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The Effect of Corporate Social Responsibility (CSR) on Purchase Decisions-Mediated Brand Awareness

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ABSTRACT

This study aims to analyze the influence of Corporate Social Responsibility (CSR) on consumer purchasing decisions, by paying attention to the role of brand awareness as an independent variable. The background of this research is based on the importance of CSR in influencing consumer perception and purchasing preferences, as well as increasing attention to social responsibility in the industry. The research uses a quantitative approach with the Structural Equation Modeling - Partial Least Square (SEM-PLS) method as an analysis tool. Data was collected from 60 respondents who were consumers of Aqua brand bottled drinking water products through the distribution of questionnaires. This study examines the influence of CSR on purchasing decisions and brand awareness separately. CSR is measured through three dimensions: economic, environmental, and social, while brand awareness and purchasing decisions are measured through indicators that reflect consumer preferences. The results of the analysis show that CSR has a positive and significant influence on consumer purchasing decisions. In addition, CSR also has a positive effect on brand awareness, but brand awareness does not mediate the relationship between CSR and purchase decisions. Thus, the impact of CSR on purchasing decisions occurs directly, without the mediating role of brand awareness. The practical implications of this study are the importance of companies continuing to develop strong CSR programs to directly influence consumers' purchasing decisions, in addition to increasing brand awareness as a stand-alone factor.

Keywords: Corporate Social Responsibility (CSR); Brand Awareness; Purchase Decisions; SEM-PLS.

1. Introduction

Corporate Social Responsibility (CSR) has evolved into an integral component of corporate strategy, going beyond mere philanthropy to a holistic approach to sustainability and business ethics (Sharma & Jha, 2022). As consumers become more aware of the social and environmental impact of their purchasing decisions, companies are now facing the challenge of aligning their CSR practices with increasingly complex stakeholder expectations (Kim et al., 2023). However, the relationship between CSR initiatives and consumer behavior, particularly purchasing decisions, is still the subject of intense academic debate.

Several previous studies have indicated a positive correlation between CSR activities and consumer purchase intent (Liu & Du, 2021), while other studies have emphasized the importance of mediating factors in this relationship (Wang & Zhang, 2024). One of the mediating factors that is getting more attention is brand awareness, which has the potential to bridge the gap between CSR perception and actual purchase actions (Lee & Cho, 2023). However, the specific mechanisms that link CSR, brand awareness, and purchasing decisions are still not fully understood, especially in the context of emerging markets such as Indonesia. Previous studies have tended to focus on the direct impact of CSR on a company's financial performance (Gonzalez-Rodriguez et al., 2022) or brand image (Park & Kim, 2023), but relatively few have explored the mediating role of brand awareness in this context. This gap is becoming even more significant given the importance of brand awareness as the first step in the consumer purchase decision process (Huang & Van Beurden, 2024). In addition, the majority of research on CSR and consumer behavior has been conducted in developed countries, so our understanding of these dynamics in emerging markets is still limited.

This research aims to fill this gap by exploring the complex dynamics between CSR, brand awareness, and purchasing decisions, with a particular focus on the mediating role of brand awareness in the context of the rapidly growing Indonesian market. By combining theoretical perspectives from strategic management, marketing, and consumer psychology, this study seeks to make a significant contribution to the existing literature in several aspects. First, this research will expand our understanding of how CSR initiatives can translate into added value for companies through strengthening brand awareness. Second, by testing the mediation model, the study will provide new insights into the underlying mechanisms of the relationship between CSR and purchasing decisions. Third, focusing on the Indonesian market will provide a valuable perspective on how these dynamics operate in the context of emerging economies that have unique socio-cultural characteristics.

By adopting a rigorous quantitative approach and using primary data from consumer surveys across various industry sectors in Indonesia, this study aims to provide strong empirical evidence on the relationship between CSR, brand awareness, and purchasing decisions. The results of this study are expected to not only contribute to the development of theories in the field of CSR and consumer behavior, but also provide practical insights that can be applied by companies in optimizing their CSR strategies to improve business performance and social impact simultaneously.

2. Literature Review

2.1 Corporate Social Responsibility (CSR)

The concept of Corporate Social Responsibility (CSR) has undergone a significant evolution since it was first introduced by Bowen (1953) as "the obligation of employers to pursue policies, make decisions, or follow a desired line of action in terms of the goals and values of our society." Since then, various models and theories have been developed to understand and explain CSR. Carroll (1991) proposed a CSR pyramid model consisting of four levels of responsibility: economic, legal, ethical, and philanthropic. This model has become an influential framework in understanding the various dimensions of CSR. However, Visser (2006) criticizes this model for being less relevant in the context of developing countries and proposes a different hierarchy.

The stakeholder theory put forward by Freeman (1984) emphasizes the importance of considering the interests of all stakeholders in corporate decision-making, not just shareholders. This theory has become the foundation for many modern CSR studies (Fernandez-Gago et al., 2020). In the context of marketing, Porter and Kramer (2006) introduced the concept of "Creating Shared Value" (CSV), which emphasizes the importance of integrating CSR into the company's core business strategy. They argue that effective CSR can create value for the company and society at the same time.

2.2 Brand Awareness

Brand awareness, as a key component of brand equity, has long been recognized as an important factor in consumer behavior. Aaker (1991) defines brand awareness as the ability of potential buyers to recognize or remember that a brand is a member of a certain product category. Keller (1993) further developed this concept in the Customer-Based Brand Equity (CBBE) model, where brand awareness is considered the first step in building strong brand equity. It distinguishes between brand recognition (the ability to identify a brand when given a signal) and brand recall (the ability to remember a brand when given a product category).

Empirical research has shown that brand awareness has a significant impact on consumer purchasing decisions. For example, Huang and Sarigöllü (2012) found a positive relationship between brand awareness and market performance in the fast-moving consumer goods (FMCG) industry.

2.3 Purchase Decision

Purchasing decisions have long been the focus of research in consumer behavior. The five-stage model of the purchase decision process put forward by Kotler and Keller (2016) – problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior – remains an influential framework for understanding consumer behavior.

In the context of CSR, several studies have shown the positive impact of CSR initiatives on consumer purchase intentions. For example, Sen and Bhattacharya (2001) found that CSR can increase consumer purchase intentions, especially when there is a match between consumer character and corporate CSR activities. However, the relationship between CSR and actual purchasing decisions is still a subject of debate. Some researchers argue that there is a gap between consumers' intentions and actual behaviors regarding socially responsible products (Carrington et al., 2010).

2.4 Relationship between CSR and Brand Awareness

Several studies have explored the relationship between CSR and brand awareness. Servaes and Tamayo (2013) found that CSR has a positive effect on company value when consumer awareness is high. They argue that consumer awareness acts as an information channel that allows consumers to identify socially responsible companies. Research conducted by Fatma et al. (2015) in the Indian banking sector shows that CSR initiatives can increase brand awareness and brand image. They found that consumers are more likely to recognize and remember brands that engage in prominent CSR activities.

3. Research Methodology

This study adopts a quantitative approach with a cross-sectional design, using an online survey method through Google Form to collect data from the target population, namely Aqua product consumers in the Banyumas and Purbalingga areas. The minimum targeted sample size is 60 respondents, selected using a non-probability sampling technique with a purposive sampling method based on certain inclusion criteria. The inclusion criteria include: (1) consumers who have purchased Aqua products in the past 1 year, and (2) who are at least 18 years old. The determination of the sample size follows the thumb rule for SEM-PLS, which is 10 times the number of indicators used to measure a single construct in the model (Hair et al., 2011). In this study, the construct with the most indicators has 6 indicators, so the minimum sample size targeted is 60 respondents. Data collection was carried out online using Google Form, which allowed respondents to fill out questionnaires practically and efficiently through their electronic devices. The measurement instrument was adapted from previous research and used a 5-point Likert scale to measure each variable. The data analysis will use Structural Equation Modeling with Partial Least Squares (SEM-PLS), which was chosen because of its ability to handle complex models with relatively small sample sizes and its focus on predicting dependent variables.

4. Results

4.1 Descriptive Statistics

According to Suliyanto (2018), descriptive statistics is an analysis technique used to describe or provide an overview of the data collected in research. Descriptive statistics include the calculation of measures such as mean (average), median, mode, standard deviation, minimum, maximum, and range. This technique aims to present data concisely so that it is easy to understand without conducting more in-depth analysis. In the study, descriptive statistics are used to find out the data distribution patterns and general characteristics of the variables measured.

Tabel 1. Descriptive Statistics

Variable	N	Min	Max	Average	St. Deviation
Corporate Social Responsibility (X)	60	3	5	4,325	0,733
Brand Awareness (M)	60	3	5	4,317	0,726
Purchase Decision (Y)	60	2	5	4,127	0,832

Based on table 1, it shows that the minimum value of the company's social responsibility variable is 3 and the maximum is 5, with an average of 4.325 and a standard deviation of 0.733. The brand awareness variable has a minimum value of 3 and a maximum of 5, with an average of 4.317 and a standard deviation of 0.726. The Purchase Decision variable shows a minimum value of 2 and a maximum value of 5, with an average of 4.127 and a standard deviation of 0.832.

4.2 Testing the Outer Model

Testing the outer model in the SEM-PLS method aims to evaluate the relationship between the latent construct and the indicator that measures it. The outer model is also known as the measurement model and focuses on testing the validity and reliability of each indicator used to measure the construct in the model.

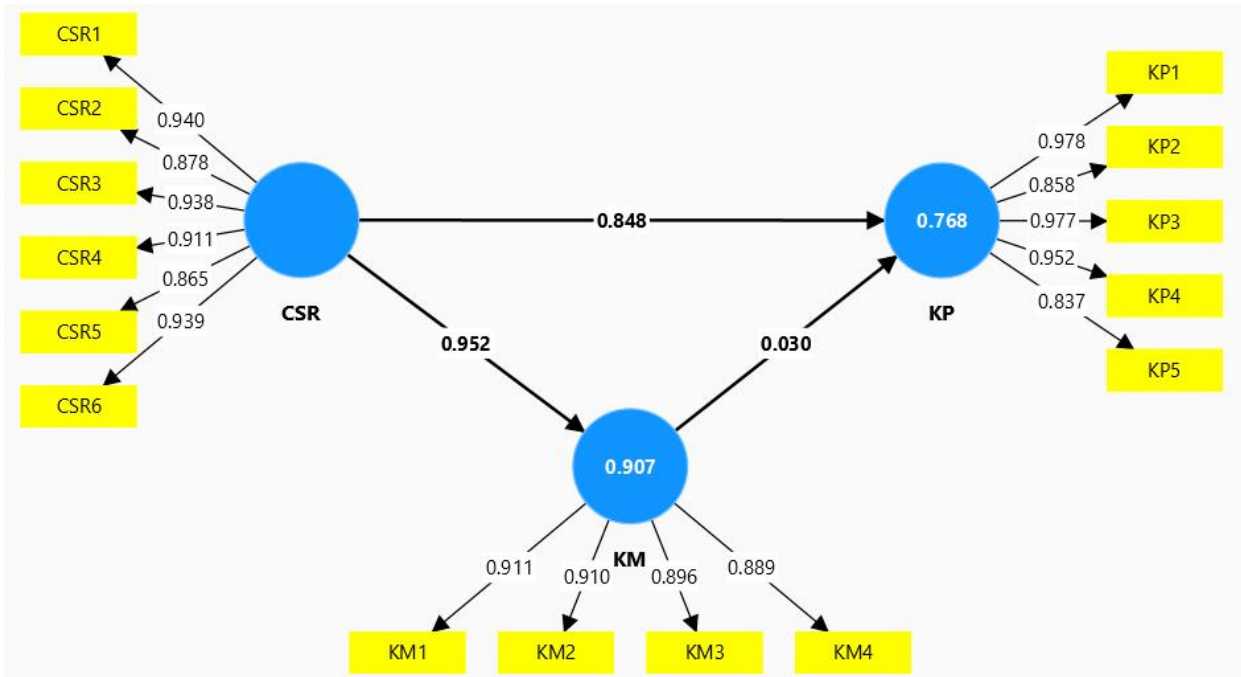


Figure 1. Results of SEM-PLS Research Model

4.2.1 Construction Test

The indicator construct test aims to ensure that the indicators used in this study can properly measure the construct in question. This test is carried out through the analysis of the validity and reliability of the construct using the measurement model or outer model in the Structural Equation Modeling-Partial Least Square (SEM-PLS) method. The loading factor shows the strength of the relationship between each indicator and the constructed being measured. Based on the literature (Hair et al., 2014), a good loading factor value is more than 0.50. If there is an indicator with a loading factor value of less than 0.50, the indicator must be deleted or revised.

Table 2. Loading Factor Indicator

Variable	Indicator	Outer Loading
Corporate Social Responsibility (X)	CSR1	0,940
	CSR2	0,878
	CSR3	0,938
	CSR4	0,911
	CSR5	0,865

	CSR6	0,939
Brand Awareness (M)	KM1	0,911
	KM2	0,910
	KM3	0,896
	KM4	0,889
Purchase Decision (Y)	KP1	0,978
	KP2	0,858
	KP3	0,977
	KP4	0,952
	KP5	0,837

Based on the table above, it shows that all indicators have a loading factor value above 0.50, so they meet the convergence validity criteria.

4.2.2 Reliability Test

In the study, the variable is considered to be quite reliable if the value of *construct reliability* more than 0.7. Reliability tests are conducted to evaluate whether the questionnaire can be used, which means that respondents' answers to the statements in the questionnaire remain consistent or stable over time. The questionnaire is considered reliable if the *Cronbach's alpha* (α) exceeding 0.6 (Suliyanto, 2018). The reliability test results for each variable are shown in the following table:

Table 3. Reliability Test

Variable	<i>Composite Reliability</i>	<i>Cronbach's Alpha</i>
Corporate Social Responsibility (X)	0,961	0,959
Brand Awareness (M)	0,931	0,923
Purchase Decision (Y)	0,961	0,955

Based on the table above, the *Composite Reliability* and *Cronbach's Alpha* values for each variable have met the set criteria, which is more than 0.6. This shows that all variables in this study have good reliability, with adequate internal consistency, so that the questionnaire used can be considered reliable.

4.3 Testing the Inner Model

The structural model test aims to evaluate the relationship between latent constructs in the study. This model assesses the strength of influence between variables and determines whether the proposed hypothesis can be accepted or rejected. At this stage, an analysis of the determination coefficient (R^2) and path coefficient (path significance test) is carried out. This test is important to understand the extent to which independent variables contribute to explaining the variability of dependent variables in the model (Hair et al., 2014; Ghazali, 2018).

4.3.1 R-Square

According to Suliyanto (2018), the R-square (R^2) value is used to measure how much an independent variable can explain a dependent variable in a model. The R^2 value ranges from 0 to 1, with the following interpretation:

- $R^2 > 0.75$ indicates a very powerful model,
- $0.50 < R^2 \leq 0.75$ indicates a moderate or fairly robust model,
- An $R^2 \leq 0.50$ indicates a weak model.

Table 4. *R-Square Value*

Line	<i>R-Square</i>
Brand Awareness	0,907
Purchase Decision	0,768

Based on the table above, the R-Square value for the path 1 model, namely CSR to Brand Awareness, shows a value of 0.907, meaning that this model is able to explain by 90% very strong. The R-Square value in the path 2 model is 0.768 which means that this model is also able to explain the data variation of 76% is very strong.

4.3.2 Path Coefficient (*Uji Hipotesis*)

Hypothesis testing in the structural model was carried out by analyzing the path coefficient to determine the strength and direction of the relationship between independent and dependent variables. According to Suliyanto (2018), path coefficient describes how much influence one latent variable has on another latent variable in the structural model tested. Based on the results of the path coefficient test, we can find out the direction and strength of the influence between the variables. In addition, the pathway significance testing allows us to determine whether the hypothesis proposed in this study is acceptable. The significant influence was marked by a t-statistics value of > 1.96 or a p-value < 0.05 .

Tabel 4. *Uji Path Coefficient*

Influence between variables	<i>Original Sample</i>	<i>P-value</i>	<i>Information</i>
CSR -> Brand Awareness	0,952	0,000	Signifikan
CSR -> Purchasing Decisions	0,848	0,000	Signifikan
CSR -> Brand Awareness -> Purchase Decisions	0,029	0,906	Insignificant

Based on the table above, in the Path Coefficient Test, Corporate Social Responsibility (CSR) shows a very significant influence on Brand Awareness, with a high coefficient of 0.952 and a p-value of 0.000. In addition, CSR also has a significant direct impact on Purchase Decisions, with a coefficient of 0.848 and a p-value of 0.000. However, upon further review, the indirect influence of CSR on Purchase Decisions through Brand Awareness proved to be insignificant, with a very low coefficient of 0.029 and a p-value well above the significance limit, which was 0.906.

5. Discussion

The results of statistical analysis in this study produced several significant findings regarding the interrelationship between the variables studied. First, a very strong positive correlation was found between Corporate Social Responsibility (CSR) and brand awareness ($\beta = 0.952$, $p < 0.001$). These findings confirm the theoretical postulate put forward by Servaes and Tamayo (2013) regarding the significance of CSR activities in increasing brand awareness in the minds of consumers. This result is also in line with a previous empirical study conducted by Fatma et al. (2015) in the banking sector.

Second, this study identified a significant direct influence of CSR on purchasing decisions ($\beta = 0.848$, $p < 0.001$). These findings provide empirical validation of the proposition of Sen and Bhattacharya (2001) regarding the impact of CSR on consumer purchasing behavior. The significance of this causal relationship indicates that the implementation of CSR programs has substantial strategic implications for consumers' actual purchasing behavior, not only at the level of intention as has been widely researched previously.

Interestingly, the results of the path analysis showed that brand awareness did not significantly mediate the relationship between CSR and purchase decisions ($\beta = 0.029$, $p = 0.906$). These findings contradict the dominant theoretical paradigm, as put forward by Keller (1993), which assumes the mediating effect of brand awareness in this context. Some factors that can explain this anomaly include:

- The dominance of CSR's direct effect on purchasing decisions leads to redundancy of the mediation role of brand awareness.
- The characteristics of the Indonesian market, especially for brands with a high penetration rate such as Aqua, where brand awareness has reached a saturation point so that it no longer plays a significant role as a mediating variable.
- Specifications for bottled drinking water product categories that have a low-involvement character in the consumer decision-making process.

6. Conclusion

Based on the results of the analysis and discussion, several conclusions can be drawn as follows:

1. There is a positive and significant influence of the implementation of Corporate Social Responsibility programs on brand awareness and consumer purchasing decisions.
2. Brand awareness has not been shown to play a role as a mediating variable in the relationship between Corporate Social Responsibility and purchasing decisions.
3. The research model shows high predictive power, indicating that Corporate Social Responsibility is an important determinant in shaping consumer behavior.

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