ZOHREH ALIZADEHRAAD  
University of Georgia, Tbilisi, Georgia  
EKATERINE MAGLAKELIDZE  
University of Georgia, Tbilisi, Georgia

CONCEPTUAL MODEL EXPLAINING THE IMPACT OF CORPORATE CSR AWARENESS (INVOLVEMENT) ON CONSUMER BEHAVIOR

Abstract:
Nowadays, Corporate social responsibility (CSR) has become a core concept in the context of the any industry where it is considered as a significant factor in competition and a firms' survival, primarily because CSR influences corporate credibility. CSR awareness in this concept has a key role. However, there are still few studies examining the relationship between the customer CSR awareness and corporate credibility. Additionally, some studies have contended that customer CSR awareness may indirectly affect customer behavior, and some factors may potentially mediate this influence. Hence, the present study developed a conceptual model to explain the relationship between the customer awareness of companies' CSR activities which should be created through the actual engagement of customers in corporate CSR activities in this conceptual model that may positively influence customer behavior, with mediating effect of corporate credibility.

Keywords:
CSR, consumer behavior, consumer involvement in CSR activities, corporate credibility, conceptual model

JEL Classification: M14, M31, D21
Introduction

CSR has been the subject of academic study for over fifty years, and is now a major issue in organizational studies (Dentchev 2009). The concept of CSR is broad, and characterized by considerable debate. This debate is largely driven by a lack of consensus on CSR, and is attributable to the myriad theories, measures, and empirical methods used in the field (Crane et al. 2008). One significant issue in CSR scholarship is the scarcity of research about CSR in developing countries (Dobers & Halme 2009; Jamali & Mirshak 2007). In these countries, CSR shows a distinctive set of agenda challenges that are collectively quite different to those faced in developed countries (Visser et al. 2010). In the meantime, the missing link in between, is the subject of awareness. Awareness is the ability to directly know and perceive, to feel, or to be cognizant of events. More broadly, it is the state of being conscious of something. In fact awareness means wherein a subject is aware of some information when that information is directly available to bring to bear in the direction of a wide range of behavioral actions. The concept is often synonymous to consciousness and is also understood as being consciousness itself. Conscious behavior is the fruit of a deep understanding of an issue that is not properly addressed in the concept of CSR.

Recently, the focus of much CSR work has shifted from an ethics to a performance orientation (Carroll & Shabana 2010). Additionally, many scholars have thus turned their attention to the investigation of the CSR influence on the customer purchase intention. In fact, they pay more attention to the significance of managerial and strategic issues regarding CSR, particularly the relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP). However, most research into this relationship remains inconclusive (Margolis & Walsh 2003). While with the increasing of criticism of the consumerism philosophy which Marketing system is known in it, as a tool which is well intensifying the consumption and overconsumption, as well, due to the emphasis on the role of companies and organizations in improving the state of the society in which they interact, this change of position does not seem right.

In the study that was done by Du et al.’s (2007) consumers were skeptical in their views of corporate motivations for supporting social initiatives, perceiving that companies treat CSR as a cosmetic, public relations exercise, with some spending more on CSR advertising than on actual initiatives. Therefore, it appears that perceived company motivation influences consumer’s skepticism toward CSR initiatives. This skepticism occurs because consumers perceive that many companies fail to provide adequate proof of their commitments (Beckmann 2007; Elving 2010), and social initiatives are primarily motivated by corporate self-interest (Webb & Mohr 1998).

In present times, customers' decisions are susceptible to various issues including value for money, natural disasters, change in climate, and considerable financial differences in developed nations resulting from economic crises (Martínez, Perez, & del Bosque, 2014). Moreover, customers' values, needs, aspirations, and expectations change as time passes. As an example, the current customers of the tourism industry and hotels are aware of the planet's resources and inhabitants (Brunk, 2010), and they possess higher purchasing power and greater freedom to choose.

Studies from developed countries reveal that consumers are becoming more aware of CSR activities (Bhattacharya & Sen 2004), in part because companies are increasingly engaging in them and communicating their efforts. Further, some consumer groups are punishing
irresponsible corporate behavior by calling for large-scale boycotts (Snider et al. 2003). Marketplace polls (Cone 2010) and an increasing body of experimental studies (e.g., Becker-Olsen et al. 2006; Brown & Dacin 1997; Ellen et al. 2006; Sen & Bhattacharya 2001) also show that consumers are more likely to purchase from companies that engage in CSR initiatives.

In line with the above arguments, We present a more specific and carefully developed studies that leads to a new conceptual model of corporate social responsibility which goes beyond generalizations and explains how can We make a revolutionary look to the CSR concept by equating the concept of customer awareness of corporate CSR and customer involvement in corporate CSR and by integrating it with the Caroll’s pyramid, how can We promote CSR strategies’ progress in the direction of financial and ethical organizational issues even in a larger scale of social and global levels.

As a result, the goal of this study is to provide a conceptual model that can help to explain the relationship between CSR awareness/involvement and customer behavior, as well as to explore the mediating influence of corporate credibility on this relationship.

**Literature Review and Hypothesis Development**

**CSR Definition, Customer awareness and Customer CSR involvement**

As a concept, CSR has no universally acknowledged definition (Freeman & Hasnaoui, 2011) but is generally defined in light of multidimensional terms (Rowley & Berman, 2000). In 1991, Carroll proposed that CSR is a construct that has many dimensions: economic, legal, ethical, and philanthropic.

In a general sense, CSR can be referred to as those activities and the status of a firm that are linked to its obligations towards stakeholders and the society it operates in (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). The primary aim behind CSR is the possible advantages that firms can obtain from being socially responsible to their stakeholders (Tian, Wang, & Yang, 2011). Among the different stakeholders, the customer group needs extra attention as CSR schemes have a significant effect on customer-related outcomes (Bhattacharya & Sen, 2004).

Many studies contend that among the core motivations for the use of CSR in strategies is the chance to make a business stand out from its rivals (Porter & Kramer, 2006) and to develop its profitability (Lee, 2008). Studies in the context of the US have focused on examining the benefits obtained from CSR implementation (Levy & Park, 2011), and determining the way CSR contributes to significant customer behavior. However, other contexts need to be examined, especially, there is a need to focus on CSR activities and their effects.

Additionally, Line and Runyan (2012) recommended that future studies should address CSR-related issues from the viewpoint of the customer. (International Journal of Hospitality Management Volume 77January 2019Pages 8-18) study examines how corporate social responsibility (CSR) participation affects organizational citizenship behavior (OCB) through meaningful work. In fact, the comparative effects of CSR perception versus CSR participation had been examined for the first time among employees. Results revealed that CSR participation has a strong influence over work-related outcomes, which says by
getting employees as one of the stakeholders in an enterprise involved in the CSR activities their CSR perception will be changed into the CSR awareness. It stands to reason that such awareness can ultimately improve the performance. The same result may be observed in the relation between customer awareness/involvement and customer behavior.

What is the difference between perception and awareness?

Perception is the organization, identification, and interpretation of sensory information in order to represent and understand the presented information or environment. All perception involves signals that go through the nervous system, which in turn result from physical or chemical stimulation of the sensory system. For example, vision involves light striking the retina of the eye; smell is mediated by odor molecules; and hearing involves pressure waves. Perception is not only the passive receipt of these signals, but it's also shaped by the recipient's learning, memory, expectation, and attention. Sensory input is a process that transforms this low-level information to higher-level information (e.g., extracts shapes for object recognition). The process that follows connects a person's concepts and expectations (or knowledge), restorative and selective mechanisms (such as attention) that influence perception. Perception depends on complex functions of the nervous system, but subjectively seems mostly effortless because this processing happens outside conscious awareness at the result, awareness is much more elaborate than simple perception. Therefore, in the category of CSR concept, perceived CSR is the one which should be leveled up by creating awareness in consumers through consumer involvement in CSR initiatives.

Determinants of Consumer Reactions to CSR

Based on Bhattacharya and Sen (2004), two determinants of consumer reactions to CSR are consumers’ awareness of CSR activities (CSR awareness) and their attributions regarding the company's motives for engaging in such activities (CSR attributions). Consumer CSR awareness plays an important role in reactions to the company (Bhattacharya & Sen 2004). However, a common problem of most academic research into consumer responses to CSR is an assumed or artificially induced awareness of CSR that has not been carefully tested (Pomering & Johnson 2009). In addition, the actual level of consumer awareness of CSR initiatives is uncertain, and may be quite low (Mohr et al. 2001). The survey findings of Bhattacharya and Sen (2004, p. 14), shows that “large swaths of consumers do not seem to be aware that by and large most companies engage in CSR activities”. As a result, the extent to which consumers are aware of CSR initiatives remains unclear. A lack of awareness and understanding of firm CSR activities is likely to result in an attitude-behavior gap (the disconnection observed between attitude and actual behavior) (Mohr et al. 2001), and constitute an obstacle to the firm’s aim to gain strategic benefits from its CSR activities (Sen et al. 2006).

Consumer perceptions of a company's motives for engaging in CSR also play an important role in their responses (Vlachos et al. 2009). Based on attribution theory and the persuasion knowledge model (PKM), consumers frequently generate their attributions about the motives underlying a company’s CSR activities when exposed to CSR
information (Sen et al. 2006). Here, attribution theory is used to describe the ways in which people make causal inferences to explain their own or others’ behaviors (Kelley & Michela 1980). Therefore, when companies communicate their CSR initiatives, initial consumer responses may be skeptical (Bae & Cameron 2006). This skepticism is partially described by the PKM concept in which consumers are believed to develop knowledge about persuasion attempts via company CSR communications, and then using this knowledge to cope with such persuasion attempts (Friestad & Wright 1994). In this concept company motives are interpreted by consumers as influencing both consumer attitudes towards that company and intent to purchase the company’s products or services (Becker-Olsen et al. 2006). However, Ellen et al. (2006) found that consumer attributions are more complex than once believed. This indicates that there is a priority for CSR activities and responses to be chosen carefully to reflect the company’s values and domain, so that consumers can perceive these activities as proactive and socially motivated (Becker-Olsen et al. 2006). However, understandings of the actual process that leads to consumer perceptions of company motives for engaging in CSR activities remain unclear (Brown et al. 2006). To solve this problem, our proposed conceptual model is as following:

**Figure1: Conceptual Model**

![Conceptual Model Diagram]

*Source: Own proposed conceptual model*

Added to the above, CSR activities may indirectly affect a firm’s performance, indicating that potential factors of CSR activities may act as mediators (Abdulalem Mohammed a, *, Basri Rashid b, 2018). Similarly, Coldwell (2001) claimed that effective corporate social performance leads to a good corporate image, and ultimately improves the overall performance of the firm.

Given the above, current evidence for the impact of CSR on branding and customer reaction is scarce (Sen & Bhattacharya, 2001; Singh, Sanchez, & del Bosque, 2008). On the basis of the above discussion, current study proposes that customer awareness of companies’ CSR activities should be created through the actual engagement of customers in corporate CSR activities as companies’ CSR strategies, because only in this way CSR
perception will be leveled up with CSR awareness. In addition, the customer’s skepticism about the reality of CSR activities will be eliminated. At this following, Customer CSR involvement will have a positive impact on consumer behavior including repurchase behavior, word of mouth and etc. as assumed in the following hypotheses:

Research Hypothesis $H_{1a}$: Consumer CSR involvement creates consumer CSR awareness;
Research Hypothesis $H_{1b}$: CSR awareness/involvement influences consumer behavior.

**Linking CSR and CR (Corporate Responsibility)**
Some marketing experts believe consumers are increasingly using their perceptions of a firm’s role in society in their purchase decisions. For example, consumers want to know how a firm treats its employees, shareholders, local neighbors, and other stakeholder or constituents. As the head of a large ad agency put it: “The only sustainable competitive advantage any business has is its reputation.” Among the different stakeholders addressed by CSR, consumers stand for the large economic impact and diversity of assessing effects. Prior literature on CSR and consumers tested the effect of CSR on corporate credibility (Brammer & Millington, 2005; Lichtenstein, Drumwright, & Braig, 2004) emphasizing that one key element in any CSR research should be how corporations report the CSR and consumer perception. Otherwise no matter what kind of CSR practices implemented by companies or how CSR initiatives engage in, the impact of CSR on consumer behavior may be null or even negative (Du, Bhattacharya, & Sen, 2010). The CSR awareness which comes from consumer direct involvement in the CSR initiatives can be the key metric in successful development and implementation of a CSR policy. The CSR image as perceived by consumers is believed to boost consumer-related benefits. With the increased consumer attention to the moral and environmental dimensions of companies and its products, CSR can be used as a marketing strategy to form the brand image through the alignment of corporate values and corporate trustworthiness to customer’s behavior at once through their citizenship. The attention is drawn to a special form of marketing, namely stakeholder marketing, which carries along new monitoring methods, target groups, prerequisites for customer awareness to CSR activities, conflict potentials and functional and psychosocial stakeholder needs (Maden Arikan, 2016). The trend of ethical consumerism may bear considerable outcomes to stakeholder-firm relationships and stakeholder identification, as customers can either ban or prefer certain products, brands or companies due to circumstances of production and marketing (Smith, Palazzo, & Bhattacharya, 2010).

When aiming at raising public awareness on CSR activities in times of exponentially rising competition in brand and product differentiation, Sen, Bhattacharya and Korschun (2006) note the importance of surpassing a conventional marketing mix. Therefore, when binding the compatibility of customer needs with corporate goals and with the social and ecological environment, customer satisfaction and support is translated into increased sales, corporate social efficiency and presumably improvements in environmental issues (Maden Arikan, 2016). With the rising practical application of CSR, the question of how to convey related messages to positively impact customers, is growing in importance. Corporate credibility measures the extent to which consumers believe a firm can design and deliver products
and services that satisfy their needs and wants. It is the credibility the firm has achieved in the marketplace. Corporate credibility—as well as success and leadership—depend on three factors:

1. Corporate expertise: The extent to which consumers see the company as able to competently make and sell its products or conduct its services;
2. Corporate trustworthiness: The extent to which consumers believe the company is motivated to be honest, dependable, and sensitive to customer needs;
3. Corporate likability: The extent to which consumers see the company as likable, attractive, prestigious, dynamic, and so forth.

While consumers who perceive the brand as credible is more likely to consider and choose it, a strong and credible credibility can offer additional benefits. The relationship between CSR initiatives and corporate credibility has been scarcely researched.

Based on Recent studies in CSR scope, it is revealed that there is a knowledge gaps in understanding the relation between customer awareness to CSR activities and corporate outcomes, in fact, awareness has been separated from CSR Concept, although, in this study, it is proposed that CSR awareness should be inseparable part of CSR concept.

In order to survive in the intense competitive global market, it becomes essential that each company puts its efforts in differentiating over the consumers and remaining stakeholders. It was expressed that consumers are willing to support CSR business but it was not clear which organizations “social behaviors are contributing for that customers” performance (Maignan, 2001). The assumption that customers are willing to support actively good corporate citizens highly contributes to the enthusiasm about the CSR subject (Maignan and Ferrell, 2003) which can be created by directly engaging consumer in CSR initiatives.

Along the literature, there were various authors defending that CSR influences Reputation (Siltaoja, 2006) besides helping businesses to build up credibility and trust (Habisch et al, 2005). CSR also contributes to a reputation which consumers and investors can identify with, based on the assumption of value priorities (Siltaoja, 2006), once different stakeholders demand and expect different needs and interests, that could even be contradictory and conflicting for them and for companies (Mark-Herbert and Schantz, 2007). Thus, one could conclude that CSR is a precedent of corporate reputation (CR) (Maden Arikan, 2016). Also, it precedes reliability, which contributes to CR and therefore, being a driving force to reputation and trust, it acts as a link between companies and community (Filho, Brito, Gosling and Souki, 2009).

Nevertheless, this influence does not play the role at the same level for every stakeholder. CSR’s influence in CR differs from stakeholder to stakeholder, and usually customers value more CSR as an indicator of CR than employees, for instance. (Thomaz and Brito, 2007). Also, from country to country these differences can be perceived. Evidences in divergences between American, French and German consumers’ expectations, reveal the difficulty inherent of a uniform and integrated communication about CSR across borders (Maignan, 2001). It has become crucial to understand each stakeholder and be aware of what each one of them individually values, focusing on addressing different and specific CSR’s strategies and communication to each kind of stakeholder.
In this study it is proposed to solve this problem by focusing on the common ground between human beings. This common ground is the creation of awareness through the participation of individuals in corporate social activities. In fact, in this way, the reciprocal responsibility of individual-corporate towards society and at a wider level, toward the planet, will be activated and the concept of consumer global citizenship will be developed.

**Figure 2: The Triple Bottom Line (Elkington, 1998)**

Building corporate reputation is not easy and simple. It takes quite a lengthy time and efforts to continue to develop products and services, corporate trustworthiness perceived by consumers, efficient business operation, leadership vision and attractive low unit cost investment for long run business sustainability (Eberl and Schwaiger, 2005). Corporate reputation affects corporate trustworthiness, the perceived CSR, quality of products and services and the corporate organizations’ performance (Aqueveque and Ravasi, 2006). It fluctuates with time and has positive effects on corporate organizations’ performance (Dunbar and Schwalbach, 2000); and also affects business operations (Kaffashpor Kashani, 2006).

Hoeffler and Keller (2002:80) argue that credibility also manifests itself in an organization’s brand. Brand credibility should be perceived in terms of three dimensions, namely expertise (competency, innovativeness and being a market leader), trustworthiness (being dependable and meeting customers’ needs) and likeability (being fun, interesting and worth spending time with). They state that brand credibility can be established by corporate societal marketing because the organization may be perceived as unbiased and as a highly credible source on account of its positive involvement in the community. One of the most important dimensions of the concept is credibility (Trustworthiness).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustworthiness</td>
<td>The social responsibility and the good intentions of the organization are indicative of its trustworthiness in terms of its product(s) and/or service(s).</td>
</tr>
</tbody>
</table>

*Source: Ferguson (1999:131-138)*
As a result, it is important to deepen into CSR reasons, practices and investigate its impact on corporate credibility by creating consumer CSR awareness through consumer CSR involvement.

On the basis of the criteria established for a mediating relationship proposed by Baron and Kenny (1986), it is suggested that corporate credibility mediates the relationship between CSR awareness/involvement and consumer behavior; accordingly, this study proposes that:
Research Hypothesis H2: CSR awareness/involvement influence corporate credibility;
Research Hypothesis H3: Corporate credibility mediates the relationship between CSR awareness/involvement in CSR initiatives and consumer behavior.

**Conceptual Model of the Study**

Based on the thorough literature review, the present study proposed the conceptual model presented in Figure 1, which conceptualizes the CSR awareness/involvement relationship with consumer behavior, and it proposes the mediating effect of corporate credibility on the stated relationship. Future empirical studies may make use of the model.

**Conclusion and Future Studies**

The corporate social responsibility (CSR) is becoming an increasingly popular topic among academics and industrial experts, who acknowledge it as a valuable method to develop long-term relationships with clients. Nevertheless, research is still scarce, particularly in corporate credibility domain. At present, most research in academic settings focuses on whether CSR concept can lead to greater corporate profitability. In fact, a one-sided view in the subject of CSR concept led to raise issue of Skepticism notion in CSR concept. This skepticism is related to the customer's lack of knowledge and awareness about the real CSR initiatives that companies are involved in, as well, its relation to the subject of consumer's perceived CSR which introduced company's CSR strategy as a slogan to exploit it for greater profitability.

In line with above arguments thinking about following questions seemed essential. Questions that eventually led us to propose a new conceptual model:

- How to make stakeholders not just informed about CSR initiatives but also aware.
- whether the customer CSR awareness can only be created or increased by informing consumer through pointing to CSR initiatives by employing conventional methods.
- whether consumer CSR skepticism can be reduced or even eliminated over time by understanding the process of turning information into awareness by involving consumers in a subject.

Clearly, the level of awareness affects the customer's expectations and ultimately the consumer behavior which determines the impact of CSR activities on the companies' profitability and finally improves the quality of society in various dimensions. It can be said that there is a missing point in the definition of CSR concept, that is, consciousness, the...
soul of Caroll’s pyramid which transforms it from a raw concept to a living one and it makes companies aware of the main inseparable component of CSR concept by considering the mission of CSR concept which focus on the people, profit and planet at the same time. Addressing this missing point can even result in a quite understandable concept of ethic consumerism.

Hence, the present study contributed to the literature by shedding light on the strength of the relationship between CSR awareness/ involvement and corporate credibility. Further empirical studies are urged to be conducted to examine the proposed model by collecting data from a significantly large source and examining the hypothesized relationships. Finally, the proposed conceptual model is general and therefore, further studies are needed to adopt this model to the particular industrial sectors.

Conflict of Interests

There is no conflict of interest.

References


Choi, B., & La, S. (2013). The impact of corporate social responsibility (CSR) and customer trust on the restoration of loyalty after service failure and recovery. Journal of Services Marketing, 27(3), 223e233.


