The Impact of Perceived Corporate Social Responsibility on Purchase Intention: Mediating Role of Brand Attitude and Moderating Role of Generation X & Y

H.A.D.M. Arachchi
Trade & Investment Policy Department, Ministry of Finance – Sri Lanka
slarachchi@yahoo.com

Trevor Mendis
Senior Management Consultant, Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka.
trevor@pim.sjp.a.lk

DOI: http://doi.org/10.4038/sljuok.v7i3.82

ABSTRACT

This study, based on the Theory of Planned Behavior (TPB) and the Generation Cohort Theory, attempts to examine the degree of relationship between Perceived corporate social responsibility and Purchase intention, the mediating role of Brand attitude, and the moderating effect of Generation X and Y on the relationship between Perceived corporate social responsibility and Purchase intention. The study was carried out on quantitative techniques and followed the deductive approach. The data was collected through a structured questionnaire. Stratified Random Sampling was used to gather data, and the final sample consisted of 392 individual consumers. The data was analyzed using the SPSS and Partial Least Squares-Structural Equation Modelling (PLS-SEM) approaches using Smart PLS 3.0. It was found that Perceived corporate social responsibility related significantly to Purchase intention. Moreover, the relationships between Perceived corporate social responsibility and Brand attitude and Brand Attitude and Purchase Intention were significant. Therefore, Brand attitude was found to be a partial mediator and Generation X and Y to be significant moderators of the aforementioned relationship. There were a few limitations in this study which can be examined by future research. One limitation is that the findings of the research was based on one province consisting three districts. Another limitation of this study is that the qualitative and quantitative approaches of this study could have been integrated to yield the mixed method approach through which the findings could have been further clarified, thus enhancing the parameters of the findings. This is the first study empirically investigate of perceived corporate social responsibility on purchase intention: mediating role of brand attitude and moderating role of generation x & y in the Asian context. And also, important for Marketers in Sri Lanka in deciding their marketing strategies catering to different CSR implementation and purchasing patterns in between the genders.

Keywords: Brand Attitude, Generation Cohort Theory, Generation X and Y, Perceived Corporate Social Responsibility, Purchase Intention, Theory of Planned Behavior (TPB)

ORCID of authors: H.A.D.M. Arachchi - https://orcid.org/0000-0002-6363-7637

Copyright: This is an open access article distributed under the Creative Commons Attribution License 4.0, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.
1. INTRODUCTION

Most consumers today are highly conversant with socially and environmentally responsible initiatives and activities, and this can be observed in their purchase intentions (Creyer, 1997). Corporate contributions to social causes fall under the umbrella of corporate social responsibility (CSR) programs (David, Kline & Dai, 2005). Corporate philanthropy and social initiatives are now at the heart and soul of the business environment, and they have a large impact on consumer purchase intention (Levy, 1999).

There has been much empirical evidence on the positive effect of CSR initiatives on purchase intentions (Sen and Bhattacharya, 2001; Mohr & Webb, 2005; Ko et al., 2008; Gupta and Hodges, 2012; Shen et al., 2012; Phau et al., 2015), while some empirical results have confirmed that the impact of CSR initiatives on purchase intention is very minimal (Wongpitch, et al., 2016). However, Vaaland, Heide, and Grønhaug, (2008) have opined that some consumers are not very interested in a firm’s CSR activities because they are more focused on issues that directly benefit themselves. In this case, CSR activities do not relate to company outcomes. Therefore, evidence of perceived CSR activities indicates different levels of relationships with consumer purchase intention and this variance in outcomes has arisen due to consumers’ attitudes, including the belief systems of different generations.

Few empirical studies in the past claim and propose that CSR has significant effect when it comes to purchasing decisions, brand choice, recommending the brand to others, or firm value (Boccia & Sarnacchiaro, 2017; Luffarelli & Awaysheh, 2018; Salmons, Crespo, & Bosque, 2005; Sen & Bhattacharya, 2001; Werther Jr & Chandler, 2005). Consumers’ buy products or services as a solution to fill a need gap. Since so many products are available, they choose a brand after careful evaluations on the attributes (Laroche, Kim, & Zhou, 1996; Sen & Bhattacharya, 2001), favourable brand image (Shamma & Hassan, 2011), and favourable brand attitude (Shim, Eastlick, Lotz, & Warrington, 2001). Consumers also react to advertisements and other stimulating factors (Wu & Wang, 2014). Moreover, when consumers are aware about the CSR activities, the recognition of the brand augments well with the consumers’ attitude and it, in turn affects the purchase intention (De Wolf, Mejri, & Lamouchi, 2012).

Many authors believe that the present generation is more aware of corporate social responsibility initiatives than their predecessors and that affects their purchase intentions (Formánková et al., 2019). Millennials (Generation Y) and Generation X believe that firms are investing in Corporate Social Responsibility activities and the purchase intentions of these generations influence the changing trends in CSR.

As per Generation Cohort Theory (Strauss & Howe, 1991), generational cohorts have different experiences which influence their values, preferences and shopping behaviour (Parment, 2011). Numerous empirical studies have clearly pointed out that consumers’ spending patterns, attitudes and beliefs vary over the course of an individual’s life cycle (Bleichrodt & Quiggin, 1999; Bodie et al., 2004; Kim et al., 2005; Shepard & Zeckhauser, 1984). Gen X and Gen Y both have their own set of attitudes and beliefs which influence their purchase intentions (Jorgensen, 2003; Lissitsa & Kol, 2016). Gen Y makes decisions faster and without as much negotiation and bargaining as the other generations (Parment, 2011). As a result, Gen Y makes more frequent and more impulsive purchases than Gen X (Lissitsa & Kol, 2016).

The Theory of Planned Behaviour continues to evolve and scholars are still building up the theory and adding value to its contents (Yazdanpanah & Forouzani, 2015). The Theory of Planned Behaviour (TPB) (Ajzen, 1991) talks about consumer attitudes and their impact on purchase intention. TPB also predicts the behaviour of consumers and its theoretical propositions have been proved empirically (Nigbur et al., 2010). Empirical evidence on purchase intention has been categorized as Individual (Armitage &
Conner, 2001), Group (Terry & Hogg, 1996), and Interpersonal with Group Intentions (Tajfel & Turner, 1986). These intentions towards the purchase could vary depending on the generation to which the consumer belongs. Perceived CSR beliefs and attitudes and the Theory of generation are therefore the most relevant theories with which to examine this issue.

The main research questions to be answered in this study are threefold. First, it is necessary to examine the association between Perceived Corporate Social Responsibility (CSR) and Purchase Intention. Second, the mediating effect of Brand attitudes on the above relationship needs to be examined and finally, the moderating effect of multi generations (Generation X and Y) on the relationship between Perceived CSR and Purchase Intention. In order to answer the research questions, this study suggests the use of the Theory of Planned Behaviour (Ajzen, 1991) and the Generation Cohort’s Theory (Strauss & Howe, 1991). Each of these theories has provided the basis of the current understanding in their respective fields, and subsequent literature and theories in the research areas of concern have been broadly based on these theories.

The current study differs from previous research in the area in three important ways. First, this study is a pioneer attempt that proposes six dimensions of corporate social responsibility and consumer purchase intention across multi generations. According to a majority of previous studies, corporate social responsibility is considered to include four dimensions (Schwartz & Carroll, 2003; Lin, 2010; Lin et al., 2010). Second, previous academic studies have not contributed sufficient understanding of the moderating impact of multi generations (X and Y) on the above-mentioned relationship. In other words, many studies have not contributed adequately to prove as to how CSR impacts consumers’ purchase intention across generation X and Y. Thirdly, academic studies have not sufficiently examined the theoretical impact of the Theory of Planned Behaviour and the Theory of Generational Cohorts from the academic perspective. The impact of perceived corporate social responsibility on purchase intention across multi-generations is an important topic in the current consumer market and there is no prior study exploring the impact of perceived corporate social responsibility on purchase intention across multi-generations (Gen X and Y).

2. LITERATURE REVIEW

2.1. Evolution of Corporate Social Responsibility

Academics and business managers have experienced how corporate social responsibility has been transformed from a rather irrelevant and controversial idea to a well-accepted topic on research agendas (McWilliams et al., 2006). CSR has also become one of the most orthodox and widely accepted concepts in the business world during recent years (Carroll & Shabana, 2010). Therefore, the CSR concept has evolved over many decades.

Carroll, (1979) defined four categories of CSR, as Economic Responsibility, Legal Responsibility, Ethical Responsibility and Discretionary Responsibility, which is commonly known as the “Pyramid of CSR” in the contemporary world.

When considering all of the above factors, Carroll (1979) presents the definition of CSR as follows. “The Social responsibility of business encompasses the economic, legal and discretionary expectation that society has of organizations at a given point of time”.

As per Carrol (1979), the economic responsibility of a business is to produce goods and services that society desires and to sell them at a profit. The legal responsibility of a business is to adhere to the laws and regulations of the society where it operates. The ethical and philanthropic responsibility of a business is to fulfil the obligations of the business towards society, which extend beyond its economic
and legal obligations. The philanthropic responsibilities of a business encompass those business actions that are in response to society’s expectation that the business be a good corporate citizen.

2.2. Arguments Against and in Favour of CSR

Ever since the debate over CSR began, there have been arguments for and against it (Carroll & Shabana, 2010). Friedman’s (1984) argument is that a business has only one responsibility which is to maximize profits for its shareholders. Therefore, according to Friedman, social issues are not the concern of business and these problems should be resolved by the free market system. There are a few other arguments against the concept of CSR. Carroll and Shabana (2010) mention that those opposed to the concept of CSR use these arguments even today to defend their views against CSR.

Arguments in favour of CSR typically begin with the belief that it is in business’s long-term self-interest – enlightened self-interest – to be socially responsible. This view holds that if business is to have a healthy climate in which to function in the future, it must take action now that will ensure its long-term viability (Carroll & Shibana, 2010). CSR holds that pro-acting is better than reacting. This basically means that proacting (anticipating, planning and initiating) is more practical and less costly than simply reacting to social problems once they have surfaced (Carroll & Buchholtz, 2009). Finally, it has been argued that business should engage in CSR because the public strongly supports it. Today, the public believes that in addition to its pursuits of profits, business should be responsible to their workers, communities and other stakeholders, even if making things better for them requires companies to sacrifice some profits (Bernstein, 2000). The implementation of corporate social responsibility (CSR) requires firms to identify programs or activities that can give direct benefits to both firms and society (Urip, 2015).

2.3. Corporate Social Responsibility and Purchase Intention

Sen and Bhattacharya (2001) confirmed that the level of CSR directly affects consumers’ purchase intentions. The behaviours of CSR positively influence consumers regarding the evaluation of the enterprise and the purchase intention (Mohr & Webb, 2005), where a lower level of CSR will greatly weaken consumers’ purchase intention, resulting in consumers who are willing to buy the products just at a lower price. Therefore, CSR activities mould their reactions positively during purchase moments (Mohr & Webb, 2005). Moreover, CSR will affect consumers’ purchase decisions if the consumers are normally prone to socially responsible activities (Prakash & Pathak, 2017). Authors assume that consumers generally have a low level of CSR awareness (Pomerin & Dolnicar, 2009) and when they are informed of CSR, it positively affects their attitudes (Boyd et al., 2016) and purchase intentions.

In line with the above discussion, the positive effects of CSR on consumer behaviour, and on purchase intention (Carrington et al., 2010; Romani et al., 2016; Lonne & Vandenbosch, 2017), consumer willingness to pay more for CSR products (Gupta & Hodges, 2012; Shen et al., 2012; Phau et al., 2015). lower levels of CSR greatly weakening consumers’ purchase intention, resulting in consumers who are willing to buy the products just at a lower price (Mohr & Webb, 2005) were widely evaluated. However, the number of empirical studies on the effect of Corporate Social Responsibility (CSR) motives on consumer purchase intention is still relatively very small (Wongpitch et al., 2016).

2.4. Brand Attitude and Purchase Intention

Most of firms are willing to integrate CSR programs into their business strategies for making brand building assistances (Hoeffler, Bloom, & Keller, 2010). CSR activities have been universal across a
variation of businesses in various countries and industrial settings (Singh & Del Bosque, 2007). As per pervious researchers, have acknowledged CSR as a brand building element in today’s business settings and have determined that CSR leads to brand loyalty, positive brand relations, and perceived quality contributing holistically toward the growth of brand equity (Chomvilailuk & Butcher, 2010; Hoeffler & Keller, 2002; Sprinkle & Maines, 2010; Yoo, Donthu, & Lee, 2000).

Attitude is a highly popular concept within many past studies and marketing research papers (Mitchell and Olson, 1981; Banytė, Jokšaitė and Virvilaitė, 2007; Schivinski and Dąbrowski, 2013). Due to this reason, there are many definitions available for the attitude. Mitchell and Olson (1981) describing attitude with a more specific reference to brands as ‘an individual’s internal evaluation of an object such as a branded product. Not only that, Louton and Della Bitta (1993), ‘how for or against, positively or negatively, favourably or unfavourably a person regards a particular object’.

Brand attitude entails on the whole evaluation of the brand, which contains factors such as brand awareness, brand image, and brand-based associations of attributes and benefits (Fishbein and Ajzen, 1975; Bruhn et al, 2012). There are also a multitude of reasons for the long-term interest into the area of brand attitude, one of which can be attributed to the fact that attitudes are relatively stable and enduring so therefore are useful predictors of consumer behaviour (Mitchell and Olson, 1981). Attitudes are imperative to marketers as they provide a summary of a consumer’s evaluation of the product/service/brand (Belch and Belch, 2003). Brand attitudes, and similarly how they are made, both impact on the ultimate goal of creating a purchase intention among consumers (Sicilia, Ruiz and Reynolds, 2006).

2.5. Theory of Planned Behaviour (TPB)

Purchase intentions are personal action tendencies relating to the brand. Intentions are distinct from attitudes, whereas attitudes are summary evaluations. Intentions represent “the person’s motivation in the sense of his or her conscious plan to exert effort to carry out a behaviour” (Spears and Singh, 2004). Thus, a concise definition of purchase intentions is, an individual’s conscious plan to make an effort to purchase a brand. (Spears and Singh 2004). Other scholars such as Howard (1989) defined that the purchase intention is the probability that a consumer plans to buy a certain brand or product during a certain period of time. The Theory of Planned Behaviour (TPB) (Ajzen,1985) proposes that an individual’s intention to perform a specific behaviour is an effective predictor of behaviour. Moreover, attitude is a factor of influencing behaviours through behavioural intentions. The Theory of Planned Behaviour as per Ajzen, (1985), both attitudes toward a behaviour and subjective norm are determinant factors of intention to perform a specific behaviour.

The Theory of Planned Behaviour (TPB) is a recognized intention model that is successful in explaining and predicting behaviour (Grandon,2005). It is an improved model of the Theory of Reasoned Action (TRA) where perceived behavioural control was added as an element to predict intention and behaviour (Mattingly,2012). As per this, intention is a precursor of behaviour and it can be predicted from three variables, namely, attitude toward the behaviour, subjective norms and perceived behavioural control. The first factor, attitude towards the behaviour, refers to the beliefs an individual has with respect to the consequences associated with performing a particular behaviour (Casper, 2007). Also, it can have a corresponding negative or positive judgment associated with it (Francis et al., 2004). The second factor, subjective norms, refers to an individual’s own evaluation of the perceived social pressure to perform or not to perform the behaviour (Ajzen,1991). It incorporates views about how other individuals would like them to behave and the negative or positive judgments about each belief. It is presumed that these components work in interaction (Francis et al.,2004). The third factor, perceived behavioural control, is a person’s perception of the struggle or ease associated with accomplishing the behaviour (Ajzen,1991). It has two aspects that comprise mainly of whether or not an individual feels confident
about performing the behaviour and how much control the person thinks he or she has over the said behaviour (Francis et al., 2004). When the above three factors positively impact on behaviour, the individual’s purchase intention should be stronger (Ajzen, 1991), whereas a negative impact will weaken the purchase intention. The Theory of Planned Behaviour, thus, is a recognized intention model than can be used to predict intention and behaviour (Reynaldo et al., 2017).

2.6. Generation and Purchase Intention

According to Ranaweera and Dharmasiri (2016) and Mendis and Dharamasiri (2019), consumers consisting of Gen X and Y are active in the Sri Lankan market and in the workforce. Therefore, two generations (Gen Z and Baby Boomers) have been removed from the scope of the current study and the other two generations (Gen X and Y) were considered in the study. The Generation Y cohort, sometimes called Millennials, is an important cohort and a target audience of retailers and consumer product companies alike because it is sizeable and has significant purchasing power.

However, there is reason to assume that certain attributes that influence purchasing power differ across generational cohorts (Parment, 2011), which suggests that studying purchasing behaviour of generational cohorts could be very beneficial. For example, Generation Y spends more effort on high-involvement product decisions than earlier generations (Parment, 2011). Brand and self-identity are the factors that most shape Gen-Y consumers’ attitudes towards fashion apparel. Furthermore, brand, style, price, and social identity are the most influential factors that influence Gen-Y consumers’ purchase intention for fashion apparel. The findings also show that the country of origin and self-identity do not have any relationship with Gen-Y consumers’ purchase intentions (Giovannini et al., 2015).

2.7. Generation Cohort’s Theory (GCT)

Generation Cohort’s Theory was introduced by Strauss and Howe (1992), states that the people of the same generation may look at the world in common ways and share common values and opinions (Patterson, 2007; Smola & Sutton, 2002). This point of view is shared by Johnson and Johnson (2010), who define a generation as “a group of individuals born and living contemporaneously, who have common knowledge and experiences that affect their thoughts, attitudes, values, beliefs, and behaviours” (Johnson & Johnson, 2010). However, the definitions of generational boundaries are inconsistent in the literature. For the purpose of this study, the following generally accepted boundaries are used: (1) Traditionalists, born 1925 – 1945 (2) Baby Boomers, born 1946 – 1964 (3) Generation X, born 1965 – 1980 (4) Generation Y, born 1981 – 2000 (5) Generation Z, born after 2000.


3. HYPOTHESES AND CONCEPTUAL FRAMEWORK

3.1. Perceived Corporate Social Responsibility Initiatives and Purchase Intention

The Theory of Planned Behaviour (TPB) is a recognized intention model in explaining and predicting purchase intention in the presence of certain attitudes, beliefs and controls (Grandon, 2005). Perceived CSR generates beliefs within consumers’ minds and creates impulses which give rise to the purchase intention. In 2001, Sen & Bhattacharya, (2001) confirmed that the level of CSR directly influences consumers’ purchase intention. Moreover, the CSR behaviour of companies positively influences consumers to evaluate the enterprise and generates purchase intention (Mohr & Webb, 2005). Why then
has the intention not become actual purchase behaviour? It is argued that consumers’ non-engagement in socially responsible purchasing is due to negative net values perceived about socially responsible purchasing (D’Astous & Legendre, 2009). Some previous research indicates that CSR factors are far less important to consumers’ purchase decisions than product attributes such as price, aesthetics and quality (Abraham-Murali & Littrell, 1995; Eckman et al., 1990). Based on these findings, the following hypothesis is formulated.

H1: Perceived Corporate Social Responsibility Impacts Consumer Purchase Intention

3.2. Perceived CSR initiatives and Brand Attitude

Brand attitude is the customers' reaction towards a brand and his/her liking to a brand, and it is useful in predicting the responses to the marketing activities (Howard, 1994). Brand attitude is determined by familiarity and confidence customers have on a brand; the more the familiarity and confidence, the more the purchase intention will be. Although brand attitude and purchase intentions are related (Casper, 2007), brand attitude is a summary evaluation made by the customer. Purchase intention is the behavioural attitude of the customer; it is not same feeling the customer has toward a brand, but the motivation or conscious plan for an action the consumer to perform (Spears & Singh, 2004). Lii and Lee (2012) found that there is a strong relationship between brand attitude and purchase intention in the context of CSR. By this, the following hypothesis is formed.

H2: Perceived Corporate Social Responsibility has a significant impact on Brand Attitude

3.3. Brand Attitude and Purchase Intention

Purchase intentions is an individual’s mindfulness to make an effort to purchase a brand or product (Spears and Singh, 2004). In other words, purchase intentions are personal action tendencies toward the brand, whereas attitudes are overall evaluations. Intentions stand for the person’s motivation which plans to exert effort to carry out a behaviour (Eagly and Chaiken, 1993). Other scholars such as Howard (1989) defined that the purchase intention is the probability that a consumer plans to buy a certain brand or product during a certain period of time. The Theory of Planned Behaviour (TPB) (Ajzen, 1985) proposes that an individual’s intention to perform a specific behaviour is an effective predictor of behaviour. Moreover, attitude is a factor of influencing behaviours through behavioural intentions. Within the parameters of the Theory of Planned Behaviour (Ajzen, 1985), both attitudes toward a behaviour and subjective norms are determinant factors of intention to perform a specific behaviour. Furthermore, behaviour intention can be directly used to predict behavioural achievement. In summary, purchase intention is an accuracy factor of predicting actual purchase behaviour. Brand attitude and purchase behaviour are important and widely studied variables in consumer behaviour research (Spears and Singh 2004). Based on the above arguments, it is hypothesized that:

H3: Brand Attitude has a significant impact on consumers’ purchase intention.

Brand Attitude mediates the relationship between Perceived Corporate Social Responsibility and Consumer Purchase Intention. Brand attitude is an important element as it is being used to envisage customers buying preferences (Chaudhuri, 1999). Companies need to recognize their loyal buyers and hence further explore their brand fondness. It reflects consumers' likes or dislikes; thus, it is a useful basis of consumers' willingness and brand loyalty (Burton, Lichtenstein, Netemeyer, & Garretson, 1998). Some studies (Becker-Olsen, Cudmore, & Hill, 2006) indicate that consumers perceive CSR as an influencing criterion for holding their beliefs, attitude, and purchase intention. By this, the following hypothesis is formed:
H4: Brand attitude mediates the relationship between Perceived Corporate Social Responsibility and Consumer Purchase Intention

3.4. The relationship between Brand Attitude and Purchase Intention examined across multi-generations

Gen X has highest rate of brand loyalty and brand attitude. But Gen X is less interested in trying new brands compared to than other generations and instead stick to those they know. (Graywood, 2018). Perhaps the most fact about Gen X in the study is their extreme brand loyalty and brand attitude, relative to that of millennials and baby boomers (Lamm, 2017). But, Generation Y consumers have higher Brand attitude than other generation (Lazarevic, 2012).

When generation Y consumers find brands that consistently match their values and have a brand image that matches their self-image, they will be motivated to develop a positive attitude with this brand. This is due to generation Y consumers beginning to develop to have an attitude the brand to consistently convey the right image of themselves to others when the brand is consumed (Sullivan & Heitmeyer, 2008). They begin to feel a connection to the brand because the brand allows them to be who they want to be (Aaker, 1997). Once this connection, is formed the generation Y consumer will turn to that brand more often (Noble et al., 2009) and this leads to brand loyalty and brand attitude (Pasovac et al., 1997). Based on the above arguments, it is hypothesized that:

H5: The impact of Brand Attitude on Purchase Intention is moderated by multi-generations (Generation X & Y)

3.5. Perceived CSR initiatives and Purchase Intention across multi-generations

As a financially powerful generation (Grant and Stephen, 2005), Gen-Y consumers are capable of influencing the spending habits of their parents (Lee Taylor and Cosenza, 2002), and they constitute an attractive segment for marketers to reach out to as the purchasing power and population of this generational cohort is increasing (Naser & Nikhashemi, 2017). Gen-Y consumers exhibit disparities in their behaviour and this urges marketers to comprehend their attitudes in order to be innovative and come up with new ways to attract this lucrative consumer segment (Grant & Stephen, 2005). Based on the above arguments, it is hypothesized that:

H6: The impact of perceived CSR initiatives on purchase intention is moderated by multi-generations (Generation X & Y)
4. METHODOLOGY

4.1. Participants and procedures

This research followed the deductive method to arrive at a rational conclusion by logical generalization from a known fact. The unit of analysis of this study was the individual and the research was in the form of a cross-sectional study. The current study is grounded on positivism, and is a non-contrived study (Saunders et al., 2009).

With the quantitative approach to the study, data was gathered using a structured questionnaire. A sample of 475 individuals were used to gather data. With 430 respondents and 38 outliers, the final sample was 392 (n=392). The pilot study was carried out for each variable using a measurement scale of 1-7.

4.2. Measures

Perceived CSR consists of six basic dimensions of CSR, namely, economic, environmental, social, philanthropic, ethical and legal (Dahlsrud, 2008) and each dimension was measured in a different weighted questionnaire (Bianchi & Sarobia-Sanchez, 2019). The research focused particularly on the social dimension because it is considered the most difficult dimension to measure (Beske-Janssen et al., 2015; Bianchi & Sarobia-Sanchez, 2019). Brand Attitude construct was assessed based on the item scale suggested by Erdem and Swait (2004). Purchase intention was measured on a scale with twelve items anchored, adopted from Pradhan (2018) Chania and Weiping (2014), and Dotson and Hyatt (2005).

4.3. Data Analysis and Results

Data were tested for Common Method Variance (CMV) and multivariate assumptions, including tests for normality, linearity, homoscedasticity, multicollinearity and heteroscedasticity, before forwarding the measurement model for confirmatory factor analysis (Galahitiyawa, 2013). In line with Hair et al., (2011), items which had factor loading values less than 0.5 were removed (INT1 & INT2) and the model...
was re-tested for validity. Thereafter, statistics for validity and reliability were calculated with the standardized factor loadings. The results of the reliability and validity testing are reported in Table 1.

**Table 1: Reliability and validity measurements**

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of items</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>Composite Variance</th>
<th>Discriminant validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA</td>
<td>5</td>
<td>0.918</td>
<td>0.939</td>
<td>0.754</td>
<td>0.868</td>
</tr>
<tr>
<td>INT</td>
<td>10</td>
<td>0.898</td>
<td>0.917</td>
<td>0.533</td>
<td>0.665</td>
</tr>
<tr>
<td>PCSR</td>
<td>11</td>
<td>0.926</td>
<td>0.938</td>
<td>0.578</td>
<td>0.786</td>
</tr>
</tbody>
</table>

Note: (1) BA - Brand Attitude; (2) INT - Purchase Intention; (3) PCSR - Perceived Corporate Social Responsibility.

The statistics depicted in Table 1 reflects that all the latent variables in the model have appropriate levels of convergent validity (>0.7), composite reliability (CR>0.7) (Hair et al., 2011), and internal consistency (α>0.7). All constructs met these criteria and discriminant validity (AVE>SMC) was equal to 0.5 or more (Bock et al., 2005). This was assumed to be a good indication of convergent validity (Hair et al., 2011), and all constructs met this criterion.

Cohen’s Indictor (f²), was calculated by the inclusion and exclusion of each of the variables (one at a time). It illustrates how the measured variance explains each exogenous variable in the models. The values of the explained variances are 0.02, 0.15 and 0.35, respectively, and are considered to be small, medium and large (Hair et al., 2012). As the analysis revealed, facilitating conditions has a small effect (f²=0.039) on PCSR -> INT, a medium effect (f²=0.165) on BA -> INT and a large effect (f²=1.607) on PCSR -> BA. In addition, Hair et al., 2012 recommended that researchers should assess Stone-Geisser’s Q² value. This has been used as a supplementary measure to the assessment of goodness-of-fit in Partial Lest Squares-Structural Equation Modelling (Richter et al., 2015). A research model with Q² value(s) greater than zero is considered to have predictive relevance (Henseler et al., 2009). In the current research, all variables listed under Q² had values greater than 0, and therefore, model fit is established through predictive relevance (Q²).

### 4.4. The structural model

#### Assessment of direct relationships

After ensuring that the construct measurement indicators were reliable and valid, the next step was to generate the structural model results.

**Table 2: Path Coefficients of the Structural Model for Control Variables**

| Relationship             | β Value | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values | Decision         |
|--------------------------|---------|---------------------------|-----------------|----------|-----------------|
| Education Level -> INT   | 0.078   | 0.063                     | 1.134           | 0.350    | Not Supported   |
| Income Level -> INT      | 0.067   | 0.059                     | 1.126           | 0.260    | Not Supported   |
As per Table 2, Education Level -> INT p-value is 0.350, Income Level -> INT p-value is 0.260 and Civil statues -> INT relevant p-value is 0.250. Based on the above analysis, all p-values are higher than 0.05 and therefore the relationship between the control variable and Generation is not significant.

**Table 3: Path Coefficients of the Structural Model**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>std Beta</th>
<th>Mean (M)</th>
<th>Std Error</th>
<th>t-value</th>
<th>P Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>PCSR -&gt; INT</td>
<td>0.614</td>
<td>0.616</td>
<td>0.038</td>
<td>16.223</td>
<td>0.000**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>PCSR -&gt; BA</td>
<td>0.786</td>
<td>0.785</td>
<td>0.023</td>
<td>34.365</td>
<td>0.000**</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>BA -&gt; INT</td>
<td>0.664</td>
<td>0.666</td>
<td>0.034</td>
<td>19.619</td>
<td>0.000**</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note: Significant level; *P<0.1; **P<0.05

**Source:** Survey data

As per Table 3, the relationship between Perceived Corporate Social Responsibility and Consumer Purchased Intention (PCSR -> INT), Perceived Corporate Social Responsibility and Brand Attitude (PCSR -> BA) and Brand Attitude and Purchase Intention had (BA -> INT) of P-values of 0.000 and effects are medium, high and medium, respectively. The relevant P-values of all relationship are 0.000 which are less than 0.05, and hence, all direct effects are significant. Therefore, the above mentioned direct effects were found to be statistically significant (Weerasinghe & Jayawardana, 2019).

**Assessment of Mediating Effect**

To test the mediating effect of brand attitude on the relationship between perceived corporate social responsibility and consumer purchase intention, the bootstrapping method was applied using SMART PLS. In the mediator analysis, all the direct and indirect paths were tested as per Baron and Kenny (1986) analysis.

**Table 4: Path Coefficients of the Mediator**

<table>
<thead>
<tr>
<th>Relationship</th>
<th>β Value</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCSR -&gt; INT</td>
<td>0.234</td>
<td>0.231</td>
<td>0.072</td>
<td>3.230</td>
<td>0.001**</td>
</tr>
<tr>
<td>PCSR -&gt; BA</td>
<td>0.786</td>
<td>0.785</td>
<td>0.024</td>
<td>32.225</td>
<td>0.000**</td>
</tr>
<tr>
<td>BA -&gt; INT</td>
<td>0.481</td>
<td>0.485</td>
<td>0.069</td>
<td>6.946</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

Note: Significant level; *P<0.1; **P<0.05

PCSR- Perceived Corporate Social Responsibility, BT- Brand Attitude, INT- Purchase Intention

In addition, the mediating impact was tested by Indirect Effect Calculation and the Sobel Test. Indirect effect/Total effect was 54% and the direct effect showed a value of 47%. As per this calculation, 54% mediation is shown by this model (PCSR -> BA and BA -> INT) and the Sobel test value is 6.9. Therefore, this model illustrates partial mediation (Kenny et al., 1998). The alternative hypothesis (H4) is accepted.
Assessment of the Moderating Effect of Generation

A categorical variable is tested where group effects are clear, and here, a logical multi group analysis (PLS-MGA) method was used for test the moderating impact (Hair et al., 2012). As per Table 5, the relationships between Perceived Corporate Social Responsibility and Consumer Purchase Intention (PCSR -> INT), and Brand Attitude and Consumer Purchase Intention had (BA -> INT) P-values of 0.000, and since these values are less than 0.05, the moderating effects exerted by Generation on the two relevant relationships were significant.

Table 5: Moderating Effect - > Generation

| Hypothesis | Relationship | \( \beta \) Value | Standard Deviation (STDEV) | T Statistics (\(|O/STDEV|\)) | P Values | Note: Significant level: *P<0.1; **P<0.05 |
|-------------|--------------|---------------------|-----------------------------|-----------------------------|----------|------------------------------------------|
| H5          | Generation* PCSR -> INT | 0.614 | 0.038 | 15.966 | 0.000** | Supported |
| H6          | Generation* BT -> INT | 0.666 | 0.035 | 19.121 | 0.000** | Supported |

Note: Significant level; *P<0.1; **P<0.05

PCSR- Perceived Corporate Social Responsibility, BA- Brand Attitude, INT- Purchase Intention

Source: Survey data

PLS-MGA provides better facilities to go deeper at this stage of the research. A further analysis of this moderating impact of each generation (Gen X and Gen Y) on these relationships, yields the following results, as shown in Table 6.

Table 6: Moderating Effect - > Generation X and Y

| Generation | Relationship | \( \beta \) Value | T Statistics (\(|O/STDEV|\)) | P Values |
|------------|--------------|---------------------|-----------------------------|----------|
| Generation-X | BA -> INT | 0.651 | 11.248 | 0.000** |
| Generation-Y | BA -> INT | 0.581 | 13.925 | 0.000** |
| Generation-X | PCSR -> INT | 0.574 | 10.026 | 0.000** |
| Generation-Y | PCSR -> INT | 0.651 | 23.678 | 0.000** |

Note: Significant level; *P<0.1; **P<0.05

Source: Survey data

PCSR- Perceived Corporate Social Responsibility, BA- Brand Attitude, INT- Purchase Intention

The impact of Generation-(X/Y) on the BA -> INT relationship and the impact of Generation-(X/Y) on the PCSR -> INT relationship are statically significant and indicates the moderating impact. However, the moderating impact of Generation-(X/Y) on BA -> INT is low, as per the analysis of PLS MGA-0.019, Welch-Satterthwait Test-0.017, and the Parametric Test 0.02. However, the moderating impact of Generation-(X/Y) on PCSR -> INT is significant. All the alternative hypotheses (H1 to H6) formulated in the current study were accepted.

5. DISCUSSION

Outcome of this study reveals that a significant direct relationship was found between Perceived corporate social responsibility and Purchase intention. This result confirms previous research studies (Sen & Bhattacharya, 2001; Mohr & Webb, 2005; D’Astous & Legendre, 2009; Leonidou et al., 2012).

The study also revealed that, Perceived Corporate Social Responsibility impacts purchased intention directly (H1). As per Fatma & Rahman (2016), when Perceived Corporate Social Responsibility impacts
purchased intention directly, it converts consumers' belief in CSR activities into positive cognition (intention) that is reflected in increased purchase intention. As per the theory of planned behaviour (Ajzen, 1991), belief and attitudes enhance consumer purchase intention.

The findings revealed there is a significant effect of Perceived corporate social responsibility and Brand attitude (H2). It is important to understand the relative importance of business ethics and social responsibility in determining brand attitudes (Ferrell et al., 2019). When the consumer believes that CSR is the right thing to do and when they observe an organization involved in their intended way, they tend to create favourable attitude. Since consumers are aware about the organization’s CSR activities and its brands, it is possible to form attitudinal responses to both firm’s CSR and brand (Wong pitch et al., 2015).

The study also found significant impact of Brand attitude to Purchase intention (H3). This tallies with the findings of (He et al., 2015; Salehzadeh & Pool, 2016). As well as the findings of Vila and Kuster, (2011; Hernández & Küster, 2012).

Brand attitude was found to be a significant partial mediator of the relationship between CSR and Purchase intention (H4). Kim et al., (2015) stated that CSR managers should pay attention to corporate brand trust, brand attitude as a more efficient means of reducing negative consumer attitudes toward corporations. Furthermore, Lee and Trail (2009) found brand attitude act as the mediating effect of purchase intention.

H5 and H6 were accepted through the results of data analysis. This confirms not only that Generation X and Y significantly moderate the relationships between Perceived corporate social responsibility and Purchase intention and Brand attitude and Purchase intention but also overcome the inconsistencies and the lacuna that existed in the empirical research.

Gen-Y is very interested in which brands are ethical, caring, and trusting, and strive to do the right thing. Gen Y looks primarily at the mission of companies and the charitable aspects of that mission. For many in Gen Y, companies have to earn brand trust and brand attitude through their socially responsible actions (Selko, 2018). Garbarino and Johnson (1999) and Wu and Lin (2014) demonstrate that consumers’ attitude towards a brand established by an organization influences their future intentions (including future attendance, subscriptions, and donations) toward the organization. Wu and Wang, (2014) discussed about the Brand attitude and purchase intention in detail.

5.1. Theoretical Contribution

The current paper examined both direct and indirect (mediating impact of brand attitude) impacts across multi generations by using the Theory of Planned Behaviour (TPB) underpinned by the Generational Cohort’s Theory, and this approach has not been taken before. This study proved that perceived CSR creates attitudes that will lead to purchase intention.

The findings of the current study revealed that the moderating impact of Gen Y is higher than that of Gen X. Therefore, Gen Y consumers’ attitudes and beliefs related to perceived CSR are generally stronger than those of Gen X. Consequently, consumer beliefs and attitudes towards purchase intention depend on multi-generations. Previous studies and theories do not shed light on perceived CSR and customer purchase intention in this context.

5.2. Managerial Implication

Firstly, the study advocates creative and innovative advertising based on generational criteria. as, perceived corporate social responsibility affects purchase intentions of consumers across the two
generations (Generation X and Y) positively. Generation Y is highly environmentally oriented (Wu & Wang, 2014) and they are very attuned to social media (Bolton et al., 2013). Based on that, firms will be able to communicate their CSR activities through social media. In particular, Gen-X is more emotional, while Gen-Y is more easy-going with a happy-go-lucky attitude. Therefore, firms will be able to craft their advertising based on their CSR activities to target particular generations.

Secondly, this paper provides useful information to companies to select the proper communication tool/method to deliver their CSR message. The social media marketing medium has become an important marketing tool to reach emerging generation Y-consumers (Balakrishnan et al., 2014; Nadeem et al., 2015), and Gen-Y is distinguished from other generational cohorts in its intense exposure to the Internet (Acheampong et al., 2017). Gen-X generally prefers receiving and using short, brief messages as texts or emails as opposed to lengthy ones (NDMU, 2019), due to their busy work schedules. Therefore, companies will be able to deliver their CSR activities by using different and targeted communication tools based on the generation they need to reach.

Thirdly, this study provides a practical understanding on how to overcome competitive barriers to CSR and consumer purchase intentions for the betterment of society as well as of the industry mainly through perceived corporate social responsibility, rapid penetration will lead to the creation of impulse purchase decisions among current consumers. In particular, Gen-Y is more aware of CSR activities and their buying behavior depends on the brands that are associated with CSR. Therefore, brand managers can combine social elements when they are articulating brand slogans and brand mantras for CSR based brand products.

Finally, this study provides a practical understanding of the implementation of CSR activities. Gen X and Y consumers are mainly considered when discussing environment-based CSR activities

5.3. Limitations and further research

There were a few limitations in this study which can be examined by future research. One limitation is that the findings of the research was based on one province consisting three districts. Another limitation of this study is that the qualitative and quantitative approaches of this study could have been integrated to yield the mixed method approach through which the findings could have been further clarified, thus enhancing the parameters of the findings. Future studies can also consider on several provinces as well as on industry wise.

6. CONCLUSION

The aim of this paper was to ascertain the impact of multi generations (Gen’s X and Y) on perceived CSR, brand attitude and purchase intention based on the current theoretical and empirical evidence. The findings of this study corroborated the existing empirical evidence that supports the direct relationship between perceived CSR and Purchase intention and Brand attitude and Purchase intention. Furthermore, brand attitude was found to mediate the relationship between CSR and Purchase intention and multi generations (Gen’s X and Y) were found to moderate it. The moderating impact of Gen Y was higher than that of Gen X. Therefore, this paper posits that the impact of perceived corporate social responsibility on purchase intention is positive across multi generations (Gen X and Y) and that this relationship is mediated by brand attitude.
7. REFERENCES


