The Impact of Corporate Social Responsibility on Globalization – An Example Involving Asian Consumers

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ABSTRACT

Research shows that Asian consumers demand corporate social responsibility (CSR) from businesses and that globalization has created a trend toward hybrid products. What has not been addressed is whether these consumers pay attention to CSR failures and what effect this has on globalization. This study explores the effect of variables on consumer purchasing intentions with regard to CSR failures. Using the convenience sampling method, we distributed 400 questionnaires to individuals in the four most frequently visited department stores in Taipei, and obtained 376 effective samples. The questionnaire focused on six hybrid toothpaste brands and six hybrid brands of cell phones. The seven research hypotheses were tested using stepwise regression analysis. The findings strongly verify that both the country-of-brand (COB) image and country-of-manufacture (COM) image significantly positively affect consumer purchasing intentions when CSR fails, but that the COM image is superior to the COB image. Results showed that brand awareness and product involvement have only a slight effect, indicating that brand awareness is no longer a panacea when CSR fails.

Keywords: Corporate social responsibility, globalization, Asian consumer, brand awareness, country-of-origin
1. INTRODUCTION

The practice of proactive social responsibility is a trend among the leading international firms [Hsu et al., 2011]. Yu and Chen [2014] proposed a corporate environmental responsibility framework inferred from the corporate social responsibility (CSR) reports issued by leading Taiwanese high-technology electronic firms with international levels of technology. Asian consumers demand a great extent of social responsibility from businesses [Ramasamy et al., 2010], and Chinese consumers who are fully aware of and trust CSR are likely to transform a favorable CSR record into a positive corporate evaluation, product association, and purchasing intention [Tian et al., 2011].

Therefore, in light of the perspectives of institutional theory introduced by Selznick [1949] and open system theory proposed by Meyer and Rowan [1977] and DiMaggio and Powell [1983], contemporary companies should commit to society, environment, and consumer health through CSR [Chen and Lin, 2011] regardless of their size [Lamberti and Noci, 2012]. According to Lin and Chen [2006], country-of-origin (COO) under the trend of globalization plays a vital role in consumer purchasing decisions. Verlegh and Steenkamp [1999] indicated, however, that consumers may insufficiently pay attention to the manufacturing countries or sites of products because of the rise of global information search and multi-national production. From a marketing perspective, consumers may fail to identify similar qualities with the same brand when faced with products manufactured in various circumstances by different workers using diverse technologies. Therefore, whether the COO image affects consumer purchasing intentions is debatable, and these issues should be clarified because the concept of CSR prevails in society.

Globalization has motivated international enterprises to seek favorable manufacturing sites overseas. The selection of these sites may deeply influence the consumers’ general evaluation of products and their purchasing behavior. The most common evaluation indicators are country-of-brand (COB) and country-of-manufacture (COM) [Ahmed and Astous, 1996]. Furthermore, CSR is
an effective means for firms to create favorable attitudes among their consumers [Groza et al., 2011]. However, the CSR of a particular firm in Asia failed in September 2008 when the San-lu Group sold tainted milk powder containing melamine to other countries. Similarly, the CSR of a firm in Taiwan failed in 2015 when poison was used in human food products. Communities worldwide were shocked by these occurrences, and consumer health was severely affected.

Brand awareness, which is one of the numerous product classifications in consumers’ minds, is the main factor that affects consumers when they evaluate or purchase a product [Hoyer and Brown, 1990] and make purchasing decisions [Keller, 1993]. The literature of COO images claims that brands are an important explicit clue [Saeed, 1994; Lee et al., 2014], and that COO images not only increase the brand equity of products [Shocker et al., 1994] but also affect product evaluation more than prices and brand information do. This influence is particularly evident when product awareness is low [Wall et al., 1991]. However, Ahmed and Astous [1993] maintained that brands greatly influence the perceived value of products when consumers make purchasing decisions, followed by COO images and price. Han and Terpstra [1988] showed that COM images exert a greater influence than brand name when consumers evaluate product qualities. Thus, given the trend toward globalization, the purchasing decisions of consumers regarding hybrid products are affected by COO images and brand awareness.

The studies of Lin and Chen [2006], Lin and Shang [2010], Lee and Lee [2011], Parkvithee and Miranda [2012], and Yu et al. [2013] on the effect of COO, brand, and consumer purchasing intentions do not account for CSR failures. Thus, whether consumer purchasing intentions toward hybrid products can be influenced by CSR failures remain unaddressed. This in-depth study looked into this issue, with these specific goals:

(1) To explore the effects of COB images, COM images, brand awareness, and product involvement on consumer purchasing intentions regarding hybrid products and the CSR failures of firms; and
(2) To provide a thorough structure for CSR research and verify the relationship as well as the effects between CSR failure and consumer behavior.

The conceptual framework of this study is shown in Figure 1.

![Conceptual Framework of Study](image)

**Figure 1. Conceptual Framework of Study**

2. LITERATURE REVIEW AND HYPOTHESES

This section reviews the literature relating to CSR, COB and COM images, the influence of CSR on COB and COM images, brand awareness, the influence of CSR on brand awareness, product involvement, and the influence of CSR on COB image, COM image, and product involvement.

2.1. The Concept of CSR

The concept of CSR is widely used by businesses, professional bodies, and academics but is extensively contested as well [Dillard et al., 2014]. The concept originated from 18th century humanism. In the book *Social Responsibility of the Businessman*, Bowen [1953] posited that a company should perform all of its activities according to social values and should satisfy societal needs. Carroll [1979] defined CSR in this way: “The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time.” Carroll [1979] also presented a corporate social performance model that can help managers understand that social responsibility is not separate and distinct from economic
performance, but rather a part of the total social responsibility of the business. The concept of CSR has been highly praised and approved by scholars and has gradually evolved into a standardized system and a competitive method.

The practice of proactive social responsibility is a trend among leading international firms [Hsu et al., 2011]. Groza et al. [2011] pointed out that CSR is an effective means for firms to create favorable attitudes among their consumers. Also, Asian consumers demand a great extent of social responsibility among businesses [Ramasamy et al., 2010], and Chinese consumers who are highly aware of CSR and trust in such a concept are inclined to transform a favorable CSR record into a positive corporate evaluation, product association, and purchasing intention [Tian et al., 2011]. Considering the propositions of institutional theory proposed by Selznick [1949] and open system theory introduced by Meyer and Rowan [1977] and DiMaggio and Powell [1983], contemporary companies should commit to society, environment, and consumer health in implementing their CSRs [Chen and Lin, 2011] regardless of their size [Lamberit and Noci, 2012]. Furthermore, consumer perception of CSR positively influences consumer approval of firms [Chien, 2010], and CSR in turn positively and significantly affects consumer purchase intention [Koh and Fang, 2012].

The focus of CSR research has shifted from why CSR is practiced and what the best practices in CSR are to how CSR should be administered. Today, CSR research focuses on adopting CSR practices that are most compatible with business strategies in order to produce maximum outcomes for both the companies and the societies in which they operate [Basu and Palazzo, 2008]. Studies verify that companies benefit from adopting CSR initiatives because of improved consumer perception of them [Sen and Bhattacharya, 2001]. Polonsky and Speed [2001] explained that CSR research generally discusses sponsorship, cause-related marketing, and philanthropy. Dillard et al. [2014] also pointed out that CSR is usually described to be composed of environmental, economic, and social elements. Therefore, most studies on CSR focus on environmental protection or financial performance [Yoon and Tello 2009; Barnea and Rubin
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2010; Yu and Chen 2014]. Only a few works have looked into the intangible emotional dimensions (i.e., brand image and brand attachment) [Koh and Fang, 2012]. Koh and Fang [2013] reported that CSR activities significantly enhance brand attachment, brand image, and the purchase intentions of consumers.

2.2. COB and COM Images

COO refers to the country of origin of a specific manufacturer’s product or brand, traditionally known as the “home country” [Saeed, 1994]. The COO of some brands belongs to a particular country. For instance, Burberry belongs to the United Kingdom, and Sony is a Japanese brand. In this case, COO can also be referred to as a COB [Lin and Chen, 2006]. Ahmed et al. [2004] explained that COO is the country of manufacture or assembly of a specific product according to the manufacturing sites (i.e., where a product is made or manufactured). Similarly, COM represents the country of manufacture or assembly of a product [Saeed, 1994]. COM is the location where a particular product is manufactured, although many of the spare and constituent parts of the product may be obtained from various countries.

Nagashima [1970], who was among the first to analyze country image perceptions, defined country image as:

“The picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history, and traditions, which represents the overall country image.”

Roth and Romeo [1992] stated that country image should be explicitly interpreted to reflect the relationship between product perceptions. Thus, they defined country image as:

“The overall perception consumer form of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses.”
Hence, country image represents the consumers’ general perceptions of the quality of products manufactured in a given country [Han, 1989].

In global logistics management, companies situated in one country often use the competitive advantages of other countries to design various products or to purchase raw materials. These companies manufacture or assemble their goods into hybrid or multi-national products in another country using diverse product designs and raw materials to make the COO image separate from that which was previously created for a single product [Chao, 1993]. The COO image is the overall impression of consumers toward the products from a particular country and includes the entire implicit range of products provided by that country [Narayana, 1981]. Pereira et al. [2005] reviewed the previous literature and determined that COO image yields a multi-dimensional effect and that consumer purchasing intentions and actions are affected by three attributes (i.e., general country, general product, and specific product) according to which image of a specific country is evaluated. Han and Terpstra [1988] first divided the COO image into COB and COM, and some studies have shown that both COB and COM influence the product evaluations of consumers, but that the effect of the latter is greater than the former.

2.3. The Influence of CSR on COB and COM Images

Consumers are becoming increasingly aware of the environmental and social implications of their day-to-day consumption decisions and make purchasing decisions in some cases with regard to their environmental and ethical concerns [Eisingerich et al., 2011]. Becker-Olsen [2006] found that the social initiatives of a company incur negative effects if they are not aligned with the goals of other companies. Mohr et al. [2001] and Groza et al. [2011] also emphasized the importance for firms to reach out to their consumers. Moreover, Morgan [2014] explained that social image and COO are strong price premium determinants.
Nebenzahl et al. [1997] realized that consumer perceptions of hybrid products change according to the COOs of these products. COO image significantly positively affects consumer purchase decisions [Lin and Chen, 2006; Lee and Lee, 2011; Yu et al., 2013] their attitude toward products [Lin and Shang, 2010]. Furthermore, COO and COM both significantly positively influence the purchasing intentions of consumers who explore hybrid or multi-national products [Han and Terpstra, 1988]. COM and COB also affect the product evaluations of these consumers [Srinivasan et al., 2004]. Therefore, the COB and COM images of hybrid products sold by international companies may influence consumer purchasing intentions considerably because of the occurrences associated with CSR. Thus, Hypotheses 1 and 2 for this study are as follows:

**H1:** The COB image will significantly positively affect consumer purchasing intentions when a CSR fails.

**H2:** The COM image will significantly positively affect consumer purchasing intentions when a CSR fails.

### 2.4. Brand Awareness

Consumers use brands as a reference when they select or purchase products. In the concept of brand awareness proposed by Keller [1993], a brand plays a vital role in consumer purchasing decisions. Consumers exhibit decision patterns when they purchase well-known brand products with which they are highly familiar. Thus, among the external indicators of products, brand is the first factor considered by consumers. Consumers exhibit a more favorable brand attitude and purchasing intention toward familiar brands than those that are unpopular or unfamiliar [Kamins and Marks, 1991]. Cobb-Walgren et al. [1995] explained that brand awareness is the primary selection strategy used by consumers. Brand awareness refers to the strength of the brand node or trace in memory reflected by the ability of consumers to identify the brand under different conditions [Rossiter and Larry, 1987]. According to Aaker [1991], brand awareness is the ability of a potential buyer to perceive or recall that a brand is a
member of a certain product category, and brand perception is a prerequisite for communication. “High brand awareness” indicates that consumers can recall brand names the moment they think of a particular product. A high degree of brand recall implies a great extent of brand awareness. Once consumers acquaint themselves with particular brands, they regard these brands as nicknames for certain types of products. When consumers are greatly familiar with a product, they have great confidence in it, thereby signifying a favorable and high purchasing intention toward it [Laroche et al., 1996].

2.5. The Influence of CSR on Brand Awareness

Some companies use CSR methodologies as a strategic tactic to gain public support for their presence in global markets and to sustain a competitive advantage using their social contributions as another form of advertisement [Fry et al., 1982]. Mohr et al. [2001] and Groza et al. [2011] emphasized the importance of reaching out to consumers.

Numerous studies report that brand awareness can be measured by observing its very existence [Hoyer and Brown, 1990; Wall et al., 1991], whereas others claim that it can be gauged according to famous brand names and virtual brands [Cordell, 1993]. Well-known brands are incorporated into consumer purchasing plans to a greater extent than the unknown ones because the former are reliable and provide assurance. Consumers are highly satisfied with well-known brand products [Aaker, 1991]. Thus, consumers naturally have a higher product evaluation of and a more favorable brand attitude toward products with high brand awareness than those with low awareness; thus, their purchasing intentions are strengthened [Fishbein and Ajzen, 1975]. Therefore, enhancing the level of brand awareness also enhances the purchasing possibility of consumers [Nedungadi, 1990]. Yaseen et al. [2011] pointed out that brand awareness significantly affects consumer purchase intention. Koh and Fang [2013] reported that CSR activities significantly enhance consumers’ brand attachment, brand image, and purchase intention. Thus, Hypothesis 3 for this study is as follows:
**H3:** *Brand awareness will significantly positively affect consumer purchasing intentions when a CSR fails.*

### 2.6. Product Involvement

Involvement can be classified and explained from various perspectives. *Product involvement* refers to consumer commitment and emphasis on products [Cohen, 1983], ranging from full commitment to products for self-identity to indifference toward them. Robertson et al. [1984] maintained that product involvement refers to the level of concurrence among specific products, brands, and the value system perceived by consumers. Zaichkowsky [1986] suggested that product involvement is the consumers’ perception of personal relevance aroused by product personality. Schiffman and Kanuk [2007] stated that the level of consumer product involvement refers to the level of importance perceived by consumers and their concerns about specific purchasing decisions. Therefore, product involvement is regarded as consumer involvement that lasts and is not easily affected by external factors. Consumers with a high product involvement gather related information about products on their own initiative and ponder their purchasing decisions [Lin and Shang, 2010].

Product involvement is usually measured in single and multiple dimensions. In single dimension, only a single indicator is applied to consider and measure the involvement causes (e.g., the judgment of involvement according to the degree of self-relevance). Some studies maintain that involvement causes are defined according to single dimensions (i.e., cognition, the importance of standards, and self-concept). Laurent and Kapferer [1985] explained that multiple dimensions consist of five variables (i.e., importance and interest, risk of inappropriate purchasing, possible risk, enjoyment, and symbolism), which should all serve as the dimensions for measuring involvement that accurately describe the level of consumer product involvement. Zaichkowsky [1985] developed the personal involvement inventory (PII) to measure consumer product involvement. This scale has an integrated basis for an involvement
construct and incorporates personal, product, and situational factors into the dimension of involvement measurement.

2.7. Influence of CSR on COB Image, COM Image, Product Involvement

As pointed out earlier, consumers are increasingly aware of the environmental and social implications of their day-to-day consumption decisions and make decisions related to their environmental and ethical concerns in some cases [Eisingerich et al., 2011]. A corporation that practices CSR activities can improve its brand image and increase the number of its loyal customers [Morfet et al., 1999]. If companies intend to impress their consumers and society through their CSR endeavors, then all manufacturers in the supply chain should establish themselves as socially responsible members [Enderle, 2004]. Furthermore, the consumer perception of CSR positively influences the approval of firms [Chien, 2010]. Previous studies suggest that product involvement significantly positively affects consumer purchasing decisions. With different product involvement, the COO image also significantly positively influences consumer purchasing decisions [Lin and Chen, 2006]. Lin and Shang [2010] indicated that consumers with a high product involvement gather related information about products on their own initiative and ponder their purchasing decisions. In addition, the influence of COO on consumers varies according to the levels of product involvement [Ahmed et al., 2004]. A high level of product involvement indicates that the aspirations, product evaluations, and purchasing intentions of consumers are based more on product information from the COM with a positive image than that with a moderate or negative image [Chin, 2002].

Some companies use CSR methodologies as a strategic tactic to gain public support for their presence in global markets and sustain a competitive advantage using social contributions as another form of advertisement [Fry et al., 1982]. Moreover, consumers are easily affected by advertisements and can impulsively buy products or services with low involvement. Consumers spend a huge amount of time seeking related information for products or services with high
involvement before they purchase the most suitable one. At that time, information on the COO and well-known brand names can ensure consumer confidence in products and services [Swindyard, 1993]. The high level of product involvement indicates that the COB image exerts a greater influence on consumer purchasing intentions than does the COM image [Ahmed and Astous, 1995]. Nevertheless, some scholars propose that the COB image with different levels of product involvement insignificantly affects the quality of consumer perception and purchasing intentions. Information about the COM affects both the quality of consumer perception and purchasing intentions, and the increase in involvement does not weaken the COM image [Liao, 2006]. Petty et al. [1983] examined the elaboration likelihood model and determined that the relevance between brand attitude and purchasing intention with high product involvement is greater than that with low product involvement. Thus, Hypotheses 4 to 7 for this study are as follows:

**H4:** Product involvement will significantly positively affect consumer purchasing intentions when a CSR fails.

**H5:** The COB image with an increasing level of product involvement will strongly affect consumer purchasing intentions when a CSR fails.

**H6:** The COM image with an increasing level of product involvement will strongly affect consumer purchasing intentions when a CSR fails.

**H7:** Brand awareness with an increasing level of product involvement will strongly affect consumer purchasing intentions when a CSR fails.

3. METHODOLOGY

This section describes our research procedure and the selection of participants for this study and discusses the measurement of results.
3.1. Procedure and Participants

This study used convenience sampling of non-probability to achieve a convenient and efficient sampling. Face-to-face interviews were conducted for data collection and questionnaire distribution, which was performed by the researcher. The questionnaire survey was administered in the four most frequently visited department stores in Taipei, which is the political and economic center of Taiwan. The survey was administered soon after the tainted milk powder scandal. An average number of customers was recruited as research subjects, and commonly used hybrid products such as toothpaste and cell phones were used as samples. We defined CSR failure in the questionnaire as “firms intentionally causing a negative impact on society and the health of consumers for the purposes of self-interest.”

The data from http://marketing.chinatimes.com indicate that the top brands in the Taiwanese toothpaste market are Darlie, Colgate, Sensodyne, Aquafresh, Day and Night, and Lion. Other brands include Whitemen, Kolynos, Sheffield, Smiling, and Sunstar. The COBs of these brands are Taiwan, the United States, and Japan, whereas their COMs are located mostly in China, Thailand, and the United Kingdom. Furthermore, the survey data on the value-added services in Taiwan and its neighboring areas provided by the Institute for Information Industry in 2006 show that the top 10 cell phone brands in Taiwan are Nokia (36.4%), Motorola (36.4%), Sony Ericsson (15.9%), BenQ-SIEMENS (15.4%), OKWAP (12.6%), PHS (10.6%), Panasonic (6.3%), Samsung (5.3%), Sanyo (4.2%), and AUSU (4.2%). Other brands are Alcater, G-Plus, Dopod, NEC, and Sharp. The COBs of these cell phone brands are the United States, Japan, and Taiwan.

Based on the foregoing information, we selected the United States, Japan, and Taiwan as the COBs for discussion in this study, and China, Thailand, and the United Kingdom as the COMs. The selected toothpaste brands are Darlie, Smiling, Colgate, Kolynos, Lion, and Sunstar, whereas the chosen cell phone brands are OKWAP, Dopod, Motorola, Alcater, Sony Ericsson, and NEC.
3.2. Measurement

SPSS and LISREL were used for data analysis and comparison. Cronbach’s α value was used to examine whether the measurement of variables satisfied the consistency requirements. Confirmatory factor analysis (CFA) was performed to assess the construct and discriminant validities, and stepwise regression analysis was conducted to test the research hypotheses.

A pre-test was administered in the SOGO Department Store in Taipei before the actual data collection in order to collect feedback that could be used to modify the questionnaire, if necessary. A total of 50 questionnaires were distributed for the pre-test, and all of them were returned as valid. The results showed that the Cronbach’s α value of every variable was greater than 0.70, indicating a high consistency of the content measured according to each variable on the scale. All items were rated using a 7-point Likert scale ranging from 1 (strongly disagree or strongly impossible) to 7 (strongly agree or strongly possible).

3.2.1. COB Image

Following the works of Nagashima [1970] and Lin and Chen [2006], this study defined COB image as the consumers’ overall perceptions of the COB regarding a specific hybrid product. The COB image was measured using the methods proposed by Martin and Eroglu [1993] and Nagashima [1970]. The research of Lin and Chen [2006] that modified items through reliability and validity tests was also considered and slightly improved. The results of COB image measurement were considered based on five dimensions to construct the COB image: (a) economic development level, (b) political and democratic level, (c) industrialization level, (d) living standard, and (e) level of scientific and technological research.

3.2.2. COM Image

From the perspectives of Nagashima [1970] and Lin and Chen [2006], the COM image was defined as consumer perception of the quality of products from
the COM regarding a specific hybrid product. This study applied the research methods introduced by Martin and Eroglu [1993] and Nagashima [1970] and referred to and slightly revised the work of Lin and Chen [2006] that modified items through reliability and validity tests. Results were obtained by measuring COM image in three dimensions to construct the COM image: (a) product quality, (b) level of self-confidence in obtaining the product, and (c) product reliability.

### 3.2.3. Brand Awareness

Considering the propositions presented by Keller [1993] and Aaker [1991], this study defined brand awareness as consumer familiarity with and memory of related brands regarding a specific hybrid product. This study applied the methods proposed by Lassar et al. [1995] and Wu and Tseng [2001] to construct brand awareness based on four dimensions; namely, whether (a) consumers know about the brand, (b) consumers can recall the brand, (c) the brand is a nickname of a specific hybrid product, and (d) consumers can identify with brand awareness.

### 3.2.4. Product Involvement

This study referred to works of Cohen [1983], Robertson et al. [1984], and Zaichkowsky [1986] and defined product involvement as a consumer’s subjective perception of product importance and his/her level of involvement in a specific hybrid product. Multiple dimensions were applied to measure consumer product involvement. This study referred to the PII proposed by Zaichkowsky [1985] and revised by Lin and Chen [2006], who modified the items through reliability and validity tests. Product involvement was measured based on six dimensions to construct product involvement: (a) consumer desire, (b) importance of products, (c) product value, (d) consumer need, (e) consumer attention, and (f) consumer benefit.

### 3.2.5. Purchase Intention

Consumer purchasing intentions were interpreted as the possibility that consumers will buy a specific hybrid product and recommend it to others with
pleasure in consideration of the definition presented by Doods et al. [1991]. Following the works of Dodds et al. [1991] and Klein et al. [1998], this study measured consumer purchasing intentions in two dimensions to construct purchase intention: (a) the consumer’s willingness to purchase products and (b) his/her recommendations.

3.2.6. Control Variables

Gender, age, education level, career, and income were all controlled to rule out their possible effects on variables.

4. DATA ANALYSIS

This section discusses descriptive statistics, reliability, and validity as well as collinearity and variable difference and presents the data analysis results.

4.1. Descriptive Statistics, Reliability, and Validity

A total of 376 valid questionnaires were collected for the study, with an effective return rate of 94%. The data showed that the subjects live in New Taipei (57.7%) and Taipei City (39.1%), and that the number of female subjects (60.6%) was greater than that of their male counterparts (39.4%). The subjects were mainly within the age group of 20 to 29 years (38.6%), and most of them had a junior college education (74.5%) or higher. The subjects generally worked in the service industry (25%) and banking and insurance (19.1%), with an average disposable monthly income of US$ 833 to US$ 1,166 (29.5%) and US$ 1,167 to US$ 1,500 (24.2%).

Guilford [1965] specified that measurement reliability is fairly high if the Cronbach’s α value is greater than 0.70. In the current study, the Cronbach’s α values for each variable in the pre-test and the formal test were all greater than 0.75, indicating a marked consistency between the variables.

We used CFA to assess the construct and discriminant validities. Chiou [2003] indicated that a questionnaire is of high quality and signifies good construct validity when the factor loading of the measurement items in a study is greater than 0.5. For this study, the factor loading values of each item were all
greater than 0.5, suggesting that all the questionnaire items had a satisfactory construct validity.

Based on the research of Anderson and Gerbing [1988], we calculated the correlation matrix and the standard deviation between any two variables using $t$ values to determine whether any significant difference existed between them. Table 1 shows that all standard deviations for the comparison between any two variables reached a significance level of 0.05, implying that the $t$ value was less than $-1.96$ [Kim et al., 2008]. Hence, discriminant validity was identified from the scales used.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlation Coefficient (Includes Error)</th>
<th>Standard Error</th>
<th>$t$ value</th>
</tr>
</thead>
<tbody>
<tr>
<td>COB Image—COM Image</td>
<td>0.16**</td>
<td>0.06</td>
<td>-14</td>
</tr>
<tr>
<td>COB Image—Brand Awareness</td>
<td>0.29**</td>
<td>0.06</td>
<td>-11.8</td>
</tr>
<tr>
<td>COM Image—Brand Awareness</td>
<td>0.25**</td>
<td>0.05</td>
<td>-15</td>
</tr>
<tr>
<td>COB Image—Product Involvement</td>
<td>0.27**</td>
<td>0.05</td>
<td>-14.6</td>
</tr>
<tr>
<td>COM Image—Product Involvement</td>
<td>0.17</td>
<td>0.05</td>
<td>-16.6</td>
</tr>
<tr>
<td>Brand Awareness—Product Involvement</td>
<td>0.33**</td>
<td>0.05</td>
<td>-13.4</td>
</tr>
<tr>
<td>COB Image—Purchase Intentions</td>
<td>0.09</td>
<td>0.06</td>
<td>-15.1</td>
</tr>
<tr>
<td>COM Image—Purchase Intentions</td>
<td>0.41**</td>
<td>0.05</td>
<td>-11.8</td>
</tr>
<tr>
<td>Brand Awareness—Purchase Intentions</td>
<td>0.35**</td>
<td>0.05</td>
<td>-13</td>
</tr>
<tr>
<td>Product Involvement—Purchase Intentions</td>
<td>0.20</td>
<td>0.06</td>
<td>-13.3</td>
</tr>
</tbody>
</table>

4.2. Collinearity and Variable Difference Testing

Kamstra and Kennedy [1998] indicated that collinearity exists if the variance inflation factor (VIF) is greater than 10. Given that the current study adopted consumer purchasing intention as the dependent variable and the COB image, COM image, and brand awareness as the independent variables, the VIF value varied between 1.09 and 1.12. As such, no collinearity existed.
A paired-sample $t$ test was performed to verify differences among the COB image, COM image, brand, and product. Table 2 presents the test results.

### Table 2

**Results of Paired Samples Test**

<table>
<thead>
<tr>
<th>Paired Sample</th>
<th>$p$ value ($t$ value)</th>
<th>Paired Sample</th>
<th>$p$ value ($t$ value)</th>
<th>Paired Sample</th>
<th>$p$ value ($t$ value)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COB Image</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan-USA</td>
<td>0.000*** (-20.471)</td>
<td>Taiwan-Japan</td>
<td>0.000*** (-20.877)</td>
<td>USA-Japan</td>
<td>0.000*** (-4.272)</td>
</tr>
<tr>
<td><strong>COM Image</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China-Thailand</td>
<td>0.000*** (-15.767)</td>
<td>China-UK</td>
<td>0.000*** (-40.478)</td>
<td>Thailand-UK</td>
<td>0.000*** (-29.313)</td>
</tr>
<tr>
<td><strong>Toothpaste Brands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Darlie-Smiling</td>
<td>0.000*** (16.19)</td>
<td>Darlie-Colgate</td>
<td>0.000*** (7.537)</td>
<td>Darlie-Kolynos</td>
<td>0.000*** (22.767)</td>
</tr>
<tr>
<td>Darlie-Lion</td>
<td>0.000*** (26.886)</td>
<td>Darlie-Sunstar</td>
<td>0.000*** (29.948)</td>
<td>Smiling-Colgate</td>
<td>0.000*** (-12.2)</td>
</tr>
<tr>
<td>Smiling-Kolynos</td>
<td>0.000*** (14.003)</td>
<td>Smiling-Lion</td>
<td>0.000*** (18.274)</td>
<td>Smiling-Sunstar</td>
<td>0.000*** (22.114)</td>
</tr>
<tr>
<td>Colgate-Kolynos</td>
<td>0.000*** (20.297)</td>
<td>Colgate-Lion</td>
<td>0.000*** (24.274)</td>
<td>Colgate-Sunstar</td>
<td>0.000*** (27.778)</td>
</tr>
<tr>
<td>Kolynos-Lion</td>
<td>0.000*** (5.579)</td>
<td>Kolynos-Sunstar</td>
<td>0.000*** (14.022)</td>
<td>Lion-Sunstar</td>
<td>0.000*** (10.425)</td>
</tr>
<tr>
<td><strong>Cell Phone Brands</strong></td>
<td></td>
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</tr>
<tr>
<td>OKWAP-Dopod</td>
<td>0.000*** (13.401)</td>
<td>OKWAP-Motorola</td>
<td>0.000*** (-16.948)</td>
<td>OKWAP-Alcatel</td>
<td>0.000*** (8.14)</td>
</tr>
<tr>
<td>OKWAP-S.E.</td>
<td>0.000*** (-15.694)</td>
<td>OKWAP-NEC</td>
<td>0.000*** (3.85)</td>
<td>Dopod-Motorola</td>
<td>0.000*** (-25.959)</td>
</tr>
<tr>
<td>Dopod-Alcatel</td>
<td>0.000*** (-7.8)</td>
<td>Dopod-S.E.</td>
<td>0.000*** (-24.808)</td>
<td>Dopod-NEC</td>
<td>0.000*** (-10.698)</td>
</tr>
<tr>
<td>Motorola-Alcatel</td>
<td>0.000*** (22.534)</td>
<td>Motorola-S.E.</td>
<td>0.519 (0.645)</td>
<td>Motorola-NEC</td>
<td>0.000*** (18.374)</td>
</tr>
<tr>
<td>Alcatel-S.E.</td>
<td>0.000*** (-21.795)</td>
<td>Alcatel-NEC</td>
<td>0.001*** (-3.47)</td>
<td>S.E.-NEC</td>
<td>0.000*** (18.009)</td>
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<tr>
<td><strong>Product</strong></td>
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</tr>
<tr>
<td>Toothpaste-Cell Phone</td>
<td>0.000*** (-4.248)</td>
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</tbody>
</table>

*** $p$ value < .01
As indicated, Motorola/Sony Ericsson failed to achieve a statistical significance ($p = 0.519$), whereas COB image, COM image, brand, and product all reached a statistical significance ($p < 0.01$). This finding suggests that the categories of COB image, COM image, brand, and product vary.

4.3. Results

The collected data were used to perform stepwise regression analysis to verify the research hypotheses. A total of 11 stepwise regression models were developed for hypothesis testing. Table 3, on the following page, presents the hypothesis test results.

The test results from models 2 and 3 show that the $p$ value that determines the goodness of fit is $0.000<0.01$ and the regression coefficients are 0.129 and 0.421, meaning that the COB and COM images significantly positively affect consumer purchasing intentions. Therefore, Hypotheses 1 and 2 are supported.

The test results from model 4 show that the $p$ value that determines the goodness of fit is $0.000<0.01$, and that the regression coefficient is 0.398, indicating that brand awareness significantly positively affects consumer purchasing intentions. Therefore, Hypothesis 3 is verified.

The test results from model 5 show that the $p$ value that determines the goodness of fit is $0.000<0.01$, and that the regression coefficient is 0.241, implying that product involvement significantly positively affects consumer purchasing intentions. Thus, Hypothesis 4 is accepted.

The test results from model 9 show that the $p$ value that determines the goodness of fit is $0.000<0.01$, and the regression coefficient is 0.017, suggesting that the COB image greatly influences consumer purchasing intentions when the level of product involvement increases. Therefore, Hypothesis 5 is confirmed.

The test results from model 10 show that the $p$ value that determines the goodness of fit is $0.000<0.01$, and the regression coefficient is 0.028, illustrating that the COM image greatly influences consumer purchasing intentions when the level of product involvement increases. Therefore, Hypothesis 6 is validated.
Table 3

Stepwise Regression Analysis Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
<th>Model 7</th>
<th>Model 8</th>
<th>Model 9</th>
<th>Model 10</th>
<th>Model 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
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<td>Age</td>
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<td>Education level</td>
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<td>Career</td>
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<td>Income</td>
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<tr>
<td>COB Image</td>
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<tr>
<td>COM Image</td>
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<tr>
<td>Band Awareness</td>
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<tr>
<td>Product Involvement</td>
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<tr>
<td>COB Image × Product Involvement</td>
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<tr>
<td>COM Image × Product Involvement</td>
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<tr>
<td>Brand Awareness × Product Involvement</td>
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<td>*</td>
<td>β = -0.071</td>
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<tr>
<td>F</td>
<td>***</td>
<td>***</td>
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</tr>
<tr>
<td>R²</td>
<td>0.058</td>
<td>0.066</td>
<td>0.172</td>
<td>0.141</td>
<td>0.094</td>
<td>0.095</td>
<td>0.191</td>
<td>0.152</td>
<td>0.095</td>
<td>0.191</td>
<td>0.156</td>
</tr>
<tr>
<td>Adj-R²</td>
<td>0.046</td>
<td>0.05</td>
<td>0.159</td>
<td>0.128</td>
<td>0.079</td>
<td>0.078</td>
<td>0.175</td>
<td>0.136</td>
<td>0.076</td>
<td>0.173</td>
<td>0.138</td>
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<tr>
<td>Overall Model p value</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*: the select variable(s) in model; β: regression coefficient; *** p value < 0.01
The test results from model 11 show that the $p$ value that determines the goodness of fit is $0.000<0.01$, and the regression coefficient is $-0.071$. This observation indicates that brand awareness only slightly influences consumer purchasing intentions when the level of product involvement increases. Thus, Hypothesis 7 is rejected.

5. CONCLUSIONS AND IMPLICATIONS

This section presents study conclusions and discusses the theoretical and practical implications of the research, offers suggestions for future research, and discusses the limitations of the study.

5.1. Conclusions

From this empirical research, we derived the following conclusions:

(a) COB image, COM image, brand awareness, and product involvement all significantly positively affect consumer purchasing intentions when a CSR fails.

(b) Both COB and COM images strongly influence consumer purchasing intentions compared with brand awareness when a CSR fails and given an increasing level of product involvement.

5.2. Theoretical Implications

The past literature concerning country image and brand with regard to consumer purchase behavior has used COB image, COM image, brand awareness, or purchase intention as research variables. The current study, however, focused on the overall perspectives, added CSR as one of the important factors in consumer purchase decision, and developed a thorough and well-structured consumer purchase decision structure, thereby partly compensating for the disadvantages in the past theoretical structure. Moreover, this study attempted to fit into the structure the trends that Asian consumers demand a great extent of social responsibility among businesses and that globalization has produced the trend toward hybrid products.
The results indicate that the influence of COO on consumers varies according to the levels of product involvement. The COO image with different product involvements significantly positively affects consumer purchasing decisions. Information on the COO and well-known brand names can ensure consumer confidence in products and services. However, brand awareness with an increasing level of product involvement only slightly affects consumer purchasing intentions when a CSR fails.

5.3. Practical Implications

The CSR of an Asian firm failed when the San-lu Group sold tainted milk powder containing melamine to other countries, which caused panic. Hence, the influence of COM image on consumers seems superior to that of COB image, despite the favorable image of COB and the fact that consumers are beginning to care more about the former than the latter. Thus, when firms move their manufacturing sites to countries with less favorable images to minimize their costs, they should fully understand their consumers’ evaluations of that country and pay attention to whether their products are influenced by a less favorable country image because of different product categories or marketing strategies. Otherwise, these firms could face a reduction in their original brand equity and/or a decrease in sales if a specific COM image cannot be recognized by their consumers.

In today’s global economy, contemporary consumers are exposed to an increasing number of brands and are likely to know a specific brand well. However, brand awareness significantly affects the purchasing intentions of consumers when the brand awareness of a particular brand meets a certain standard in the consumer’s mind. In marketing their products, firms should regard brand strategy as the principal means to increase their market shares and establish consumer loyalty and repurchasing intentions. However, firms should understand that, with an increasing level of product involvement, brand
awareness only slightly affects consumer purchasing intentions when a CSR fails. In this case, brand awareness can no longer be considered a panacea for firms.

In addition, companies should adopt and implement a CSR strategy as early as possible to prevent possible future negative publicity for their brands. The companies that invest in CSR can recover faster from unexpected brand crises than those that do not.

5.4. Suggestions for Future Research

The sample of this study involved only toothpaste and cell phone products; hence, future studies can consider various product categories in terms of discrepancies. Future research can also focus on other countries and measure them directly in order to ascertain their variances. In addition, future research can use data from a time-series to compare the influence exerted over time changes.

5.5. Limitations

The limitations of this study are as follows:

(a) This study did not include other consumers because it used a random sampling method and a limited sample area (Taipei, Taiwan).

(b) This study focused on toothpaste and cell phone products only and did not cover other hybrid products.

(c) This study did not deduce the influence caused by time changes because it administered the questionnaire survey during a certain period, and the data were marked by cross-section.

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The Impact of Corporate Social Responsibility on Globalization – An Example Involving Asian Consumers


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