



UNIVERSITY OF LEEDS

This is a repository copy of *Effects of ethical ideologies and perceptions of CSR on consumer behavior*.

White Rose Research Online URL for this paper:
<http://eprints.whiterose.ac.uk/100442/>

Version: Accepted Version

Article:

Palihawadana, D, Oghazi, P and Liu, Y orcid.org/0000-0001-6641-4845 (2016) Effects of ethical ideologies and perceptions of CSR on consumer behavior. *Journal of Business Research*, 69 (11). pp. 4964-4969. ISSN 0148-2963

<https://doi.org/10.1016/j.jbusres.2016.04.060>

© 2016, Elsevier. Licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International
<http://creativecommons.org/licenses/by-nc-nd/4.0/>

Reuse

Unless indicated otherwise, fulltext items are protected by copyright with all rights reserved. The copyright exception in section 29 of the Copyright, Designs and Patents Act 1988 allows the making of a single copy solely for the purpose of non-commercial research or private study within the limits of fair dealing. The publisher or other rights-holder may allow further reproduction and re-use of this version - refer to the White Rose Research Online record for this item. Where records identify the publisher as the copyright holder, users can verify any specific terms of use on the publisher's website.

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.



eprints@whiterose.ac.uk
<https://eprints.whiterose.ac.uk/>

Effects of ethical ideologies and perceptions of CSR on consumer behavior

Dayananda Palihawadana, University of Leeds

Pejvak Oghazi, Linnaeus University

Yeyi Liu, University of Leeds

Submission: February 2016

Revision: March 2016

The authors thank Anh Thu Phan for fieldwork support in Vietnam, and Matthew Robson, Leeds University, for suggestions and comments on the manuscript. Send correspondence to Dayananda Palihawadana, Leeds University Business School, University of Leeds, Maurice Keyworth Building, Leeds LS2 9JT, United Kingdom. Tel: 44 113 3434804. (dp@lubs.leeds.ac.uk); Pejvak Oghazi, School of Business and Economics, Linnaeus University, Marketing Department, Linnaeus University, SE-351 95 Växjö Sweden (pejvak.oghazi@lnu.se); Yeyi Liu, Leeds University Business School, University of Leeds, Maurice Keyworth Building, Leeds LS2 9JT, United Kingdom (busyli@leeds.ac.uk).

Abstract

The mutual dependence of businesses and society has emphasized the growing importance of the concept of corporate social responsibility (CSR). Despite the fact that CSR has emerged as one of the leading management concerns worldwide, both businesses and academia have largely ignored its application in developing countries. This study aims to fill these gaps by examining consumer perceptions of CSR and their role in the relationships between consumers' ethical ideologies (i.e., idealism and egoism) and evaluations of a company's product offerings. An empirical study among Vietnamese consumers shows that consumers perceive CSR in four dimensions—economic, ethical, philosophical, and legal. Different ethical ideologies have different effects on consumer perceptions of CSR; for example, idealism positively affects these perceptions, whereas egoism's effect is negative. Furthermore, the perceptions of CSR fully mediate the relationships between idealism/egoism and product evaluation.

Keywords: Corporate Social Responsibility; idealism; egoism; product evaluation; ethical ideology; consumer perception

1. Introduction

The history of corporate social responsibility (CSR) dates back to as early as the 1950s, when businesses and academic researchers start exploring the relationship between business and society (Carroll, 1999). Scholars define CSR as a discretionary commitment from the company regarding its activities to give back to the society where the company operates (Carroll & Shabana, 2010), which implies maintaining an equitable and workable societal balance among the claims of the various stakeholders of an enterprise (Frederick, 2006).

The concept of CSR emerges in Western developed countries as a result of the concerns of investors, companies, and campaigners. Even though not studied in detail, some authors have highlighted the vital role of CSR in fighting poverty and acting reasonably in developing countries (Pataconi & Weisert, 2013; Visser, 2008). Due to the lack of constituencies and institutions providing social goods in general (Samy et al., 2015), CSR seems more important for developing countries than for their richer counterparts (Baughn et al., 2007; Khan et al., 2015). In fact, Lund-Thomsen et al. (2016) confirm that the lack of institutionalization of CSR leads to companies in developing countries engaging in socially irresponsible behavior. Socially irresponsible behavior generates negative moral emotional responses towards companies and their products (Grappi et al., 2013).

Despite the growing emphasis on CSR in developing countries, national initiatives in the less developed countries are sparse (Hamm, 2012; United Nations, 2007). In fact, the extant research on CSR focuses mostly on the context of developed countries, with only a few empirical studies on the developing countries (Denni & Lasmono, 2010; Dobers & Halme, 2009; Fox, 2004; Pham, 2011; Ramasamy & Yeung, 2009). This study aims to fill the aforementioned gaps by examining (1) how consumers perceive the concept of CSR in a

developing country and (2) whether perceptions of a company's CSR initiatives can influence consumers' responses about the company's product offerings, in the context of Vietnam. Specifically, this study examines the relationships between consumers' ethical ideologies, perceived CSR, and product evaluations.

The rest of the study is as follows. Section 2 provides a theoretical framework and set of hypotheses, which the empirical study in section 3 tests. Section 4 discusses the results of this study and, finally, section 5 presents a discussion concerning the conclusions and implications.

2. Theoretical framework and hypotheses development

2.1. Consumer ethical ideologies

Over the last few decades, the world has witnessed the growing concern for ethical issues in business practices (Al-Khatib et al., 1997; Ndubisi et al., 2013), which requires a better understanding of the individual decision-making process in situations that involve ethics and social responsibility (Vitell & Paolillo, 2004; Walker & Beranek, 2013). The literature indicates that ethical ideology is an important variable in the ethical decision-making process of consumers, influencing their judgments on the socially responsible activities of businesses and affecting their purchases (Al-Khatib et al., 2005; Panwar et al., 2014).

As such, the literature identifies two types of consumer ethical ideologies: idealism and egoism. Idealism describes "the individual's concern for the welfare of others" (Forsyth, 1992, p. 462). Idealists assume that people can always obtain desirable consequences by taking the right actions; therefore, avoiding harm to others is always possible (Forsyth, 1980, 1992). People with a high level of idealism usually follow universal moral absolutes when making ethical judgments; thus, they appear to be more negative toward unethical behaviors

(Forsyth, 1992; Rawwas et al., 1994). In other words, more idealistic consumers are more likely to perceive ethics and social responsibility as important in business practices (Vitell & Paolillo, 2004). In addition, Kolodinsky et al. (2010) find that idealism has a positive relationship with CSR, whereas materialism has a negative relationship to CSR evaluations. Idealistic people avoid harming others; thus, they tend to strictly follow moral rules when judging the behaviors of a company or product (Al-Khatib et al., 1997; Forsyth, 1992; Vitell & Paolillo, 2004). People with a high level of idealism are likely to have enhanced perceptions and be more aware of CSR as an important business practice (Vitell & Paolillo, 2004).

H1: Idealistic perspectives positively influence consumer perceptions of CSR.

Egoism refers to “the excessive concern with one’s own pleasure or advantage at the expense of community well-being” (Weigel et al., 1999, p. 349), and is the most relevant variable for assessing the relationship between individuals and society compared to other variables that also reflect self-gratification behaviors, like selfishness, idiocentrism, and ethnocentrism (Weigel et al., 1999). The literature suggests that egoism is a potential ethical ideology that can have an effect on consumer ethical perceptions (Leonidou et al., 2013). According to the egoistic perspective, an act is ethical only when promoting an individual’s best long-term interests. Consequently, the ethical alternative that egoists would choose is the one that brings more good than harm to themselves in the long run (Vitell & Paolillo, 2004). In contrast with idealistic perspectives, egoistic perspectives prioritize individual’s long-term self-interest over community well-being (Leonidou et al., 2013; Weigel et al., 1999). Egoistic consumers only support the CSR activities of a company if they find themselves directly benefiting from such activities (Morales, 2005; Reed et al., 2007; Russell & Russell, 2010). Otherwise, these consumers tend to be indifferent to the ethicality/unethicality of business practices (Hansen, 1992; Reidenbach & Robin, 1988). Further, consumers show egocentric

bias toward a company when they perceive the company's actions to be benefitting their particular in-group(s) (Russel & Russel, 2010).

H2: Egoistic perspectives negatively influence consumer perceptions of CSR.

2.2. Corporate social responsibility and consumer product evaluation

Many scholars have examined product evaluation in their efforts to understand the effects of consumer perceptions of CSR (e.g., Branco & Rodrigues, 2006; Brown & Dacin, 1997; Sen & Bhattacharya, 2001; Swaen & Chumpitaz, 2008). Swaen and Chumpitaz (2008) reveal that the positive corporate reputation gained through CSR can determine the perceived quality of products and services. This finding supports Brown and Dacin's (1997) conclusion that positive CSR associations with a company that fulfils its societal obligations (e.g., to save the environment or involve itself in the local community) can generate positive company evaluations from consumers, which in turn bring about positive product evaluations.

Similarly, Branco and Rodrigues (2006) find that CSR can help companies create a reliable and honest image, which they believe helps them produce higher quality products. In a study of Chinese consumers' responses to CSR, Tian et al. (2011) conclude that consumers that show a high level of awareness and trust of CSR are more likely to transform a good CSR record into positive corporate evaluation, association, and purchase intention. Further, Dutta and Singh (2013) reach the same conclusion in a study conducted in India.

Whether consumers hold positive or negative assessments of a company's products may depend on the nature of the CSR initiatives the company carries out. According to Brown and Dacin (1997) "negative CSR associations ultimately can have a detrimental effect on overall product evaluations, whereas positive CSR associations can enhance the product evaluations" (p. 80). In addition, Sen and Bhattacharya (2001) argue that the effect of consumer perceptions of CSR on company and product evaluations is valence-based, where

negative CSR is a concern of the public, whereas positive CSR only receives support from the most passionate advocates. This concept refers to people's tendency of negativity bias, or being more sensitive to negative issues than to positive ones (Bhattacharya & Sen, 2004; Folkes & Kamins, 1999; Mohr & Webb, 2005; Sen & Bhattacharya, 2001).

H3: Consumer perceptions of CSR have a positive association with their product evaluations.

H4: Consumer perceptions of CSR mediate the effect of idealism and egoism on product evaluations.

Figure 1 here.

3. Method

3.1. Participants

A field study in Vietnam tests the proposed model. The participants are male and female Vietnamese citizens aged 18 years and above. Respondents come mainly from Hanoi and Ho Chi Minh City, the two biggest and most vibrant cities in Vietnam, where consumers have the widest range of choices for consumption. Table 1 summarizes the demographic profile of the respondents.

Table 1 here.

3.2. Procedure

The respondents receive the questionnaire via the internet because of the geographical distance between the researchers and target populations. The choice of Google Document application as host for the survey owes to its interactivity and user-friendliness. The survey takes each respondent around 15 minutes. Of the approximately 450 invitations asking for participation in the survey, 319 people respond, for a response rate of 63.8%. Largely because of the online survey method, the sample represents younger Vietnamese consumers.

The study controls for the full completion of the survey by marking all questions as required, and removing three unusable responses in which the respondents do not name a specific company involved in CSR activities, which might affect their answers throughout the rest of the survey. Eventually, the study collects 316 usable responses.

3.3. Measurement

The data collection instrument comprises a structured questionnaire, with scales adapted from the literature. The items to measure idealism come from Forsyth (1980) and Leonidou et al. (2013), whereas items for egoism come from Leonidou et al. (2013) and Reidenbach and Robin (1988). A 20-item scale from Carroll (1991) and Swaen and Chumpitaz (2008) measures perceived CSR. The product evaluation measure consists of items obtained from Brown and Dacin (1997); Ismail et al. (2006); Kunkel and Berry (1968); Swaen and Chumpitaz (2008); and Walsh and Beatty (2007). Further, measurement of all constructs draws on 7-point Likert scales (1 = strongly disagree and 7 = strongly agree). The study uses back-translation of the original questionnaire in English into Vietnamese to ensure accuracy. Pilot testing across 20 random respondents helps to identify and eliminate potential problems. Based on the feedback, a few questions fall out of the questionnaire to increase efficiency and understandability, avoiding the use of terminologies that may cause confusion for respondents.

4. Results

4.1. Underlying dimensions of consumer perceptions of corporate social responsibility

To identify the underlying dimensions of consumer perceptions of CSR, the study uses principle component analysis with Varimax rotation and chooses four factors, based on the eigenvalue greater than one, scree-plot criteria, and percentage of variance criterion.

Table 2 shows the results of this analysis, including scale reliability test for each factor, internal consistency through the item-to-total correlation for each separate item, and Cronbach's alpha for the consistency of the entire scale. The results indicate that the item-to-total correlation of each of the four factors exceeds the threshold of 0.50. Further, the alpha coefficients for ethical and economic responsibility are below 0.70, but above 0.63, which is acceptable, whereas other alpha coefficients exceed the threshold of 0.70. The study labels the factors based on highly loaded items and the common characteristics of the included items.

Table 2 here.

4.2. Measurement model

As previously mentioned, principle component analyses yields four factors of consumer perceptions of CSR—economic, ethical, philosophical, and legal. The study also includes three other constructs—product evaluation, idealism, and egoism—in the measurement model. All seven factors can correlate freely. Further, the model fit indices are acceptable (RMSEA = 0.05, NFI = 0.91, CFI = 0.96, TLI = 0.95, and $\chi^2/df = 1.77$).

4.3. Structural model

The structural model has idealism and egoism as the independent variables, product evaluation as the ultimate dependent variable, and consumer perceptions of CSR as the mediating variable, with a second-order (four-factor) structure as measurement. The results show a good fit with the data (RMSEA = 0.05, NFI = 0.91, CFI = 0.95, TLI = 0.94, and $\chi^2/df = 1.81$).

All paths proposed in the structural model are statistically significant and in the expected direction, which supports all hypotheses in this study. Additionally, the estimated

coefficients show the relationships. In support of Hypotheses 1 and 2, the results ($\beta = 0.52$ and -0.16 , $t = 5.11$ and -2.42 , and $p < 0.001$ and 0.05 , respectively) show that idealism positively influences consumer perceptions of CSR, whereas egoism has a negative effect. Further, the results ($\beta = 0.33$, $t = 4.99$, and $p < 0.001$) uphold Hypothesis 3, showing that consumer perceptions of CSR positively influence their product evaluations.

The results confirm the mediating effect of consumer perceptions of CSR on the relationship between idealism, egoism, and product evaluation, thus supporting Hypothesis 4. Finally, a comparison between the proposed model and a competing model tests the model fit. The first model (MODEL 1) positions consumer perceptions of CSR in a fully mediating role between idealism and product evaluation, and between egoism and product evaluation. The second model (MODEL 2) allows for both the direct and indirect effects of idealism and egoism (mediated through consumer perceptions of CSR) on product evaluation. The results show that MODEL 1 fits the data better than MODEL 2 does ($\Delta\chi^2 = 6.09$, $\Delta df = 2$, and $p < 0.05$). Therefore, these results support the retention of the parsimonious model, and indicate that consumer perceptions of CSR fully mediate the effect of idealism and egoism on product evaluation.

5. Discussion and conclusions

As a global phenomenon, “CSR has emerged as an inescapable priority for business leaders in every country” (Porter & Kramer, 2006, p. 78). Hence, researchers now extensively study CSR, exploring from different perspectives of governance, businesses, and consumers and conceptualizing as four responsibilities—economic, legal, ethical, and philanthropic—in which the first enjoys the highest priority. Many researchers hypothesize that ethical ideologies, including idealism and egoism, have the opposite effects on consumer perceptions of CSR, in the sense that a higher level of idealism and lower level of egoism correspond to a

higher level of perceived CSR. Furthermore, a large body of literature discusses the effects of a company's social behaviors on consumers' evaluations of that company and its products. These evaluations, in turn, will affect consumers' intentions to buy the products.

Both business and academia have extensively studied consumer perceptions of and responses to companies' CSR initiatives. Due to the lack of constituencies and institutions providing social goods in general, many researchers view CSR adoption as more important for developing countries than for developed ones. Even though a consensus exists that CSR in developing nations lags behind that in developed ones (Tran, 2011), researchers do not pay sufficient attention to the application of CSR in developing countries, such as Vietnam. Therefore, this study, with focus on Vietnamese consumers, identifies consumer perceptions of CSR among developing countries, and explores consumer responses to the CSR initiatives of companies.

5.1. Theoretical implications

The findings from this research reveal both similarities and differences in the manifestation of CSR in Vietnam, when compared to other countries. Because Vietnam is a collectivistic nation, consumers share a higher level of idealism than egoism, leading to a relatively high level of perceived CSR importance. In addition, Vietnam has slightly modified the application of CSR, because legal responsibility appears to be the area of highest concern. The reason for this rise in perceived importance of CSR in general, as well as legal responsibility in particular, lies in public attention drawn to a number of recently disclosed misconducts of various companies. Regarding the effects of a company's CSR strategy on consumer behavior, this study's findings are consistent with those of previous studies carried out in the global context. That is, the judgements of the CSR activities of a company can affect consumers' evaluations of the company's products. Not surprisingly, Vietnamese

consumers also harbor a negative bias, being more sensitive to negative CSR than to positive. As a result, they have formed the attitude of punishing unethical companies by stopping and asking others to stop buying products from environmental polluters, and rewarding ethical companies with their willingness to pay higher prices for the products. Nonetheless, these consumers seem to need time to translate these attitudes into actual actions.

In general, the findings provide several key theoretical implications. First, two ethical ideologies—idealism and egoism—exert opposite effects on consumer perceptions of CSR, in the sense that a higher level of idealism and lower level of egoism in a particular developing country accompanies a higher level of perceived CSR. According to Hofstede's (1983) cultural dimensions, Vietnam is a low scorer on the Individualism dimension (IDV = 20), which may explain why Vietnamese consumers have idealistic, rather than egoistic, perspectives. With a relatively high level of idealism and low level of egoism, they perceive CSR as an important concept for businesses to consider.

Second, this study proves a positive relationship between consumers' judgements of a company's CSR behaviors and their evaluations of its product offerings. Companies that are doing good deeds for society receive positive product evaluations, whereas companies that are doing harm to society receive negative ones.

Third, the results imply that idealism and egoism influence product evaluation via consumer perceptions of CSR. In fact, as Berens, van Riel, and van Reom (2007) conclude, idealistic consumers may continue to buy from companies with a good CSR record even when the product quality may be relatively poor. On the other extreme, while idealistic consumers may compensate for relatively poor product quality when they perceive the company as socially responsible, egoistic consumers may compensate poorer CSR standards for better product quality. Thus, consumer attributions relating to idealism and egoism influence product evaluation via consumers' CSR evaluations (Ellen et al., 2006).

5.2. Managerial implications

Additionally, this study's findings provide a number of significant implications for both managers and the government. First, in order to improve the CSR strategies of companies, policymakers should consider consumers' prioritization of legal responsibility in relation to business practices. Some people claim the poor management of authorities and loopholes in the legal system as reasons for the unethical conduct of companies. Therefore, the public has emphasized the need for more stringent laws and regulations for companies' activities. Governments should resolve the burgeoning issue of environmental protection with strict requirements on waste and emission processing, certification of environmental impacts of products, and, more importantly, penalties for environmental polluters. So far, the Vietnamese government has shown support for the CSR initiatives of businesses by treating some categories of donations—including disaster, education, and medical practice support—as deductible for the corporate income tax. However, claiming the tax deduction is a time-consuming process, requiring considerable supporting documentation, which causes confusion and difficulty for businesses. Therefore, to encourage businesses in the implementation of societal activities, the need for improvements clearly exists. In addition, regulations should cover areas concerning consumer rights—such as after-sales services, guarantees, and product information provisions.

Second, companies should note that consumer perceptions of CSR significantly influence product evaluation. Therefore, companies should pay more attention to the disclosure of CSR credentials and incorporate CSR initiatives into their integrated marketing communications and branding strategies, which will help increase the effectiveness of CSR campaigns and send a message to consumers about the companies' genuine concerns for societal problems. More importantly, instead of conducting the untargeted promotion of CSR

practices, companies should focus on selected issues that closely correspond to their missions and capabilities, as well as public interests. In order to raise public awareness, companies themselves can undertake activities, such as donating to victims of natural disasters and establishing education funds for disadvantaged children in remote areas. However, companies can garner the most publicity if they also get consumers' participation in their various societal campaigns, such as health care projects (oral care, eye care, etc.) and environmental protection campaigns (planting trees, recycling, saving water and electricity, etc.). Therefore, more marketing research is necessary for companies to be able to identify the most recent and relevant areas of public interest. Since consumers can recognize certain congruence between a company's initiatives and important considerations, companies would more easily attract and retain customers.

5.3. Limitations and future research

This study inevitably faces some limitations that would necessitate further research. First, the model should consider some moderators. For instance, the economic and educational gaps between urban and rural consumers are considerably large; thus, future research should extend to more consumers in different geographic locations, especially those living in rural areas. Second, future studies should also consider a better representation of the different age groups. Third, studies should explore consumers' reactions to the CSR initiatives of companies regarding different industries, companies, products, or brands, due to the differences in consumers' needs for different product categories. Fourth, the effect of CSR on different outcome variables such as company evaluation could help researchers to compare the effects on both company and product evaluation, and to explore the relationship between them. In conclusion, this study examines whether consumers appreciate and use their

perceptions of CSR during the decision-making process, and finds that different ethical ideologies influence these perceptions and, in turn, consumers' product evaluations.

References

- Al-Khatib, J. A., Stanton, A. D., & Rawwas, M. Y. A. (2005). Ethical segmentation of consumers in developing countries: a comparative analysis. *International Marketing Review*, 22(2), 225–246.
- Al-Khatib, J. A., Vitell, S. J., & Rawwas, M. Y. A. (1997). Consumer ethics: a cross-cultural investigation. *European Journal of Marketing*, 31(11/12), 750–767.
- Baughn, C. C., Bodie, N. L. D., & McIntosh J. C. (2007). Corporate social and environmental responsibility in Asian countries and other geographical regions. *Corporate Social Responsibility and Environmental Management*, 14(4), 189–205.
- Berens, G., van Riel, C. B. M., & van Reom, J. (2007). The CSR-quality trade-off: When can corporate social responsibility and corporate ability compensate each other? *Journal of Business Ethics*, 74(3), 233–252.
- Bhattacharya, C. B., & Sen, S. (2004). Doing better at doing good: when, why, and how consumers respond to corporate social initiatives. *California Management Review*, 47(1), 9–24.
- Branco, M. C., & Rodrigues, L. L. (2006). Corporate social responsibility and resource-based perspectives. *Journal of Business Ethics*, 69(2), 111–132.
- Brown, T. J., & Dacin, P. A. (1997). The company and the product: corporate associations and consumer product responses. *Journal of Marketing*, 61(1), 68–84.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48.
- Carroll, A. B. (1999). A history of corporate social responsibility: concepts and practices. In A. Crane, A. McWilliams, D. Matten, J. Moon, & D.S. Siegel (Eds.). *The Oxford*

- handbook of corporate social responsibility (pp. 19–46). Oxford: Oxford University Press.
- Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: a review of concepts, research and practice. *International Journal of Management Reviews*, 12(1), 85–105.
- Denni, I. A., & Lasmono, H. K. (2010). Consumers' perception of corporate social responsibility in a developing country. *International Journal of Consumer Studies*, 34(1), 46–51.
- Dobers, P., & Halme, M. (2009). Corporate social responsibility and developing countries. *Corporate Social Responsibility and Environmental Management*, 16(5), 237–249.
- Dutta, K., & Singh, S. (2013). Customer perception of CSR and its impact on retailer evaluation and purchase intention in India. *Journal of Service Research*, 13(1), 111–134.
- Ellen, P. S., Webb, D. J., & Mohr, L. A. (2006). Building corporate associations: consumer attributions for corporate socially responsible programs. *Journal of the Academy of Marketing Science*, 34(2), 147–157.
- Folkes, V. S., & Kamins, M. A. (1999). Effects of information about firms' ethical and unethical actions on consumers' attitudes. *Journal of Consumer Psychology*, 8(3), 243–259.
- Forsyth, D. R. (1980). A taxonomy of ethical ideologies. *Journal of Personality and Social Psychology*, 39(1), 175–184.
- Forsyth, D. R. (1992). Judging the morality of business practices: the influence of personal moral philosophies. *Journal of Business Ethics*, 11(5/6), 461–470.
- Fox, T. (2004). Corporate social responsibility and development: in quest of an agenda, *Development*, 47(3), 29–36.

- Frederick, W. (2006). *Corporation, be good! The story of corporate social responsibility*. Indianapolis: Dog Ear Publishing.
- Grappi, S., Romani S., & Bagozzi, R. P. (2013). Consumer response to corporate irresponsible behavior: Moral emotions and virtues. *Journal of Business Research*, 66, 1814-1821.
- Hamm, B. (2012). Corporate social responsibility in Vietnam integration or mere adaptation? *Pacific News*, 38(July/August), 4-8.
- Hansen, R. S. (1992). A multidimensional scale for measuring business ethics: a purification and refinement. *Journal of Business Ethics*, 11(7), 523–534.
- Hofstede, G. (1983). Dimensions of national cultures in fifty countries and three regions. In J. B. Deregowski, S. Dziurawiec, & R. C. Annis (Eds.), *Expiscations in cross-cultural psychology* (pp. 335–355). Lisse, Netherlands: Swets and Zeitlinger.
- Ismail, H. B., Panni, M. F. A. K., & Talukder, D. (2006). Consumer perception on the environmental consumerism issue and its influence on their purchasing behavior. In *Allied academies international conference* (pp. 13–17). Reno: The Academy Of Legal, Ethical and Regulatory Issues.
- Khan, Z., Lew, Y. K., & Park, B. I. (2015). Institutional legitimacy and norms-based CSR marketing practices: insights from MNCs operating in a developing economy. *International Marketing Review*, 32(5), 463–491.
- Kolodinsky, R. W, Madden, T. M, Zisk, D., & Henkel, E. T. (2010). Attitudes about corporate social responsibility: business student predictors. *Journal of Business Ethics*, 91(92), 167–181.
- Kunkel, J. H., & Berry, L. L. (1968). A behavioral conception of retail image. *Journal of Marketing*, 32(4), 21–27.

- Leonidou, L., Leonidou, L. C., & Casova, O., (2013). Cultural drivers and trust outcomes of consumer perceptions of organizational unethical marketing behavior. *European Journal of Marketing*, 47(3/4), 525–556.
- Lund-Thomsen, P., Lindgreen, A., & Vanhamme, J. (2016). Industrial clusters and corporate social responsibility in developing countries: what we know, what we do not know, and what we need to know. *Journal of Business Ethics*, 133(1), 9–24.
- Mohr, L. A., & Webb, D. J. (2005). The effects of corporate social responsibility and price on consumer responses. *Journal of Consumer Affairs*, 39(1), 121–147.
- Morales, A. C. (2005). Giving firms an “E” for effort: consumer responses to high-effort firms. *Journal of Consumer Research*, 31(4), 806–812.
- Ndubisi, N. O., Natarajan, R., & Chew, J. (2013). Ethical ideologies, perceived gambling value, and gambling commitment: An Asian perspective. *Journal of Business Research*, 67, 128-135.
- Panwar, R., Paul, K., Nybakk, E., Hansen, E., & Thompson, D. (2014). The legitimacy of CSR actions of publicly traded companies versus family-owned companies. *Journal of Business Ethics*, 125(3), 481–496.
- Pataconi, G., & Weisert, N. (2013). The Unido approach to promoting CSR for SMEs in a global supply chain context sustainable supplier development, Technical Paper, UNIDO.
- Pham, D. H. (2011). Corporate social responsibility: a study on awareness of managers and consumers in Vietnam. *Journal of Accounting and Taxation*, 3(8), 162–170.
- Porter, M. E., & Kramer, M. R. (2006). Strategy & society: the link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78–91.

- Ramasamy, B., & Yeung, M. (2009). Chinese consumers' perception of corporate social responsibility (CSR). *Journal of Business Ethics*, 88(1), 119–132.
- Rawwas, M. Y. A., Vitell, S. J., & Al-Khatib, J. A. (1994). Consumer ethics: the possible effects of terrorism and civil unrest on the ethical values of consumers. *Journal of Business Ethics*, 13(3), 223–231.
- Reed, A., Aquino, K., & Levy, E. (2007). Moral identity and judgments of charitable behaviors. *Journal of Marketing*, 71(1), 178–193.
- Reidenbach, R. E., & Robin, D. P. (1988). Some initial steps toward improving the measurement of ethical evaluations of marketing activities. *Journal of Business Ethics*, 7(11), 871–880.
- Russell, D. W., & Russell, C. A. (2010). Here or there? Consumer reactions to corporate social responsibility initiatives: egocentric tendencies and their moderators. *Marketing Letters*, 21(1), 65–81.
- Samy, M., Ogiri, H. I., & Bampton, R. (2015). Examining the public policy perspective of CSR implementation in Sub-Saharan Africa. *Social Responsibility Journal*, 11(3), 553–572.
- Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38(2), 225–243.
- Swaen, V., & Chumpitaz, R. (2008). Impact of corporate social responsibility on consumer trust. *Recherche et Applications en Marketing*, 23(4), 7–33.
- Tian, Z., Wang, R., & Yang, W. (2011). Consumer responses to corporate social responsibility (CSR) in China. *Journal of Business Ethics*, 101(2), 197–112.

- Tran, A. N. (2011). Corporate social responsibility in socialist Vietnam: implementation, challenges and local solutions. In A. Chan (Ed.), *Labour in Vietnam*. Singapore: Institute of South East Asian Studies.
- United Nations (2007). *CSR and developing countries: What scope for government action?* Policy Integration and Analysis Branch of the Division for Sustainable Development United Nations Department of Economic and Social Affairs, February.
- Visser, W. (2008). Corporate social responsibility in developing countries. In: A. Crane, A. McWilliams, D. Matten, J. Moon, & D.S. Siegel (Eds.), *The Oxford handbook of corporate social responsibility* (pp. 473–499). Oxford: Oxford University Press.
- Vitell, S. J., & Paolillo, J. G. P. (2004). A cross-cultural study of the antecedents of the perceived role of ethics and social responsibility. *Business Ethics: A European Review*, 13(2/3), 185–199.
- Walker, T., & Beranek, F. (2013). Social innovation by giving a voice. In T. Osburg, & R. Schmidpeter (Eds.), *Social innovation, CSR, sustainability, ethics, & governance* (pp. 239–249). Springer-Verlag Berlin Heidelberg.
- Walsh, G., & Beatty, S. E. (2007). Customer-based corporate reputation of a service firm: scale development and validation. *Journal of the Academy of Marketing Science*, 35(1), 127–143.
- Weigel, R. H., Hessing, D. J., & Elffers, H. (1999). Egoism: concept, measurement and implications for deviance. *Psychology, Crime & Law*, 5(4), 349–378.

Figure 1. Conceptual framework

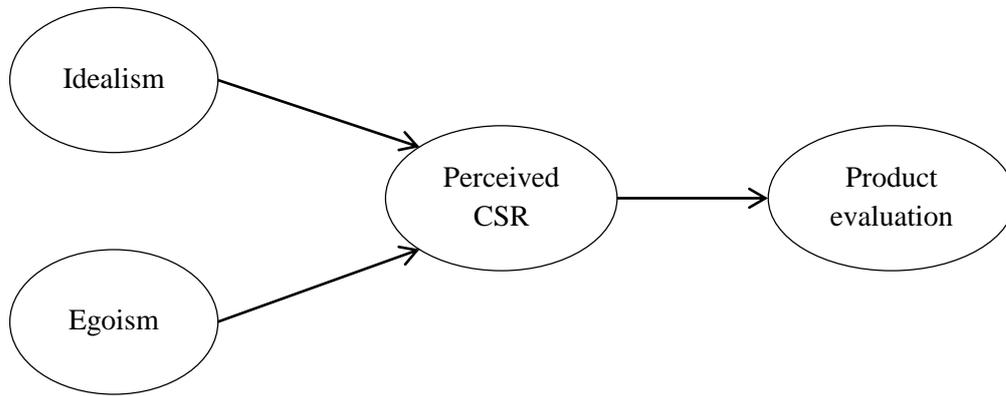


Table 1. Demographic profile of respondents

Demographic		Frequency	Percentage
Gender	Male	145	45.9
	Female	171	54.1
Age (in years)	18-24	142	44.9
	25-34	138	43.7
	35-44	22	7.0
	45-54	10	3.2
	55-64	4	1.3
	65+	0	0
	Education level	Up to A-level	11
Undergraduate		178	56.3
Postgraduate		117	37.0
Professional qualification		10	3.2
Monthly income (million VND)	<10	129	40.8
	10-20	107	33.9
	20-30	34	10.8
	30-40	20	6.3
	>40	26	8.2

Table 2. Factor analysis of consumer perceptions of corporate social responsibility

Dimensions of social responsibility	Factor loadings			
Factor 1: Legal responsibility	F1			
A company's activities should comply with various state and local laws and regulations.	0.884			
A company should be concerned with fulfilling its legal obligations.	0.828			
The products/services of the company should meet legal requirements.	0.701			
Factor 2: Philosophy responsibility	F2			
A company should voluntarily participate in charitable projects for the disadvantaged.	0.865			
A company should actively sponsor social events (cultures, arts, sports...).	0.809			
A company should direct parts of its revenues to donate to charities.	0.783			
A company should be concerned with the enhancement of a society's quality of life.	0.713			
Factor 3: Ethical responsibility	F3			
The company should recognize and respect new or evolving ethical/moral norms that the society may adopt.	0.830			
A company's behaviors should be consistent with the expectations of societal moral and ethical norms.	0.728			
A company should try to monitor the negative effects of its business on the community.	0.608			
Factor 4: Economic responsibility	F4			
A company's objective is to maximize profit during its activity.	0.779			
A company should try to improve its economic performance.	0.772			
A company should try to maintain a strong competitive position.	0.674			
Eigenvalue	4.40	2.00	1.46	1.08
Variance (%)	33.82	15.38	11.23	8.27
Cumulative variance (%)	33.82	49.20	60.43	68.70
Cronbach's alpha	0.81	0.83	0.66	0.63

