, multi-variable regression analysis will be conducted to determine the importance level of each component: Perception of CSR (CSRb), Perception of Price Fairness (PF), Personal Satisfaction (PS), Purchasing Intention (PI). In addition, the impact of purchasing power (INCOME) on the relationship between perception of price fairness and purchasing intention will also be examined through the PFxINCOME variable in the regression model.

Independent variables: CSRb, PF, PS, PFxINCOME

Dependent variable: PI

The regression model in this study will be in the form:

$$Y = \beta_0 + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \beta_4 * X_4$$

In which:

Y: Consumers' Purchasing Intention

X1: Consumers' Perception of CSR

X2: Consumers' Perception of Price Fairness

X3: Personal Satisfaction

X4: Purchasing Power x Perception of Price Fairness

## **3. Results**

### ***3.1. Descriptive statistics***

The age proportion in the sample is quite equal. The age group accounting for the highest proportion is 25 - 35 (37.70%), followed by 18 - 24 (31.38%), 35 - 45 (29.26%) and over 45 (2.66%).

Regarding to the gender, there is a considerable difference between the proportion of male and female, with female accounting for 75% and male accounting for 24.47%

In terms of occupation, the highest percentage is office workers (53.19%), the second is students (34.57%), the third is teachers (12.23%) and other occupations account for a small minority.

In terms of income, the highest proportion is the income level of 5 - 10 million (38.83%), followed by below 5 million groups (34.57%). Income level of 10 - 15 million accounts for 15.96%. Income level of 15 - 20 million and over 20 million accounts for quite small proportion (3.72% and 6.91% respectively).

In terms of education level, the highest percentage is college/university bachelor (72.87%), followed that is master/doctor (23.40%), which is suitable with the population features in such a large city as Hanoi where concentrates many universities and colleges. The lowest percentage is high school students (3.72%).

### ***3.2. Testing the scale***

#### *Scale reliability analysis*

The variables in the study measure the following factors:

- Consumers' perception of CSR includes 11 variables, in which:
  - 8 variables measure consumers' perception of CSR derived from the study by Arli et al. (2009): numbered from CSR1 to CSR8. These variables are mainly used to compare the CSR perception of different consumer groups. These variables will not be included in the regression model.
  - 3 variables measure consumers' perception of CSR derived from the study by Carvalho et al. (2009): numbered from CSR9 to CSR11. These variables will be included in the regression model.
- Consumers' perceptions of price fairness: 3 variables numbered from PF1 to PF3
- Personal satisfaction: 4 variables numbered from PS1 to PS4
- Purchasing intention: 1 variables PI

After testing, all scales have Cronbach Alpha coefficient  $> 0.6$  (see in Table 1). There is one variable in the consumers' perception of CSR scale that have correlation coefficient  $< 0.3$  that is CSR1, but this variable will not be included in the factor analysis for running regression model since this variable is not included in the Carvalho et al. model. They are primarily used to measure consumers' perception of CSR; therefore, this variable is retained.

**Table 1: Result of scale reliability analysis**

Test scale	Cronbach Alpha coefficient
Perception of CSR	0.8200
Personal satisfaction	0.9118
Purchasing intention	0.8737

*Source: Compiled and calculated by the author from Stata14's results*

*Analysis of variances (ANOVA)*

The research compares the perception of four responsibilities in CSR among consumers of different age, gender, occupation, income, educational level through analysis of variance (ANOVA). After the analysis, based on the mean value identified, some results are given in Table 2. ANOVA testing has  $p\text{-value} = 0.0002 < \text{significance level} = 1\%$ . Therefore, it can be concluded that there is statistically significant difference in the CSR perception among consumers of different educational level groups: the higher the educational level is, the higher the CSR perception is. Bartlett's test for equal variances has  $p\text{-value} = 0.525 > \text{significance level} = 1\%$ . From that, it can be concluded that there is no variance difference in the CSR perception among consumers of different educational level groups.

**Table 2: The results of analysis of variances**

Criteria	Results	Perception of CSR	Perception of Price Fairness	Personal satisfaction	Purchasing Intention
<b>Education level</b>	Mean	12.675532	11.670213	15.170213	8.6223404
	p-value (ANOVA test)	0.0002	0.0000	0.0001	0.0000
	p-value (Bartlett's test)	0.525	0.611	0.432	0.684
<b>Gender</b>	Mean	12.675532	11.670213	15.170213	8.6223404
	p-value (ANOVA test)	0.7654	0.5315	0.5054	0.6425

<b>Criteria</b>	<b>Results</b>	<b>Perception of CSR</b>	<b>Perception of Price Fairness</b>	<b>Personal satisfaction</b>	<b>Purchasing Intention</b>
	p-value (Bartlett's test)	0.629	0.525	0.108	0.941
<b>Age</b>	Mean	12.675532	11.670213	15.170213	8.6223404
	p-value (ANOVA test)	0.4746	0.0519	0.1296	0.6558
	p-value (Bartlett's test)	0.689	0.600	0.686	0.575
<b>Occupation</b>	Mean	12.675532	11.670213	15.170213	8.6223404
	p-value (ANOVA test)	0.0327	0.0000	0.7433	0.0141
	p-value (Bartlett's test)	0.374	0.611	0.780	0.290
<b>Income level</b>	Mean	12.675532	11.670213	15.170213	8.6223404
	p-value (ANOVA test)	0.2498	0.0016	0.0302	0.0311
	p-value (Bartlett's test)	0.743	0.015	0.381	0.058

*Source: Compiled and calculated by the author from Stata14's results*

Similarly, from the result tables, it can be concluded that there is no statistically significant difference and no variance difference in the CSR perception among consumers of different age groups, gender groups and income groups. However, there is statistically significant difference but no variance difference in CSR perception among consumers of difference occupation group.

In a similar way, the result tables show that there is no statistically significant difference and no variance difference in price fairness perception and personal satisfaction among consumers of different age groups, gender groups, occupation groups, income

groups. However, there is statistically significant difference but no variance difference in price fairness perception and personal satisfaction among consumers of different educational level groups. In terms of purchasing intention, the result tables show that there is no statistically significant difference and no variance difference among consumers of different age groups and gender groups but there is statistically significant difference but no variance difference among consumers of different income groups, educational level groups and occupation groups.

Based on the mean value of the four CSR variables, consumers ranked the importance level of four types of responsibilities in descending order: legal, moral, philanthropic and economic. Thus, in the context of this study, the subjects surveyed assessed legal responsibility as the most important factor and economic responsibility as the least important factor. In other words, for consumers, they think that the business needs to do beyond just looking for profits.

**Table 3: The findings from analysis of variance**

Hypothesizes	Results	Findings
There are differences in the CSR perception among consumers of different gender groups	Rejected	
There are differences in the CSR perception among consumers of different age groups	Rejected	
There are differences in the CSR perception among consumers of different occupation groups	Accepted	Teacher groups has the highest CSR perception, followed by student and office worker groups
There are differences in the CSR perception among consumers of different educational level group	Accepted	The higher the educational level, the higher the CSR perception
There are differences in the CSR perception among consumers of different income level group	Rejected	
The consumers evaluate the importance level of four components of CSR in accordance with Carroll model	Rejected	The consumers evaluate the importance level of four components of CSR in descending order: legal, ethical, philanthropic and economic

*Source: Author's compilation*

### 3.3. Testing the model

#### *Linear correlation analysis*

The analysis result using Pearson coefficients (in Table 4) shows that the variables CSR, PF, PS, IPF have a correlation with PI (sig = 0.0000 <0.05).

**Table 4: The results of linear correlation analysis**

	<b>CSR</b>	<b>PS1</b>	<b>PS</b>	<b>PI</b>	<b>IPF</b>
<b>CSR</b>	1.0000				
<b>PS1</b>	0.4342 0.0000	1.0000			
<b>PS</b>	0.4749 0.0000	0.8777 0.0000	1.000		
<b>PI</b>	0.5420 0.0000	0.5339 0.0000	0.5993 0.0000	1.0000	
<b>IPF</b>	0.2031 0.0052	0.0712 0.3315	0.1754 0.0160	0.2007 0.0058	1.0000

*Source: Compiled and calculated by the author from Stata14's results*

In addition, it can be concluded that there are correlations between the independent variables, therefore, after the regression analysis; it is needed to use the VIF coefficient to test the multicollinearity.

#### *Linear regression analysis*

The results of regression analysis are shown in the Table 5.

**Table 5: The results of regression analysis**

Source	SS	df	MS	Number of obs = 188
<b>Model</b>	409.731683	4	102.432921	F(4, 183) = 44.16
<b>Residual</b>	424.454487	183	2.31942343	Prob > F = 0.0000
<b>Total</b>	834.18617	187	4.46088861	R-square = 0.4912 Adjust R-square = 0.4801 Root MSE = 1.523

PI	Coef.	Std.Err.	t	P> t	[99% Conf. Interval]	
<b>CSR</b>	.2358374	.0642874	3.67	0.000	.0684998	.4031749
<b>PF</b>	.2950308	.0748341	3.94	0.000	.1002405	.4898211
<b>PS</b>	.1540796	.051885	2.97	0.003	.0190248	.2891344
<b>IPF</b>	-2.18e-10	1.20e-09	-0.18	0.856	-3.35e-09	2.92e-09
<b>_cons</b>	-.1265352	.7204201	-0.18	0.861	-2.001761	1.748691

*Source: Compiled and calculated by the author from Stata14's results*

Using VIF coefficient to test the multicollinearity (see in Table 6)

**Table 6: VIF coefficient**

Variable	VIF	1/VIF
<b>PF</b>	2.78	0.360290
<b>PS</b>	2.24	0.446749
<b>CSR</b>	1.49	0.670341
<b>IPF</b>	1.16	0.860801
<b>Mean VIF</b>	1.92	

*Source: Compiled and calculated by the author from Stata14's results*

VIF coefficient < 10, therefore, it can be concluded that there is no multicollinearity phenomena.

According to the results from the regression analysis, Prob > F = 0 shows the model has statistical significance (the estimated coefficients are not equal to 0). Estimated coefficients  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  are statistically significant (p-value = 0, 0, 0.003 respectively < 0.01 significance level). The estimated coefficient  $\beta_4$  is not statistically significant (p-value = 0.856 > 0.01 significance level). Therefore, it is possible to conclude that consumers' perception of CSR, consumers' perception of price fairness and personal satisfaction all have influences on consumers' purchasing intention. Meanwhile, the purchasing power of consumers (expressed by income) does not affect the consumers' purchasing intention. R-squared = 0.4912, which means that 49.12% of the difference in consumers' purchasing intention can be explained by the dependent variables in the model.

Regression equation:

$$Y = -0.1265352 + 0.2358374 * X1 + 0.2950308 * X2 + 0.1540796 * X3$$

From the correlation and regression analysis, conclusions about the hypotheses of the study could be drawn: Hypotheses H1, H2, H3, H4, H5 are accepted and hypothesis H6 is rejected (see in Table 7).

**Table 7: The results and findings from testing hypothesizes**

Hypothesizes	Results	Findings
H1: Consumers' perception of CSR have a linear correlation with their perception of price fairness	Accepted	There is a correlation between consumers' perception of CSR and their perception of price fairness
H2: Consumers' perception of CSR has a linear correlation with personal satisfaction	Accepted	There is a correlation between consumers' perception of CSR and their personal satisfaction
H3: Consumers' perception of CSR has a positive effect on their purchasing intention	Accepted	The higher the consumers' perception of CSR, the higher their purchasing intention



H4: Consumers' perception of price fairness has a positive impact on their purchasing intention	Accepted	The higher the consumers' perception of price fairness, the higher their purchasing intention
H5: The consumer's personal satisfaction has a positive impact on their purchasing intention	Accepted	The higher the consumers' personal satisfaction, the higher their purchasing intention
H6: Consumers' purchasing power has a positive effect on the relationship between consumers' perception of price fairness and purchasing intention.	Rejected	The increase in income level does not increase the effect of consumers' perception of price fairness on purchasing intention

*Source: Author's compilation*

From the results and findings of testing hypotheses, table 8 demonstrates some differences between previous findings and the findings of this research.

**Table 8: The differences between previous findings and the findings of this research**

<b>Researches</b>	<b>Previous findings</b>	<b>Findings of this research</b>
Carvalho et al. (2010)	CSR perception of consumers is correlated with the perception of price fairness and personal satisfaction. The purchasing power affects the relationship between the perception of price fairness and the purchasing intention.	There is no correlation between consumers' perceptions of CSR and their perception of price fairness, while there is a correlation between consumers' perception of CSR and personal satisfaction. The purchasing power has no effect on the relationship between the perception of price fairness and the purchasing intention.
Carroll (1991). Arli et al. (2009)	The most important is economic responsibility.	The most important is legal responsibility, followed by philanthropic, ethical and economic responsibility.

*Source: Author's compilation*

#### **4. Discussions and Conclusions**

##### **4.1. Discussions**

Based on these findings, it can be concluded that consumers' perception of CSR, perception of price fairness and personal satisfaction have a positive effect on their purchasing intention. In detail, with the H3 hypothesis, that means that when the consumers perceive that a company well-performs CSR, its purchasing intention of this company's product is higher the competitors' one although the price of this product is higher than that of the competitors. This is similar to the H4 hypothesis, when the perception of price fairness increases, i.e. the consumers perceive that the increase in product's price which is caused by the contribution to the CSR policy of the firm is right, and their purchasing intention of the company's products will also increase. Finally, with the H5 hypothesis, when consumers feel self-satisfied because they perceive that purchasing a product of a company which well-perform CSR is a good thing to do for themselves. By making a contribution to society, they feel better and more self-satisfied, they will also accept to buy the products at a higher price than usual.

Besides the accepted hypotheses in the regression model, there is one rejected hypothesis; that is H6. It means that the purchasing power of consumers has no effect on the relationship between the customers' perception of price fairness and their purchasing intention. In the study scale in Hanoi, the income factor does not affect the relationship between customers' perception of price fairness and purchasing intention, in other words, higher income does not increase the effect of the perception of price fairness on the purchasing intention. This is consistent with the ANOVA analysis conducted for the above CSR variables. Income factor does not have the relationship with the consumers' perception of CSR.

#### ***4.2. Conclusions***

First of all, from the perspective of the consumers, the importance level of four components of CSR in descending order is: legal, ethical, philanthropic, economic. This order differs from Carroll's (1991) when he arranged in descending order of economic, legal, ethical and philanthropic responsibility. The explanation for this may have been due to a series of scandals relating to the business operation of some enterprises, for example, the Vedan incident that dumped toxic wastewater out of the environment in 2008, Coca Cola's "transfer pricing" case in 2013, Formosa Ha Tinh's marine contamination in 2016, therefore, consumers suppose that it is important for businesses to operate within the legal framework. One remarkable thing is that economic responsibility is regarded as the least important. Consumers believe that businesses need to do things beyond the mere profits, and this finding is particularly important for entrepreneurs to control their business activities.

Secondly, the results show that there is no correlation between consumers' perception of CSR and their perception of price fairness; meanwhile, there is correlation between consumers' perception of CSR and their personal satisfaction. Besides, there is no difference

in the CSR perception, price fairness perception, personal satisfaction and purchasing intention among consumers of different age groups, gender groups. There are many reasons from the facts in Vietnam to explain this conclusion. In term of gender groups, in "Human Development Report 2016" published by the United Nations Development Program, the United Nations regards Vietnam as a bright spot in the implementation of the Millennium Development Goals, one of the countries having high gender equality achievements. Vietnam is ranked at the top list of gender equality in Southeast Asia. This demonstrates Vietnam's remarkable progress in the implementation of gender equality, in which the chances to access education and information are one of the most important factors. Therefore, in Vietnam, the fact that both genders have quite similar perception of CSR is clearly apparent. In term of age groups, originating from the Vietnamese culture that the elderly often teach or pass down their knowledge and understanding from generations to generations, hence, Vietnamese people at any age groups, more or less, have basic understandings of the importance of CSR in this modern life. Moreover, in spite of age groups, almost Vietnamese people can easily get access to the information of CSR through internet, television or other mass media channels.

However, there is difference in the CSR perception, price fairness perception, personal satisfaction and purchasing intention among consumers of different educational level groups. The reasons to explain for this conclusion could be attributed to the positive CSR education in Vietnam. Nowadays, almost Vietnamese universities, institutions, organizations as well as corporations integrate CSR in many teaching and training programs. CSR becomes an integral part in business administration education. However, for people who have lower education level, the opportunities to access to CSR knowledge is quite limited due to the fact that Vietnamese curriculum from primary to high level tends to concentrate on academic knowledge but practical one. Meanwhile, CSR directly originates from and relates to practical situations.

Finally, the regression analysis revealed that consumers' perception of CSR, consumers' perception of price fairness and personal satisfaction had a positive effect on their purchasing intention. This means that the higher the customers' perception of CSR, the fairer they feel about the price, the more satisfied they feel themselves, the more likely they are to buy the company's products despite the higher price than those of the same category. The study, however, also shows that the purchasing power of consumers (here measured by income) does not have an effect on the relationship between the perception of price fairness and their purchasing intention.

#### ***4.3. Implications***

From the research results, it can be seen that the perception of CSR has a positive impact on consumers' purchasing intention. Therefore, enterprises should have policies to

better fulfill their CSR as this will not only benefit the community, but will also motivate the consumers to purchase the products of that business although the price may be higher than that of the competitors. The companies should conduct responsible business that meets the highest standards of ethics and professionalism. CSR policies fall under two categories: compliance and proactiveness. Compliance refers to the company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to promote human rights, support communities and protect natural environment. In term of compliance, the legality plays the most important role. The companies should strictly respect and abide the national as well as local laws and regulations, honor their internal policies, ensure that all their business operations are legitimate and keep every partnership and collaboration open and transparent. The business ethics should also be especially concerned. That is conducting business with integrity and respect to human rights which include ensuring the health and safety of employees and community, respecting the rights of the consumers, appreciating anti-bribery and anti-corruption practices, avoiding the detrimental effects on the lives of local and indigenous people, supporting diversity and inclusion, ensuring equal opportunities, standard working and living condition for employers,... Besides, the enterprises must recognize the need to protect the natural environment, follow best practices when disposing and treating wastages, contaminated water, emissions and chemical substances. In term of proactiveness, the enterprises should preserve a certain budget to make donations to the community, encourage their employees to participate in volunteer and charity activities or sponsor volunteer events of other organizations, proactively protect the environment through recycling wastages, conserving energy, using renewable energy, applying environmental-friendly technologies in manufacturing and delivering, organizing reforestation excursions... Additionally, the companies may initiate and support community investment and educational programs. For example, they may begin partnerships with vendors for constructing public buildings, provide support to nonprofit organizations or movements to promote socio-economic and cultural development of global and local communities. In the long term, CSR policies include active investment in R&D to optimize production and operation procedures which are so called "green". More importantly, these CSR policies should be widely popularized to all employees in the enterprises, so that any individual of the enterprises behaves responsibly towards society in any way. CSR policies also need to be publicized, revised and updated in the annual reports on the website, mass media channels or modern social network platforms in order to improve consumers' insight and awareness of CSR of the companies.

This research also allows the author to conclude that the implementation of CSR policies into companies geared towards meeting the needs of consumers generates competitive advantages. That is to say that investing in CSR not only allows the companies

to reduce the impact of business on society, but also leads to the generation of added value for the consumers. This study shows that the consumers are aware and appreciate that firms undertake CSR actions oriented to their needs. This in turn translates into an increase in the trust and commitment of the consumer to the companies that additionally intensifies consumer satisfaction and loyalty.

In addition, the Vietnamese National Assembly and the Government should complete legal systems relating to CSR, regulatory bodies should be firm in enforcing laws in corporations and CSR should be viewed as part of the code of ethics of any corporations. Also there should be a national policy from government to set parameters for CSR in Vietnam including employment policies, working conditions and welfare benefits, product quality, and on protecting the natural environment. The Government should also encourage the dissemination and sharing of examples of responsible businesses should be willing to be studied and the results disseminated widely. If a company operates ethically, the outcome of the study should be favourable, raising its reputation and position in the business community.

Moreover, the researcher also recommends that companies should deepen the performance of their CSR activities to cover more of environmental protection activities, performing in line with the legal requirements, meeting economic objectives and be ethical in their operations. Additionally, the quality of products/services provided by companies must also be critically paid attention to as they are paying critical attention to their CSR activities as well. It would be better to work all things in the right direction. This will make people see the firms as the best not only in the field of CSR performances but also the provision of better products. At the long run the profitability of the company would increase if they pay critical attention to these factors.

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