Corporate social responsibility and consumers’ perception of price

Daniela Abrantes Ferreira, Marcos Gonçalves Avila and Marina Dias de Faria

Abstract

Purpose – This study intends to investigate whether corporate social responsibility (CSR) would positively influence the benefit and the value perceived by the consumer in the company’s offer, the judgment of fairness in the price differential charged for it, and his/her buying intention, in a context where the socially responsible firm practises a price higher than the competition. It also investigates whether a social action, supported by the firm, with direct impact on the consumer’s life, would provoke a higher effect in his/her reactions than a social action with indirect impact.

Design/methodology/approach – The objectives were achieved through experimental methodology, using scenarios. Prior studies contributions to CSR and consumer behavior domains and the theoretical framework supporting the model of perceived value generated the study’s proposition, which was translated in a set of hypotheses.

Findings – The results obtained indicated that consumers perceived greater benefit and value in the offer of the socially responsible firm, and were showed to be willing to pay 10 percent more for its product, judging this price differential as being fair. Moreover, the social action with direct impact on the consumer’s life influenced more positively his/her reactions than the social action with indirect impact.

Research limitations/implications – The research instrument opens up the possibility for people to try to give answers that are in accordance with socially established rules and conventions. Also, a non-probabilistic convenience sample was adopted. Issues for future studies are: price sensitivity in the context of CSR; the importance of CSR as a factor of influence in buying decision compared with other factors; variables that could exert influence on the impact of CSR on consumers’ reactions; the influence of information sources about CSR in the consumer’s buying decision.

Practical implications – The results of the study indicate that companies have the opportunity to respond to their consumers’ desires of feeling good about a purchase (incentivating CSR), while achieving their business goals and, simultaneously, giving their own contribution to society. Also, when deciding on the social project to invest, firms should try to know which social actions are more valued by their consumers, which are those they judge to benefit them more directly.

Originality/value – The results achieved the integration of CSR in the field of perception of price fairness, as one motive that contributes to a price differential be judged as fair. As a part of the study, a measurement scale was elaborated and tested for the variable perceived benefit.

Keywords Corporate image, Social responsibility, Prices, Consumers

Paper type Research paper

1. Introduction

Today’s business environment presents important challenges to the companies. Beyond the search for conquering higher competitiveness and productivity levels, there is a growing concern with the social and environmental impacts of their actions. In this context, corporate social responsibility (CSR) is gaining importance and generating a significant debate in academic and entrepreneurial environments (Bhattacharya and Sen, 2004; Borger, 2001; Obalola, 2008).
A relevant question associated to CSR refers to the impact on the profitability that this posture can cause. The CSR can involve a differentiated cost structure (Mohr and Webb, 2005), especially for small and medium businesses (Koladkiewicz, 2009), and, in today's competitive environment, higher costs can denote menaces to the own company's ability to keep on operating in the market. Consequently, it is relevant to question about the possibility of transferring to consumer incremental costs generated due to the set up of a CSR platform. At what extent can this be done through a differentiated price policy? Are consumers willing to pay more for socially responsible companies' products?

The CSR literature proposes that the consumer perceives an additional benefit in the purchase of products that are associated to CSR (Strahilevitz, 1999; Smith, 1996). This work is in line with this current of thought, and suggests some unfoldings, within a much ample model of understanding the consumer decision process. In this model, four variables will be introduced to explain the relationship between CSR and consumer behavior: the benefit perceived in the socially responsible company's offer, the perception of fairness about the differential of price charged by this company, the value perceived in this offer and the impact of the social action, supported by the company, on the consumer's life.

This research has as purpose to investigate the relationship between CSR and the consumer's buying intention, in a context where the company practices a greater price than the one practiced by the competition. The main question guiding the study is: are consumers willing to pay a higher price for products from a firm that invests in CSR? More specifically, the study will search to answer the following questions:

1. Does the consumer perceive an additional benefit in the purchase of a product from a company that invests in CSR?
2. Does he/she consider it fair this product to be more expensive than the one from the competition?
3. Does he/she perceive value in the company's offer?
4. Would he/she be willing to buy this product?
5. Does the kind of social action that the company supports interfere in the consumers' reactions?

The answer to those questions will contribute to a greater understanding about CSR and its impacts on consumer behavior. In spite of the growing relevance of this subject, there is a significant hiatus concerning the study of those impacts (Sen and Bhattacharya, 2001; Litz, 1996). Furthermore, the understanding of the relationship between companies' socially responsible behavior and consumers' purchase decision tends to become increasingly relevant, as consumers are looking for more information about their rights and about the responsibility of the companies towards society (Titus and Bradford, 1996).

2. Literature review and theoretical background

2.1 The concept of corporate social responsibility

All through the development of the concept of CSR, two approaches can be distinguished. The economic classic vision, defended by Friedman (as mentioned in Ferrell et al., 2001), defines a socially responsible firm as the one that responds primarily to its shareholders' interests, maximizing its profit generation and fulfilling its legal obligations. The socioeconomic vision enlarges the concept of CSR to include the promotion of the social welfare as a relevant goal to the organizations. This approach recognizes that business decisions and their results reach a universe of social agents much broader than the one composed by companies' partners and shareholders and, therefore, decisions can not be taken motivated solely by economic factors (Borger, 2001).

Aligned with the socioeconomic approach, Mohr et al. (2001) define CSR as the organization's commitment to minimize or eliminate the negative effects of its actions and to maximize the long term benefits to society. According to Carroll (1999), the company has to
do it taking into account four dimensions of social responsibility: legal, economic, philanthropic and ethical.

By observing the literature as well as the public debate about the subject, it can be perceived that the socioeconomic approach has been prevailing over the classic economic vision of CSR (Szczepanski et al., 2009; Ashley et al., 2003; Sen and Bhattacharya, 2001; Ferrell et al., 2001; Brown and Dacin, 1997). This research is in line with the vision of CSR as an entrepreneurial commitment to society, expressed by means of actions and attitudes that affect it positively (Ashley et al., 2003).

2.2 The development of the research on corporate social responsibility and consumer behavior

Some studies searched to investigate what was the consumer’s general attitude towards companies that invest in CSR. Brown and Dacin (1997) denote that CSR influences positively people’s beliefs and attitudes, not only regarding the company itself, but also towards its products. Other researches found out similar results (Brown and Dacin, 1997; Murray and Vogel, 1997). However, those studies did not approach consumer’s buying intention: does positive evaluation of companies and products associated to CSR turn into preference for buying these products?

Other researchers have found that the consumer shows preference for buying products from companies that invest in CSR (Bhattacharya and Sen, 2004; Sen and Bhattacharya, 2001; Barone et al., 2000). Some of these studies have contributed to a greater understanding of the relationship between CSR and buying intention, pointing out to a factor that interferes on that relationship: the consumer’s interest in social actions supported by the company. According to Sen and Bhattacharya (2001), CSR’s impact on buying intention is stronger as greater is the consumer’s support to social causes in which the company invests. Ulterior studies reinforced this affirmative, pointing out to the importance of consumers’ evaluation about social actions supported by companies (Mohr and Webb, 2005; Auger et al., 2003).

Specifically, in the Brazilian context, the study conducted by Serpa and Fournier (2007) denoted that CSR is more valued when social actions are tied up to the solving of country’s basic problems, such as education and health.

Consumers’ reaction to price is clearly a variable of interest in studies on CSR. There is a predominance of results indicating that the consumer would be willing to pay a higher price for products associated to some kind of CSR. These results indicate a path, but are fragmented since each study focused on only one dimension of CSR. Creyer and Ross (1997) concluded that consumers are willing to recompense the companies extremely ethical, paying a higher price for their products. Although this study emphasized only the ethical dimension of CSR, it indicated that the appraisal of some aspect of CSR, pointed out by other studies, can result in a consumer’s inclination to pay a higher price for them. Other studies focused exclusively on the philanthropic dimension, and the results also indicated that the consumer accepts to pay more for the product from a company that invests in a social cause (Mohr and Webb, 2005; Peixoto, 2004; Barone et al., 2000; Strahlilevitz, 1999).

The literature on CSR and consumer behavior brings out some relevant conclusions for this research. First of all, the consumer shows to value CSR and to derive benefits from buying products coming from companies that invest in CSR. However, there are no studies that measured these benefits and that empirically related CSR to the perception of them. Secondly, consumers are apparently willing to pay more for a product related to some aspect of CSR. Nevertheless, there is no proposition of an explanation that integrates the fragmented results found out in the literature – generally focused on one specific dimension of CSR. Confronted to the offer of similar products, would consumers be effectively willing to pay more for the product from a socially responsible company? This work proposes that this purchase decision can be understood through a theoretical model of perceived value, encompassing the concept of perception of prices fairness, whose role within the model was already indicated by prior researches (Xia and Monroe, 2005; Martins and Monroe, 1994).
2.2 Perceived value: benefits vs sacrifices

The value perceived by the consumer in an offer results from the comparison between the benefits that the consumer acknowledges that he/she is earning in the exchange with the company and sacrifices, monetary and non-monetary, that he/she perceives as necessary to the exchange to be effective (Ravald and Grönroos, 1996; Zeithaml, 1988). The concept of perceived sacrifice comprehends all the costs incurred by the consumer in the exchange with the company. These costs can include time and psychological cost related to the searching of the product, the risk of it not having a good performance, and the monetary cost per se (Dodd et al., 1992). The benefits represent the earnings obtained through the exchange with the company. However, although many definitions of value have used quality as the only component of the perceived benefit, consumer also considers other relevant factors that can be more subjective and abstract, like emotional benefits (Churchill and Peter, 2000; Zeithaml, 1988). A question that emerges: is the fact that a company is socially responsible considered by the consumer as a benefit, adding value to the product he/she is buying?

2.2.1 The role of corporate social responsibility on perceived value. Smith (1996) proposes that one of the benefits that consumer can obtain through exchange processes with companies is the benefit of feeling good about himself for contributing to altruistic actions. Other authors reinforced those affirmatives and argued that the feeling of being helpful to other people, through the act of purchasing, brings in emotional benefits to consumers (Mohr and Webb, 2005; Bhattacharya and Sen, 2004; Strahilevitz, 1999).

Some explanations to altruistic consumer behavior have been provided, such as the desire to do what is right (Dawes and Thaler as mentioned in Strahilevitz, 1999), the search for moral satisfaction (Kahneman and Knetsch, 1992) and the desire to experience an agreeable sensation of pleasure (Andreoni, 1990). Summing up, a way of reasoning about the disposition of paying more to contribute to CSR, in the context of consumption relations, is to apprehend these acts as consumers’ search for pleasure derived from the action of doing good to others (Bhattacharya and Sen, 2004; Strahilevitz, 1999).

This study’s proposition is that CSR can influence the value perceived by the consumer through the obtention of an additional measurable benefit that would compensate a price difference. A relevant question is: how does a price higher than the one charged by the competition influence the built up of the value perception?

2.2.2 The role of prices fairness on perceived value. The price is perceived by the consumer as a monetary sacrifice, but this sacrifice can be higher or lower depending on the perception of fairness. The price considered unfair increases the perceived sacrifice, reinforcing its negative impact on the perception of value (Xia and Monroe, 2005; Martins and Monroe, 1994). Price fairness perception refers to the judgment of the established price and of the process used to establish it (Bolton et al., 2003). What reasons would lead a price superior to the competition, issue of interest of this study, to be considered fair?

There are two explanations to this question provided by the literature. The first one relates to the concept of transaction similarity. When consumers perceive two commercial transactions as similar ones, but in one of them the price is higher than in the other one, there will be a perception that the higher price is unfair (Xia and Monroe, 2005). However, additional benefits offered in one of the transactions will make them both stop being perceived as similar and, therefore, prices, as well, will stop being comparable (Xia et al., 2004). This study proposes that CSR plays the role of this additional benefit. The other explanation found in the literature is based on the study of Kahneman et al. (1986). This seminal contribution showed that individual perceptions of price fairness are based on communitarian fairness standards, reflected by the Principle of Dual Right. According to this principle, consumers consider that companies have the right to protect their profit, increasing their prices when there is an increase in their costs. Researches prior to the study of Kahneman et al. (1986) indicated that not all the costs are perceived as legitimators of a fair increase in prices. Some costs, such as the ones referring to advertising, for example, can lead to the perception that the higher price charged is unfair (Bolton et al., 2003).
Campbell (1999) identified a key factor that directly affects the perception of price fairness: the motivation the company has to establish the price. This was reinforced by ulterior studies (Xia et al., 2004; Vaidyanathan and Aggarwal, 2003; Bolton et al., 2003), which indicated that when the consumer infers that the company’s motive is positive, he/she tends to judge the price differential as being fair.

3. Hypotheses and methodology

The research methodology used in this study is the experimental one, and its choice is justified by the objective to investigate the existence of the relationship between variables (Cooper and Schindler, 2003). Experimental methodology has been largely employed in social sciences and, more specifically, in studies approaching consumer behavior and CSR (for example: Auger et al., 2003; Sen and Bhattacharya, 2001).

Prior studies contributions to CSR and consumer behavior domains and the theoretical framework supporting the model of perceived value generated this study's proposition, which was translated in a set of hypotheses. The general proposal is that the consumer will accept to pay more for the product from a company that invests in CSR, acknowledging the fairness of its price and the existence of additional benefit and value involved in the company’s offer; and that a social action of direct impact on consumers’ life will be perceived as an extra benefit in the trade-off with the company and will produce a greater effect on consumers’ reactions than a social action of indirect impact:

**H1.** Considering a purchase situation where the quality of products is equivalent and one of the companies establishes a higher price than the competition, the information that the company practicing the higher price is socially responsible (vs the absence of this information) will make the consumer: (a) perceive a greater benefit in this company’s offer; (b) perceive the price differential in relation to the competition to be more fair; (c) perceive a greater value in this company’s offer; and (d) show greater buying intention.

**H2.** There is a positive correlation between perceived benefit and perceived value.

**H3.** There is a positive correlation between perceived price fairness and perceived value.

**H4.** There is a positive correlation between perceived value and buying intention.

**H5.** Considering a purchase situation where the quality of products is equivalent and one of the companies establishes a higher price than the competition, the information that the company practicing the higher price is socially responsible and supports a social action with direct impact (vs indirect impact) on consumer’s life generates: (a) a greater perceived benefit; (b) an equal or greater perception of fairness in relation to the price differential; (c) a greater perceived value; and (d) a greater buying intention.

3.1 Method

The participants were exposed to the research scenarios (Table I) and then answered an auto-administered questionnaire containing the scales related to the verifications of the independent variables’ operationalization and to the measurement of the dependent variables. All scenarios and scales were evaluated and validated in a pre-test performed with a total of 172 subjects, where the product used in the scenarios was also defined: jeans pants, chosen due to the fact that they were a product of common use among the young and adults, men and women, and because they did not convey any specific information – good or bad – about CSR. The pre-test and the experiment itself were performed during the period between 1 November and 15 December 2005.

The experiment’s independent variables are CSR and impact of social action supported by the company and the dependent variables are perceived value, perceived price fairness and buying intention. The entire sample was divided into a control group (exposed to scenario 1) and three experimental groups (exposed to scenarios 2, 3 and 4, respectively).
Hypotheses H1a, H1b, H1c, and H1d compare scenarios 1 and 2, and hypotheses H5a, H5b, H5c, and H5d compare scenarios 3 and 4. On the other hand, hypotheses H2, H3, and H4 consider the use of the entire research sample. This experimental design intended to allow the separate analysis of the effects of the variables CSR and social action impact.

Concerning the difference in price practiced by the socially responsible firm, it was used a pattern of 10 percent, which is in line with the level suggested by the existing literature as being sufficient to allow the consumer to perceive prices as being different (Homburg et al., 2005; Strahilevitz, 1999).

### 3.1.1 Operationalization of independent variables.

Basically, the interest was centered in verifying if the information delivered to the experimental groups about CSR led to the perception that the company described in the scenarios invested in CSR, and if the social action supported by the company was perceived as exerting a direct impact (scenario 3) or an indirect impact (scenario 4) on consumer’s life. The scale used to measure CSR was a seven-point Likert type (1 = unfavorable; 7 = favorable), adapted from Brown and Dacin (1997), with three response items: “perform an evaluation of the company X on the following aspects: (1) The company X shows concern for the environment; (2) The company X shows involvement with the community; (3) The company X makes investments in causes that are worth while”. In order to measure the impact of the social action in consumer’s life, a direct question was asked, to be answered through a seven-point Likert-type scale (1 = indirect; 7 = direct): “given the situation described in the text, evaluate the impact that the educational project supported by company X has on your life”. The results of the verification of independent variables’ operationalization show that the scenarios were perceived

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Description</th>
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<tr>
<td>Scenario 1</td>
<td>Imagine that you want to buy a pair of jeans and go to a shopping center looking for options. During your visit to the shopping center, you enter into some shops and try several pairs of jeans. At the end, you concluded that the pairs of jeans that you liked the most were in the three shops of the shopping's first floor – shop X, shop Y and shop Z. The three pairs of jeans are of excellent quality, have a beautiful and comfortable design, and you loved the three of them equally. However, there is a price difference between them. The trademark X’s pair of jeans costs $110, while the others cost around $100.</td>
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<td>Scenario 2</td>
<td>Concerning the company X, you recently learned that it is a company that has been for a certain while investing in the improvement of the quality of life of society as a whole, which means implementing actions going beyond paying taxes and creating job opportunities. Their clothes are produced in plants especially equipped to protect the environment. Moreover, the firm has been implementing programs to improve the quality of life of its employees and making systematic investments in several social programs. The company adopts a policy of information transparency for its shareholders, suppliers and clients. For these reasons, the company X appears in one of the first positions of a ranking of Brazilian socially responsible firms, which is set each year by a respected independent institute.</td>
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<td>Scenario 3</td>
<td>More recently, the company X decided to cooperate financially with an educational project which is being implemented in the neighborhood where you live, providing technical education to lower-class young people. The project is taking the young off the streets, improving their life quality and that of the neighborhood where you live.</td>
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<tr>
<td>Scenario 4</td>
<td>More recently, the company X decided to cooperate financially with an educational project which is being implemented in the vicinity of São Paulo, providing technical education to lower-class young people. The project is taking the young off the streets, improving their life quality and that of the neighborhood where they live.</td>
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according to what was expected (see Table II). Also, there was a significant difference between the perception of direct impact and indirect impact of the social action (Sig. = 0.000).

3.1.2 Measurement of dependent variables. Three out of the four scales employed to measure the dependent variables of the research are adaptations of scales already developed priorly to measure the same constructos, following the recommendation of Netemeyer et al. (2003). These authors consider that, if there are good measurements of a constructo in the referred literature, the value of a new measurement will probably be low relatively to the costs involved in its development. Table III presents the scales.

Nevertheless, in order to measure the dependent variable perceived benefit a specific scale was developed, since there could not be found, in the referred literature, a measurement for this variable that were adequate to the purposes of the research.

The stages to the development of the scale followed the orientations of Netemeyer et al. (2003) and of Hair et al. (1998). The first stage is the conceptual definition, where scale items must be created based on theoretical background. A series of seven items, then, came over based on the literature’s main contributions:

1. If I buy brand X’s (product) I will feel good about myself.
2. To buy brand X’s (product) would make me feel that I am doing the right thing.
3. To buy brand X’s (product) would bring me welfare.
4. If I buy brand X’s (product) I will be benefiting myself.
5. If I buy brand X’s (product) I will be satisfied.
6. The purchase of brand X’s (product) would bring me pleasure.
7. To buy brand X’s (product) would provide me with personal satisfaction.

This list of items was submitted to a panel of specialists composed by three PhD professors from COPPEAD/UFRJ, Ibmec/RJ and University of Illinois at Urbana Champaign/EUA, and two PhD candidates from COPPEAD/UFRJ. The specialists’ role in this stage of the scale development is to evaluate the validity of the scale translation which represents how much a constructo is effectively being translated into the proposed operational measurement, and

<table>
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<th>Table II</th>
<th>Verification of the operational definition of independent variables – means</th>
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<tr>
<td>Independent variable</td>
<td>Scenario 1</td>
</tr>
<tr>
<td>CSR</td>
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<td>Social action impact</td>
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<th>Table III</th>
<th>Dependent variable scales</th>
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<tr>
<td>Variable</td>
<td>Scale items</td>
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<tr>
<td>Perceived price fairness</td>
<td>Given the situation described in the text, evaluate the price differential charged for the brand X, circulating a number from 1 to 7 (1 = unfair/7 = fair; 1 = unacceptable/7 = acceptable; 1 = unsatisfactory/7 = satisfactory; 1 = very high/2 = very low) 1. If I buy brand X’s pair of jeans, I will be getting what my money is worth; 2. If I buy a brand X’s pair of jeans I think I will receive good value in return for the money spent; 3. The brand X’s pair of jeans is a worthwhile purchase, because I think its price is reasonable (1 = strongly disagree; 7 = strongly agree)</td>
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<tr>
<td>Perceived value</td>
<td>Kukar-Kinney et al. (2005); Campbell (1999)</td>
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<td>Buying intention</td>
<td>Kukar-Kinney et al. (2005); Suri et al. (2003)</td>
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<td>Kukar-Kinney et al. (2005); Xia and Monroe (2005)</td>
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involves the content validity and the face validity. At its turn, through the evaluation of face
validity the specialists judge the easiness of comprehension and use of the scale, aiming to
increase the possibility of cooperation of the future research’s respondents. This initial stage
of validation resulted in a refinement of the scale, as follows:

1. If I buy brand X’s pair of jeans I will feel good about myself.
2. To buy a brand X’s pair of jeans would make me feel that I am doing the right thing.
3. If I buy a brand X’s pair of jeans I will be benefiting myself.
4. To buy a brand X’s pair of jeans would provide me personal satisfaction.

The final stages of the scale development refer to the definition of dimensionality and to
the evaluation of its confiability and convergence validity and, for doing that, data from a pre-test
with 126 subjects was used. The dimensionality was evaluated through an exploratory factor
analysis, using as factor extraction method the one of the principal components (Netemeyer
et al., 2003; Hair et al., 1998). The result pointed out to the unidimensionality of the scale, with
KMO index of 0.786, indicating that the factor analysis performed is satisfactory. Barlett
estericity test was conducted to test the general significance of the correlations of the scale
items’ correlation matrix. Test results (Qui-square approximately = 292.116; gl = 6; Sig. = 0.000) suggest the existence of significant relationships between the scale items.
Then, the scale confiability was evaluated through the Cronbach’s alpha coefficient
calculation, whose result (0.887) indicates a high confiability level. Finally, the convergence
validity was evaluated, calculating the table of correlations between the items, which
showed positive and significant correlation indexes (Spearman’s Rho > 0.500; Sig. < 0.001).

3.1.3 Sample. The research sample was composed by 264 subjects. It constituted a
non-probabilistic sample composed by MBA programs’ students (53.4 percent) and
undergraduate students of business administration (11.4 percent), economics (8.0 percent),
languages (10.6 percent) and medicine (16.7 percent) of two private schools and a public
university of Rio de Janeiro, Brazil. There is a slight predominance of males in the sample
(52.7 percent) and the age of the participants presented the following distribution: until 20
years old (14.0 percent); from 21 to 25 years old (27.3 percent); from 26 to 30 years old (25.4
percent); from 31 to 35 years old (16.3 percent); more than 36 years old (17.0 percent). No
significant differences were detected between gender (Sig. > 0.05 for all research cells)
and between the different age ranges (Sig. > 0.05 for all research cells). The questionnaires
were distributed as follows: 66 to scenario 1; 70 to scenario 2; 63 to scenario 4 and 65 to
scenario 5. The size of the sample respected what was suggested by Hair et al. (1998), that
is, not less than 30 subjects per research cell.

3.2 Data treatment

First, the data were prepared, including the development of a graphical analysis (histograms
and box-plots), outliers’ evaluation and evaluation of dependent variables normality through
Kolmogorov-Smirnov test (Cooper and Schindler, 2003; Siegel, 1994). All these evaluations
took into consideration the data grouping according to the research hypotheses, as already
defined on item 3.1.

The normality condition was registered for the distributions considered for H1 and H5. For
these groups, the Kolmogorov-Smirnov tests allowed to accept the normality hypothesis for
the distributions (Sig. > 0.05 for all the dependent variables). The asymmetric and kurtosis
values also did not suggest significant deviations from normality, ranging from —0.5 and 0.5
(asymmetry) and —1.0 and 1.0 (kurtosis), following the recommendation of Hair et al. (1998).
For the test of hypotheses H1a, H1b, H1c, H1d, H5a, H5b, H5c, and H5d it was used the
multivariate analysis of variance (MANOVA), for it is a procedure that serves to detect
differences among groups between two or more dependent variables simultaneously (Hair
et al., 1998), as it is the case. It is important to notice that the use of several analyses of
variance (ANOVAs) to test these hypotheses would not be recommendable, since it could
generate problems for controlling the type I error, that is, the chance of rejecting the null hypothesis when it should have been accepted (Cooper and Schindler, 2003).

Concerning the distribution considered in hypotheses H2, H3 and H4 (the group as a whole), Kolmogorov-Smirnov test results did not allow to accept the data's normality condition (Sig. < 0.05 for all variables). As a result, the proposed correlations in these hypotheses were tested through the Spearman's coefficient and its significance level, since this is a nonparametric correlation coefficient and, therefore, normality of distributions is not demanded. All the statistical procedures were performed using the software SPSS version 10.0, with a significance level of 0.05.

3.3 Research limitations

The first limitation to be considered is inherent to experiments based on scenarios, where the respondents need to imagine themselves experiencing a hypothetical buying situation. Being so, chances are that respondents pay more attention to information about CSR than they would do in a real situation, where this information is sparse. Moreover, being that a simulation, the decisions taken did not effectively have an impact on their lives, what can reduce the realism of their answers. Since this is a social research, it is relevant to notice that there might be a difference between respondents' declared motivations and actual behavior. Being so, this limitation, inherent of this kind of research, should be considered when analyzing and discussing the results of this study.

The research instrument also opens up the possibility for people to try to give answers that are in accordance with socially established rules and conventions, exempting themselves to truly express their opinions. One of the most relevant biases that reach the subject researched is the bias of social desirability (Marlowe and Crowne as mentioned in Erffmeyer et al., 1999). This bias was brought up by other studies in CSR's domain (Auger et al., 2003), even in the Brazilian context (Urdan and Zuñiga, 2001), and it happens when subjects being researched base their answers on what they perceive as being a socially valued answer. A way to mitigate this impact consisted of the speech used for applying the questionnaires, where it was emphasized the impossibility of identifying the respondents and the importance of being sincere when providing answers, an issue considered fundamental to the research's legitimacy.

Finally, an important limitation of this research refers to the sample used. Due to the practical difficulty associated to the use of probabilistic sampling, it was adopted a non-probabilistic convenience sample. It is important to notice, however, that the research sample is composed by people with high educational level and opinion formers. For a research object relatively new, as it is the case of CSR in Brazil, it is reasonable to assume the relevance of understanding the opinion formers' reactions, since their attitudes and behavior could futurly exert some influence over society as a whole.

4. Results and analyses

4.1 Test of hypothesis H1

According to hypotheses H1a, H1b, H1c, and H1d it was expected that the experimental group, exposed to scenario 2, presents higher scores than the control group, exposed to scenario 1, regarding the answers to the dependent variables. Table IV indicates that the differences occurred in the proposed direction.

The results of MANOVA (Hotelling’s trace = 0.881; F = 28.847; Sig. = 0.000) pointed out to the existence of significant differences between the answers provided by the control group and the experimental group, relative to the effect of CSR on dependent variables, according to what was presumed under H1. The homoscedasticity assumption was satisfied (Box’s M = 6.497 and Sig. = 0.791; Levene’s test with Sig. > 0.05 for all variables). These results support the idea that there are aspects related to the company, which go beyond its products, capable to influence the consumer’s buying decision (Brown and Dacin, 1997). This study searched to define how this influence occurs. First of all, the analysis of the results
indicated that respondents perceive an additional benefit in the purchase of a product coming from a socially responsible company. This proposition has already been adopted as theoretical assumption by some authors (Strahilevitz, 1999; Smith, 1996), and the results portrayed herein contribute to make it have an experimental basis, despite the already exposed limitations. The results also indicated that respondents judged the 10 percent price differential charged by the socially responsible firm as fair, allowing to assume that CSR would be acting as a differential of the company’s offer and/or as a positive motive for the firm to charge a price higher than the similar competitive products, constituting a factor that would justify this price.

Finally, the test results for H1 also indicated that there is an additional value being perceived in the socially responsible firm’s offer, and that the consumer researched showed to be willing to buy its product, regardless the fact that it costs 10 percent more than the competitors. These results are in accordance with the theoretical model of perceived value (Monroe, 2003; Zeithaml, 1988), and integrate in it the CSR variable as something that improves the consumers’ perception of value and lead to buying intention.

4.2. Test of hypotheses H2, H3 and H4

A table containing the variables correlation index was elaborated to statistically evaluate the existence of the proposed correlations under hypotheses H2, H3 and H4. The results indicate that there is a positive and significant correlation between perceived benefit and perceived value (Spearman’s Rho = 0.693; Sig. = 0.000), between perceived price fairness and perceived value (Spearman’s Rho = 0.535; Sig. = 0.000), and between perceived value and buying intention (Spearman’s Rho = 0.700; Sig. = 0.000). Apparently, the benefit that respondents perceived in the socially responsible company’s offer and the perception that the price differential charged by this company is fair show to be related to the consumers’ perception of value in the company’s offer. On its turn, the perceived value is related to the consumers’ buying intention. Although the results achieved do not allow to suggest causality relationships, they enlarge prior studies conclusions, by dealing with the relationships between the variables in the context of CSR.

4.3 Test of hypothesis H5

According to hypotheses H5a, H5b, H5c, and H5d it was expected that the group exposed to scenario 3 (social action of direct impact) presents higher scores than the group exposed to scenario 4 (social action of indirect impact), regarding the answers to the dependent variables. Table V indicates that the differences occurred in the proposed direction.

The results of MANOVA (Hotelling’s Trace = 0.271; F = 8.338; Sig. = 0.000) indicate that there are significant differences among the groups’ answers, as presumed under hypothesis H5. The results of the Box’s M test (Sig. = 0.00) did not allow the acceptance of null hypothesis predicting that covariance matrices of dependent variables are equal among groups. Nevertheless, Hair et al. (1998) argue that the violation of homoscedasticity does not have a significative impact on MANOVA’s results if the groups compared have approximately the same size (that is, if the division between the number of components of the biggest group and the number of components of the smallest group turns to be 1.5 or less). In the specific case of this study the value of this division is 1.03 (65/63), corresponding to the recommendation of Hair et al. (1998). These results represent a contribution to the

<table>
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<tr>
<th>Table IV</th>
<th>Descriptive statistics – H1</th>
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<tbody>
<tr>
<td></td>
<td>Perceived benefit</td>
</tr>
<tr>
<td>Control group</td>
<td>n 66</td>
</tr>
<tr>
<td>Average</td>
<td>3.0341</td>
</tr>
<tr>
<td>Std. deviation</td>
<td>1.3950</td>
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<tr>
<td>Experimental group</td>
<td>n 70</td>
</tr>
<tr>
<td>Average</td>
<td>5.2036</td>
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<tr>
<td>Std. deviation</td>
<td>1.3441</td>
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</table>
proposition brought into light by prior researches that social actions more valued by consumers would have a greater effect upon their reactions (Bhattacharya and Sen, 2004; Serpa and Fourneau, 2007; Instituto Ethos, 2004). This research expands this idea, suggesting that social actions more valued by consumers are those capable to generate a direct impact on their lives — respondents perceived them as an extra benefit of the company’s offer, and this affected positively their buying intention.

6. Conclusion, implications and suggestion for future studies

The results attained by this research suggest that CSR effects on consumer buying decision can be empirically measured and verified. The respondents perceived a higher benefit and value in the socially responsible company’s offer, judging its price differential as fair, and showed to be willing to buy its product. Since the research scenarios made clear that the quality of products was equivalent, and that the consumer should assume to have liked them all equally, it can be considered that CSR was a factor that influenced the consumers’ answers. Moreover, the research results contribute to the integration of CSR, in the field of perception of price fairness, as one motive that contributes to a price differential be judged as fair. And, apparently, a purchase that contributes to consumer’s sensation of feeling good, while contributing to CSR, turns to be even more attractive if it also includes a benefit associated to this consumer’s own interest (social action of direct impact).

In this direction, the present study indicates that there can be a decisive motivator for the companies to adopt a socially responsible posture: their consumers’ behavior. Therefore, in the search for satisfying market needs, the companies have the opportunity to respond to their consumers’ desires of feeling good about a purchase (incentivating CSR), while achieving their business goals and, simultaneously, giving their own contribution to society. This would involve satisfying consumers’ needs associated to product’s characteristics per se, and, at the same time, offer them the benefit of investing, even if indirectly, in the construction of a better society for all. It is important to notice that these research scenarios do not consider only one CSR dimension, but instead, a more ample description of the concept. This study results are based on the description of a socially responsible firm, in a broader conception of the term. CSR was treated by the study as a company’s general posture, and can not be reduced, in the name of managerial implications, to an isolated investment. This means that the research results do not allow affirming that an isolated investment in some social cause will generate positive impacts on consumers’ reactions.

Nevertheless, if the socially responsible firm decides to invest in a specific social action, the research results suggest that the type of action chosen can make a difference in consumers’ reactions. When deciding on the social project to invest, the companies should try to know which social actions are more valued by their consumers, which are those they judge to benefit them more directly. Following this reasoning, in the definition of a marketing strategy of national reach, whose content is tied up to social actions supported by the company, it must be considered the challenge of turning to local actions that could be perceived as having a direct impact on targeted consumers’ life, obtaining a positive impact on their reactions.

<table>
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<tr>
<th>Table V Descriptive statistics – H5</th>
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<td></td>
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<tr>
<td><strong>Perceived benefit</strong></td>
</tr>
<tr>
<td><strong>Perceived price fairness</strong></td>
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<tr>
<td><strong>Perceived value</strong></td>
</tr>
<tr>
<td><strong>Buying intention</strong></td>
</tr>
<tr>
<td><strong>Social action of direct impact group</strong></td>
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<tr>
<td>Average</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td><strong>Social action of indirect impact group</strong></td>
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<tr>
<td>Average</td>
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<tr>
<td>Std. Deviation</td>
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</table>
Finally, the conclusions brought up herein open up space for a debate – out of the scope of this work – about if the companies should search to invest in CSR to generate positive reactions on their consumers, or if they should do it for the ideal of retributing to society what they receive from it. Nevertheless, whatever the companies’ posture is, if consumers are willing to recompense those that invest in CSR paying a little more for their products, this means that they can play an important role of regulator of entrepreneurial behavior, what, in the long run, would bring benefits to society as a whole. In order to make this happen, it is necessary that information about CSR be available, in an intelligible and reliable manner, and that it can be accessed by an increasingly greater parcel of society. On the other hand, it is necessary that consumers attain a level of knowledge and education related to the issue that allows them to discriminate a company committed to CSR from others that act in isolated social projects without continuity.

The research results open up a field for future studies; among them we point out:

1. The application of statistical procedures that allow the verification of causal relationships between variables being studied.

2. Evaluation of price sensitivity in the context of CSR, testing other levels of price differences.

3. Evaluation of the importance of CSR as a factor of influence in buying decision when compared to other factors, such as product or service quality.

4. Evaluation of variables that could exert influence on impact of CSR on consumers’ reactions, such as income level, nationality, among others.

5. Evaluation of the influence of other information sources about CSR in the consumer’s buying decision, aiming to understand which sources could be the more reliable and accessible to him/her and that, for this reason, would exert a greater influence power.

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Xia, L. and Monroe, K. (2005), “Comparison references and the effects of price unfairness perceptions”, working paper, Department of Business Administration, University of Illinois, Champaign, IL.


**Corresponding author**

Daniela Abrantes Ferreira can be contacted at: dabrant@uol.com.br