

# E-Commerce Online Purchase Intention: Importance of Corporate Social Responsibility Issues

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## INTRODUCTION

Mobile technologies have grown tremendously in the past ten years. Mobile technology use differs greatly between the United States and Japan but the drivers behind the phenomenal growth of mobile technologies, and specifically mobile phones, can be attributed to common themes. Those themes are affordability, accessibility, compatibility, effort or ease of use, experience, perceived playfulness, perceived usefulness, service quality, safety concerns, social influences and technical support. While each of these categories offers different motivations, they seem to show up in multiple studies examining the Internet and mobile technology research. It is interesting that mobile Internet in the United States has followed Japan and the Philippines at a considerable distance.

Corporate social responsibility (CSR) is becoming an important function of businesses. Consumers are more aware of various social and environmental issues. Various researches suggest that corporate social responsibility influences consumers either directly or indirectly (Singh, de los Salmones Sanchez, & Del Bosque, 2008; Balqiah, Setyowardhani, & Khairani, 2011; Huber, Meyer, Vogel, & Vollmann, 2011; Dean, 2003; Smith, Read, & López-Rodríguez, 2010; Bui, 2010; Tian, Wang, & Yang, 2011). Few articles discuss how corporate social responsibility affects the decision-making of the consumer (Wisdom, 2012).

This study attempts to study the perception of e-commerce in organizations practicing corporate social responsibility (CSR) with Filipino consumers. The following section begins with a review of relevant and related literature on key corporate social responsibility constructs. The research framework and the methodology adopted in this research will be presented. The quantitative results of the survey will also be presented, and finally we will discuss the key findings and managerial implications of the survey. Ultimately, we want to know if a consumer will still purchase online from a corporation that is not socially responsible; and what are the factors.

## BACKGROUND



### Research on Corporate Social Responsibility

Corporate social responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large. Consumer awareness of corporate social responsibility means that consumers are aware of corporate social responsibility activities in real consumer consumption, but awareness is influenced by political, cultural, and economic development. Consumer trust is defined as consumer expectation that the company, as a sponsor of corporate social responsibility programs, is willing to keep its promise and fulfill its obligations with honesty, goodwill, and non-opportunistic motives. Consumer trust equates to immediate consequences of a firm's social performance and affects the consumer's attitudes and actions in response to corporate social responsibility. Tian et al. (2011) found that a higher level of consumer-perceived corporate social responsibility leads to a higher level of consumer responses to corporate social responsibility. This perception was defined as corporate social responsibility awareness. They found that awareness of corporate social responsibility had a significant and positive impact on purchase intention but not significant for company evaluation and product association. They found a strong relationship between corporate social responsibility awareness and the level of consumer trust.

The study by Balqiah et al. (2011) evaluated the relationship between corporate social responsibility awareness and loyalty that is mediated by corporate social responsibility belief, company ability (CA) belief, quality of life, and company reputation. The following construct definitions were presented, which we have adopted in our research: (1) corporate social responsibility awareness is the customer's awareness level of a firm's corporate social responsibility activities; (2) corporate social responsibility trust is the customer's belief regarding a firm's ability to produce and deliver its product, and (3) loyalty is the level of brand loyalty showed by repeated buying. They found that corporate social responsibility awareness is important because it influences corporate social responsibility beliefs. Managers should understand the importance of corporate social responsibility communications because it impacts corporate social responsibility awareness. Since communications play an important role in informing stakeholders, effective corporate social responsibility communication is important.

### Research on Online Shopping and Consumer Behavior

Koufaris (2002) found that the consumer was more likely to return to the site if there was shopping enjoyment and perceived usefulness and revealed that shopping enjoyment and perceived usefulness were directly related to the consumer intention to return. The findings suggested that referenced consumer intent to make unplanned purchases was inconclusive but rather that various other individual and environmental factors can also strongly influence consumers' cognitive and emotional responses. Black (2005) found that factors as economic and geographic factors, along with trust, responsiveness, and attitude toward using had an impact on behavioral intention to use and was found to have an effect on consumer willingness to make online purchases. Lin and Wang (2006) determined that customer loyalty was a strong determining factor influencing repeat purchases within the mobile commerce industry. The results indicated that customer loyalty is affected by perceived value, trust, habit, and customer satisfaction; customer satisfaction was found to play a crucial intervening role in the relationship of perceived value and trust to loyalty.

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