



## ปัจจัยที่ทำให้เกิดความน่าเชื่อถือของผู้บริโภคต่อผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อม : กรณีศึกษาในประเทศไทย

### The Antecedents of Consumer Trust on Environmental Friendly Products: The Evidence from Thailand

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#### บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อศึกษาอิทธิพลของชื่อเสียงขององค์กร อัตลักษณ์ของผู้บริโภค และการรับรู้ของผู้บริโภคที่มีต่อความเชื่อของผู้บริโภคต่อผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อมในประเทศไทย จุดเริ่มต้นของการวิจัยเกิดจากกระแสที่เพิ่มขึ้นของแรงกดดัน ความกังวล และความใส่ใจด้านสิ่งแวดล้อมของผู้บริโภคที่นักการตลาดจำนวนมากได้พยายามนำเสนอผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อมเพื่อตอบสนองต่อกระแสความกังวลนี้ แต่มีผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อมจำนวนมากที่ไม่ประสบความสำเร็จ ผู้บริโภคโดยทั่วไปมักสงสัยเกี่ยวกับเหตุผลที่แท้จริงที่ทำให้บริษัทสนใจและให้ความสำคัญกับปัญหาด้านสิ่งแวดล้อม ดังนั้นเพื่อให้บริษัทสามารถกำหนดกลยุทธ์ทางการตลาดเกี่ยวกับผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อมได้อย่างมีประสิทธิภาพจึงมีความจำเป็นต้องศึกษาเกี่ยวกับปัจจัยต่างๆ ที่มีอิทธิพลต่อความเชื่อของผู้บริโภคต่อผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อม

การวิจัยครั้งนี้เป็นการวิจัยเชิงสำรวจเก็บข้อมูลเชิงปฐมภูมิ โดยใช้แบบสอบถามกับกลุ่มตัวอย่างจำนวน 415 คน ซึ่งเป็นนักศึกษาระดับปริญญาตรีที่เคยซื้อผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อมจากบริษัทที่กำหนดเป็นเป้าหมาย ในการศึกษาครั้งนี้ ข้อมูลที่ได้ถูกนำไปวิเคราะห์โดยใช้โปรแกรม

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คอมพิวเตอร์เพื่อหาค่าสัมประสิทธิ์สหสัมพันธ์ และวิเคราะห์การถดถอยพหุคูณเพื่อทดสอบสมมติฐาน ผลการวิจัยพบว่า ชื่อเสียงขององค์กร อัตลักษณ์ของผู้บริโภคที่ผูกพันกับบริษัท อัตลักษณ์ของผู้บริโภคที่ผูกพันต่อความรับผิดชอบต่อสังคม และการรับรู้ของผู้บริโภคเกี่ยวกับการโฆษณาที่เป็นมิตรต่อสิ่งแวดล้อมของบริษัท มีความสัมพันธ์เชิงบวกกับความเชื่อถือของผู้บริโภค อย่างไรก็ตามการรับรู้ของผู้บริโภคเกี่ยวกับกิจกรรมความรับผิดชอบต่อสังคมของบริษัทไม่มีอิทธิพลต่อความเชื่อถือของผู้บริโภคอย่างมีนัยสำคัญ

**คำสำคัญ:** ความเชื่อถือของผู้บริโภค, ชื่อเสียงขององค์กร, อัตลักษณ์ของผู้บริโภค, การรับรู้ของผู้บริโภค และ ผลิตภัณฑ์ที่เป็นมิตรต่อสิ่งแวดล้อมในประเทศไทย

## ABSTRACT

The purpose to this study was to investigate the influences of corporate reputation, consumer identity and consumer awareness on consumer trust toward environmental friendly product in Thailand. The idea of this study was generated according to the increasing pressures of environmental concerns and the fact that consumers are more active to the environmental consequences. Marketers have responded to this growing concern by offering environmental friendly products to the market, but only few of them succeeded. Consumers are always skeptical about the real reasons why business cares about environmental problems. Therefore, an accurate knowledge of factors that truly influence consumer trust toward environmental friendly product needs to be determined.

To achieve the research objectives, a survey of 415 undergraduate students was conducted. Correlation coefficients and multiple regressions are the two main methods to aggregate the responded data and to test the hypotheses. It was found that corporate reputation, consumer-company identification, consumer-CSR identification and consumer awareness of brand advertising have positive relation to consumer trust. However, consumer awareness of brand CSR initiative has no significant influence on consumer trust.

**Keywords:** Consumer Trust, Corporate Reputation, Consumer Identity, Consumer Awareness, Environmental-Friendly Product in Thailand

## Introduction

Over 40 years ago, Milton Friedman (1970) wrote in the New York Times that the social responsibility of business is to increase its profit, and consequently perceived philanthropy as a negative indicator. However, in recent years business increasingly has been viewed as a major cause of social, environmental, and economic problems (Porter and Kramer, 2011). Corporate social responsibility (CSR) has emerged as an important issue among global business community in both academic and business organizations (Jamali and Mirshak, 2007; Swaen and C. Ruben, 2008; and Arendt and Brettel, 2010).

Companies around the world – regardless of size or location – there is a significant need to look beyond traditional business and financial requirements, and support the broader community (Porter and Kramer, 2011) in order to build and protect long-term values (United Nations, 2010) and create their sustainable competitive advantage (Bhattacharya and Sen, 2004; Porter and Kramer, 2006). CSR has been used as a key component of a company's marketing strategy to respond to its stakeholder expectations and concerns; to improve corporate reputation (Porter and Kramer, 2006) expected to show the result on financial performance; and at the same time, to minimize social causes (Sen and Bhattacharya 2001; Bhattacharya and Sen, 2004; Nan and Heo, 2007). More companies engage in CSR initiatives such as corporate philanthropy, cause-related marketing, employee volunteer, and socially responsible business practices to develop positive influences on their key stakeholders (Bhattacharya and Sen, 2004).

Although attention toward CSR has been increasing, not many studies investigate the practice of CSR in developing countries. Various studies have emphasized on this topic in the context of developed countries such as the United States, Western Europe and Australia. With different economic, social and cultural conditions (Jamali and Mirshak, 2007), the similar practices will have very different social consequences (Porter and Kramer, 2006). There is a reason for more CSR research in developing country contexts. Most of the academic literature on CSR has aimed to seek strategic corporate contributions that support both the community and corporate financial performance (Carroll, 1979; Woods, 1991; Carroll, 1999). Previous studies proposed that the long-term performance of a firm can be improved when it responds to stakeholders' social interests. Marketers have responded to consumers' growing concern of environmental issues by offering environmental friendly products to the market, but only few of them succeeded (Kim and Choi, 2005). Consumers are always skeptical and looking for the real reasons why business cares about environmental problems (Vlachos *et. al.*, 2008).

The gap between consumer concern of environmental issues and the degree of this concern influences their purchasing behavior brings up a reason for further studies. This research tries to fill the gap by investigating how consumers perceive environmental friendly product, and how consumers' perceptions of corporate reputation, consumer identity and consumer awareness influence their trust toward environmental friendly product in Thailand. Data of this study was collected through a self-administered questionnaire survey distributed to a total of 450 undergraduate students of four universities, two private universities and two public universities, in Northern and Northeastern Bangkok area, with completed and usable data of 415 participants.

## Literature Review

### Corporate Social Responsibility and Trust

Many corporations have integrated social practices into their business activities as known as strategic CSR as a result of regulatory requirements, consumer complaints, and special interest group pressures (Porter and Kramer, 2006). A strategic approach to CSR requires a company to address social issues that intersect with its particular business, such as important concerns of its consumers (Kotler and Lee 2005; Porter and Kramer 2006). Kotler and Lee (2005) identified six different kinds of social initiatives: cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices. "Socially responsible business practices are where the corporation adapts and conducts discretionary business practices and investments that support social causes to improve community well-being and protect the environment" (Kotler and Lee, 2005: 208). Therefore, this study tries to investigate the relationship of socially responsible business practices in a context of choosing environmental packaging materials, like lightweight plastic to reduce impacts on the environment at product end-of-life.

According to the eleventh national economic and social development plan (2012-2016), Thailand will encounter more complicated internal and external changes and higher requirements toward social responsibility and sustainability issues. This situation will bring along both opportunities and threats to local businesses (Office of the National Economic and Social Development Board (NESDB), 2012). Thai government has shifted the concerned direction and moved to low-carbon and environmental friendly economy and society (NESDB, 2012). In January 2012, Coca-Cola (Thailand) Ltd. just re-launched its drinking water brand 'Namthip' with light-weight polyethylene terephthalate (PET) plastic bottle that uses 35% less

plastic when compared with the previous design. The new packaging is 100% recyclable and can also be crushed after use in order to reduce space (Bangkok Post, 2012).

Results of researches and expert opinions (Kotler and Lee, 2005; Vlachos *et al.*, 2009) addressed that consumer are always skeptical and looking for the real reasons why business cares about environmental problems. Corporate motives for new and more responsible business practices will be questioned, actions will be judged, and results will also be inspected (Kotler and Lee, 2005; Vlachos *et al.*, 2009). Numerous researchers studied how consumer positive CSR perception influence relationship attitude benefit based on relationship marketing theory. Consumer's perception of the corporate social responsibility drives consumer trust and commitment (Lacey and Kennett-Hensel, 2010).

Trust is the most important variable to create a strong connection with a consumer (Bhattacharya and Sen, 2004; Swaen and C. Ruben, 2008; and Shuili, Bhattacharya, and Sen, 2011); to moderate positive behavioral outcomes, like positive word of mouth, purchase intention, loyalty, and willingness to pay a premium price (Bhattacharya and Sen, 2004; Sen, Bhattacharya, and Korschun, 2006; Lacey and Kennett-Hensel, 2010); and also to lead to corporate sustainability (Bhattacharya and Sen, 2004; Webb, Mohr, and Harris, 2008; Swaen and Chumpitaz, 2008). "Trust is the consumer feeling and belief that the company is reliable, stands by its word, fulfill its promises, and is sincere." (Lacey and Kennett-Hensel, 2010: 584). Therefore, an accurate knowledge of factors that influence consumer trust toward CSR-related activities needs to be determined.

### **Corporate reputation**

CSR has only recently been acknowledged as one of the most important factors in determining corporate reputation (Porter and Kramer, 2006; Warcester, 2009). While a strong corporate reputation can provide a competitive advantage (Balmer, 2009; Porter and Kramer, 2006). Many companies implement CSR initiatives as essential requirement to highlight their reputation, improve corporate image, strengthen their brand, and raise their stock value. However, none of these offer sufficient guideline for corporate decision makers. Most of the studies focus on the connection between business and society rather than on their interdependence (Porter and Kramer, 2006). Moreover, a 2006 consumer survey in the United States indicated that the majority of CSR-concerned consumers felt that strong reputation companies like Microsoft, Kellogg's, McDonald's, Coca-Cola, Starbucks, and PepsiCo ranked highest in their sustainability and environmental efforts (Dahlstrom, 2011). Corporate reputation is a value asset that requires a long-term attention to customer relationship (Stanaland, Lwin

and Murphy, 2011). Therefore, corporate reputation may positively play an important role of influencing consumer's trust in CSR activities.

*H<sub>1</sub>: Corporate reputation has positive impact to consumer's trust in company's CSR activities.*

### **Consumer Identity**

Social identity theory offers a social-psychological perspective, developed principally (Tajfel and Turner, 1985). According to social identity theory, people tend to classify themselves and others into various social categories, such as organizational membership, religious affiliation, gender, and age cohort (Tajfel and Turner, 1985). Social classification serves two functions. First, it cognitively segments and orders the social environment, providing the individual with a systematic means of defining others. A person is assigned the prototypical characteristics of the category to which he or she is classified. Second, social classification enables the individual to locate or define oneself in the social environment. According to the theory, the self-concept is comprised of a personal identity encompassing idiosyncratic characteristics, and a social identity encompassing salient group classifications. Social identification, therefore, is the perception of oneness with or belongingness to some human aggregate (Tajfel and Turner, 1985).

This study investigates the term of consumer identity in two ways. One is consumer-company identification (C-C identification). C-C identification is defined as an attachment or connection that consumers feel with companies engaging in CSR activities they care about (Bhattacharya and Sen, 2004; Perez, 2009). C-C identification is not the direct connection between the individual's personal characteristics and organization identity, but it is a mixture sense between both (Perez, 2009). Customers not only exchange resources for the products of the firm and in return receive the benefits of the product (Harrison and Freeman, 1999), but also look for shared values, personalities, common objectives, and satisfaction of individual needs with companies (Bhattacharya and Sen, 2004; Lacey and Kennett-Hensel, 2010; Perez, 2009). C-C Identification with a company engaging in CSR activities can contribute positive attitudes including trust to that particular company (Bhattacharya and Sen, 2004).

The other one is as suggested by Bhattacharya and Sen (2004) and Lii and Lee (2012), this study extends the concept of consumer identity to consumer-CSR identification (C-CSR identification). C-CSR identification is consumers' sense of attachment or connection with the cause or environmental issues. There is a growing concern of environmental issues around the world as a reason of climate change and human action. Beside a company, consumers

also feel responsible for and try to accommodate the problems by committing to environmental friendly lifestyle (Ryan, 2006). This group of consumers is not only limited to the United States but also in Japan, Europe and also Southeast Asia (Dahlstrom, 2011).

$H_{2a}$ : *Consumer-company identification positively influences consumer's trust in company's CSR activities.*

$H_{2b}$ : *Consumer-CSR identification positively influences consumer's trust in company's CSR activities.*

### **Consumer Awareness**

Consumer awareness includes abilities to recall and recognize the brand and the CSR practice. Prior studies (Bhattacharya and Sen, 2004; Lichtenstein *et al.*, 2004) showed the positive relationship of consumers' awareness and consumer's trust toward the company. Consumers' awareness of a company's CSR activities is a key requirement to their positive reactions and attitudes toward the activities (Bhattacharya and Sen, 2004; Oberseder, Schlegelmilch and Gruber, 2011). Before consumers considering a company's CSR initiatives in their purchase intention, they must be aware of those initiatives and also the social issues the company engaging in (Maignan, 2001; Maignan and Ferrell, 2001; McWilliams and Siegel, 2001; Mohr, Webb, and Harris, 2001; Smith, 2003). Therefore, the following hypothesis is proposed:

$H_{3a}$ : *Consumer's brand advertising awareness positively influences consumer's trust in company's CSR activities.*

$H_{3b}$ : *Consumer's brand CSR initiative awareness positively influences consumer's trust in company's CSR activities.*

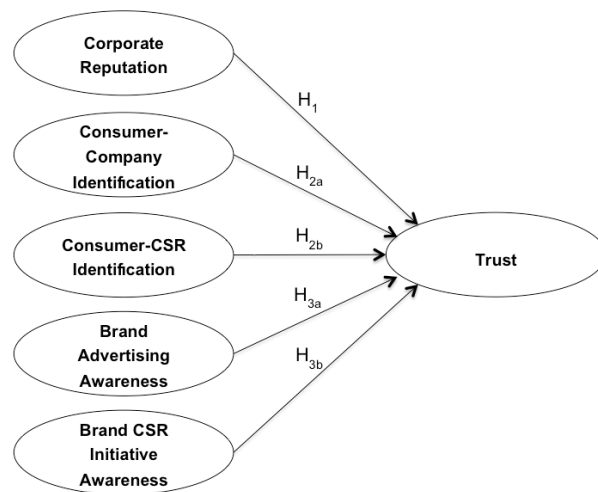


Figure 1: Conceptual Framework

Table 1 : Theoretical Positioning of Constructs

Reference	Context	Detail
Carroll (1979)	Dimension of CSR	✦ Carroll first categorized CSR into four types of social responsibilities, including economic, legal, ethical, and discretionary responsibilities.
Tajfel and Turner (1985)	Social identity theory	✦ Social identity theory posits that conformity stems from psychological processes; that is, being a member of a group is defined as the subjective perception of the self as a member of a specific category.
Wood (1991)	CSR conceptualization	✦ The linkage between CSR and financial performance.
Carroll (1999)	Pyramid of CSR and stakeholders	✦ The aim of CSR was to provide a maximum financial return to shareholders.
Bhattacharya and Sen (2004)	C-C identification	✦ The more closely consumers perceive a company identity to be their own, the more attractive that identity is to them.
Lichtenstein <i>et al.</i> (2004)	C-C identification	✦ CSR initiatives and CSR-based perceived identity positively affect C-C identification, which in turn has a positive effect on consumer evaluations and behavioral intentions.



Table 1 : (Cont.)

Reference	Context	Detail
Kotler and Lee (2005)	CSR definition	<p>✦ CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.</p> <p>✦ There are six different types of CSR; cause promotion, cause related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices.</p>
Porter and Kramer (2006)	Strategy and social: the link between competitive advantage and CSR	<p>✦ Reputation is used by many companies to justify CSR initiatives. Companies believe that they will improve its image, strengthen its brand and even raise the value of its stock.</p>
Perez (2009)	Effects of perceived identity based on CSR and the role of consumer identification with the company	<p>✦ The responses to CSR initiatives depend on the degree of identification with the consumer that the company generates through its social responsibility messages.</p> <p>✦ Consumer's identification with the company is an intense, significant psychological link, which perfectly aligns consumer behavior with the company.</p>
Vlachos <i>et al.</i> (2009)	CSR and Trust	<p>✦ Consumers are skeptical of firms' reasons for engaging in CSR.</p> <p>✦ Identification of consumer trust as a required process regulating the effect of CSR attributions on consumer behavioral responses.</p>
Lacey and Kennett-Hensel (2010)	The investigation of the linkages between customer's perceptions of the CSR performance and the strength of their relationship with the organization.	<p>✦ The practice of CSR is often viewed with skepticism.</p> <p>✦ The outcomes of the previous studies were often inconsistent and conflicting results.</p> <p>✦ Trust is the customer's belief that the firm is reliable, stands by its word, fulfills its promises, and is sincere.</p> <p>✦ The link between CSR perceptions and trust may be relatively pervasive.</p> <p>✦ The future research should examine the specific type of CSR activities to determine which activity/types of CSR have the greatest impact on customer's trust.</p>
Dahlstrom (2011)	Trust and reputation	<p>✦ The survey showed that most socially concerned consumers believe in CSR implemented by the high reputation companies.</p>

Table 1 : (Cont.)

Reference	Context	Detail
Stanaland, Lwin and Murphy (2011)	Perceptions of a firm's CSR are influenced by its corporate marketing efforts including branding, reputation building, and communication.	<p>✦ The finding strongly support the fact that influence perceived CSR which in turn impacts perception of consumer trust.</p> <p>✦ The impact of corporate reputation and trust should not be underestimated.</p>
Lii and Lee (2012)	CSR and reputation	✦ CSR initiatives are one mean firms utilize to gain a positive reputation.
NESDB (2012)	Green economy	✦ Thai production and consumption behavior will be restructured to prepared for a transition toward a low carbon and environmentally friendly economy.

## Research Methodology

### Design and procedure

The research used quantitative data collection in the form of a survey. To achieve the purpose of the study, Namthip drinking water was used as the target product. Research participants were recruited from a population of undergraduate students enrolling in four universities, located in the northern and northeastern parts of Bangkok. These universities were selected by the simple random sampling method to establish the university's locations. Each universities was drawn from four groups, 1) public universities impacted directly by the flood, 2) private universities impacted directly by the flood, 3) public universities located in the area of floodway, and 4) private universities located in the area of floodway.

Researchers specifically selected the cause of the Great Flood of Thailand during the end of the year 2011 to be an important criterion for the scope of this study. From this experience, the researchers strongly believe that the students of these universities would be familiar with the natural threats and environmental issues. Young generations like the undergraduate students who are expected to have strong bond with their universities and to look for something that provide the opportunity to change the world (Ready, Hill, and Conger, 2008). Moreover, to harmonize the impacts of cultural differences between public and private

universities, the researchers also assigned the numbers of public and private universities equally, two public universities and two private universities.

Data was gathered during the months of April and May 2012 in the four universities, and the questionnaire was administered personally to the participants. The participants were informed about the purpose of this study and asked to voluntarily participate in this study. Each participant was given a booklet containing instructions, stimulus materials (based on an actual product engaging in socially responsible business practices, printed pictures and texts taken from the Namthip's website), and the questionnaire to measure the variables of interest. After that each participant was asked to look at the stimulus materials, and then complete the questionnaire. It took participants about 20 minutes on average to complete the questionnaire.

### **Measures**

Closed-ended and scale questions were used based on a multiple-choice and a 7-point rating scale, "strongly disagree" to "strongly agree". The instrument used Du, Bhattacharya and Sen, 2007; Fombrun, Gardberg and Sever, 2000; Homburg, Wieseke and Hoyer, 2009; Lacey and Kennett-Hensel, 2010; Lin *et al.*, 2011; Newell and Goldsmith, 2001; Perez, 2009; Stanaland, Lwin and Murphy, 2011; and Zikmund *et al.*, 2010 as guidelines for this study (see appendix). Existing scales were employed and adapted to measure each of the constructs of interest with few modifications to fit the study context. Since the study focuses on consumers in Thailand, the questionnaire was designed in two languages (English and Thai). The questionnaire used for this study was translated from English to Thai by the researchers. To confirm the consistence of the questionnaire in both languages, the Thai version questionnaire was reviewed by a group of Thai university lecturers and international (or English) program students, having proficiency in both Thai and English.

After constructing the questionnaire, a two-phase pilot test was conducted. The pilot test helped to reduce confusion on the participant's behalf, to ensure all items were understood and terminologies were appropriate, and also to improve their readability. The first pilot test consisted of five undergraduate students, and was conducted in the way of face-to-face question and answer. The researchers read all of the items for each of five participants and reword or remove some inappropriate items from the questionnaire. The second phase consisted of 30 undergraduate students. For this phase, a self-administered pen and paper survey was utilized for a pilot test and also for the final study. The data from the pilot test were computerized in order to determine the reliability of the instrument whether measures of each construct are consistent with the nature meaning of that particular construct. A coefficient of reliability, like a Cronbach's alpha, was considered to indicate sufficient reliability of the

construct operationalizations in order to achieve the objectives of this study. As a rule of thumb, correlations between the items considered reliable at the value of 0.7 or higher. The results in Table 2 showed all measures were reliable. As a result, the values of the constructs were computed as the mean of the rating of the items associated with each construct.

**Table 2 :** Reliability Statistics for the Pilot Test

Item	Number of Items	Cronbach's Alpha
Corporate Reputation	6	0.920
Consumer-Company Identification	8	0.938
Consumer-CSR Identification	4	0.928
Trust	11	0.948

## Research Findings

A self-administered questionnaire survey distributed to a total of 450 undergraduate students of the four universities with completed and usable data of 415 participants. Table 3 lists the basis attributes of the participants.

**Table 3 :** The basis attributes of the participants

Attributes	Frequency	%
<b>Gender (n=415)</b>		
Male	141	34.0
Female	274	66.0
<b>Age (n=415)</b>		
Less than 21	147	35.4
21 till 23	268	64.6
<b>Number of 500-600 ml. Bottle of Water Consume per day (n=415)</b>		
1 – 2	250	60.2
3 – 4	129	31.1
5 – 6	31	7.5
More than 6	5	1.2
<b>First choice of drinking water brand (n=415)</b>		
Crystal	128	30.8
Nestle' Pure Life	97	23.4
Singha	79	19.0
Namthip	48	11.6

Table 3 : (Cont.)

Attributes	Frequency	%
Minare'	42	10.1
Montflur	14	3.4
Orla	5	1.2
Others	2	0.5
<b>Second choice of drinking water brand (n=415)</b>		
Namthip	97	23.4
Crystal	87	21.0
Singha	82	19.8
Nestle' Pure Life	66	15.9
Minare'	40	9.6
Orla	19	4.6
Montflur	14	3.4
Others	10	2.4
<b>Most favor aspect of Namthip (n=415)</b>		
Package	154	37.1
Image	123	29.6
Advertising	66	15.9
Taste	46	11.1
Brand	13	3.1
Label	10	2.4
Logo	3	0.7
<b>Brand CSR initiative awareness (n=415)</b>		
Yes	382	92.0
No	33	8.0
<b>Brand Advertising awareness (n=415)</b>		
Yes	387	93.3
No	28	6.7

### Relationships between the Variables

The objectives of the study were based on the relationships between the different variables, corporate reputation, C-C identification, C-CSR identification, brand advertising awareness and brand CSR initiative awareness, and trust. In order to achieve, the Pearson (r) correlation coefficient was computed given to test the direction and strength of relationships between the study variables. The results were shown in Table 4.

Table 4 : Pearson Correlation

	Trust	Reputation	C-C	C-CSR	B-Ads	B-CSR
<b>Trust</b>	1.000					
<b>Reputation</b>	0.800**	1.000				
<b>C-C</b>	0.775**	0.722**	1.000			
<b>C-CSR</b>	0.734**	0.593**	0.670**	1.000		
<b>B-Ads</b>	0.104*	0.056	0.078	-0.039	1.000	
<b>B-CSR</b>	0.216**	0.155**	0.244**	0.190**	0.134**	1.000

\* Correlation is significant at the 0.05 level (2-tailed)

\*\* Correlation is significant at the 0.01 level (2-tailed)

### Hypotheses Testing

The results of regressing the independent variables, corporate reputation, C-C identification, C-CSR identification, brand advertising awareness and brand CSR initiative awareness, against trust can be seen in Table 5. This table shows the output of model summary by conducting Stepwise multiple regression analysis. The model 4 is the highest correlation of the independent variables, corporate reputation, C-C identification, C-CSR identification and brand advertising awareness, with the dependent variable, trust ( $R=0.880$  and adjusted R Square= $0.773$ ). This is explained that the dependent variables influence the dependent variable 77.3 percent. Therefore, it means that if the four independent variables are well managed, the rate of trust can be improved 77.3 percent.

Table 6 shows the ANOVA results for the model 4. The F value of 353.322 is significant at the 0.000. This result reflects that 77.3 percent of the adjusted R Square in trust has been significantly explained by the four independent variables, corporate reputation, C-CSR identification, C-C identification and brand advertising awareness.

Table 5 : Model Summary

Model	R	R Square	Adjusted R Square
1	0.800 <sup>a</sup>	0.639	0.638
2	0.862 <sup>b</sup>	0.744	0.743
3	0.877 <sup>c</sup>	0.770	0.768
4	0.880 <sup>d</sup>	0.775	0.773

a Predictors: (Constant), Corporate Reputation

b Predictors: (Constant), Corporate Reputation, C-CSR Identification

c Predictors: (Constant), Corporate Reputation, C-CSR Identification, C-C Identification

d Predictors: (Constant), Corporate Reputation, C-CSR Identification, C-C Identification, Brand Advertising Awareness

**Table 6** : ANOVA<sup>e</sup>

Model	F	Sig.
4	353.322	0.000

e Dependent variable: Trust

Table 7 identifies the coefficients. Among the four independent variables, corporate reputation (Beta = 0.429) should be the first priority over C-CSR identification (Beta = 0.317), C-C identification (Beta = 0.248) and consumer's brand advertising awareness (Beta = 0.073) if trust is to be successfully developed. The regression model was significant (sig. < 0.01).

**Table 7** : Coefficients

Model	Unstandardized	Standardized	T	Sig.
	Coefficients	Coefficients		
	Beta	Beta		
4 (Constant)	-0.036		-0.858	0.392
Corporate Reputation	0.407	0.429	12.369	0.000
C-CSR Identification	0.273	0.317	9.743	0.000
C-C Identification	0.064	0.248	6.551	0.000
Brand Advertising Awareness	0.082	0.073	3.066	0.002

Table 8 presents the findings of all hypotheses. First, findings show that perceived corporate reputation positively influences consumer's trust in company's CSR activities (Beta = 0.429;  $p < 0.01$ ), in support of  $H_1$ . Therefore, it is confirmed that perceived corporate reputation has positive impact to the consumer's trust in company.

$H_{2a}$  and  $H_{2b}$  state that consumer identity, C-C identification and C-CSR identification, positively influence consumer's trust in company's CSR activities. The model provides significant verification of both hypotheses (Beta = 0.248;  $p < 0.01$ ;  $H_{2a}$  supported; Beta = 0.317;  $p < 0.01$ ;  $H_{2b}$  supported).

Finally,  $H_{3a}$  and  $H_{3b}$  state that consumer awareness, brand advertising awareness and brand CSR initiative awareness, positively influence consumer's trust in company's CSR activities. The results show that consumer's brand advertising awareness has positive influence toward the consumer's trust in company's CSR (Beta = 0.073;  $p < 0.01$ ;  $H_{3a}$  supported). However,  $H_{3b}$ , brand CSR initiative awareness has positive influence toward the consumer's trust in company's CSR, is not supported (Beta = 0.021;  $p > 0.05$ ).

**Table 8:** Assessment of Research Hypotheses

Hypothesis	Standardized	t	p value (<0.05)	Result
	Coefficients Beta			
H <sub>1</sub> : Perceived corporate reputation has positive impact to consumer's trust in company's CSR activities.	0.429	12.369	0.000	Supported
H <sub>2a</sub> : Consumer-company identification positively influences consumer's trust in company's CSR activities.	0.248	6.551	0.000	Supported
H <sub>2b</sub> : Consumer-CSR identification positively influences consumer's trust in company's CSR activities.	0.317	9.743	0.000	Supported
H <sub>3a</sub> : Consumer's brand advertising awareness positively influences consumer's trust in company's CSR activities.	0.073	3.066	0.002	Supported
H <sub>3b</sub> : Consumer's brand CSR initiative awareness positively influences consumer's trust in company's CSR activities.	0.021	0.879	0.380	Not Supported

In conclusion, the test results of this study show that all the three antecedents (corporate reputation (H1), consumer identity (H2a, H2b) and consumer awareness (H3a)) have significant positive impact to consumer's trust. However, the unsupported hypothesis H3b suggests that the empirical results do not support the previous study proposed about the effect of consumers' awareness of a company's CSR activities as a key requirement to their positive reactions and attitudes toward the activities (Bhattacharya and Sen, 2004; Oberseder, Schlegelmilch and Gruber, 2011). The potential explanation of the insignificant relationship between consumer's brand CSR initiative awareness and consumer's trust could lie in a possible skepticism of the consumer for the real reason why the company engaged in CSR initiatives. Further discussion and conclusion can be found in the following section.



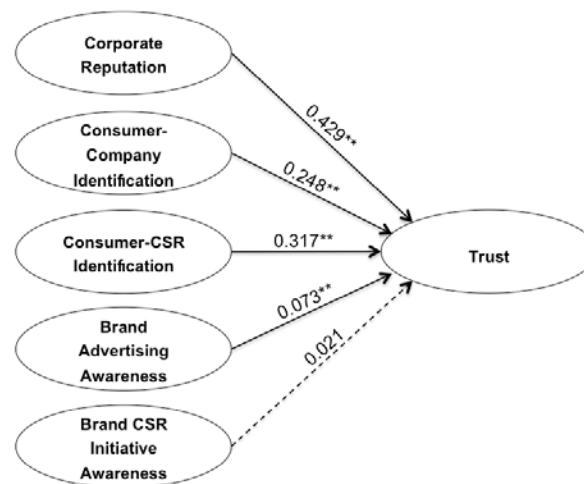


Figure 2: Final Estimated Model

## Discussion and Conclusion

This research has achieved its primary research questions which were (1) to answer how consumers perceive environmental friendly products, and (2) to explain how consumers' perceptions influence their trust. The first significant contribution of the study is that the investigation shows how consumer trust is influenced by perceived corporate reputation, consumer identity and consumer awareness. By testing the hypotheses, the results show that perceived corporate reputation has the strongest influence (Beta = 0.429;  $p < 0.01$ ) on consumer trust over consumer identity, both C-C identification (Beta = 0.248;  $p < 0.01$ ) and C-CSR identification (Beta = 0.317;  $p < 0.01$ ); and consumer awareness, both brand advertising awareness (Beta = 0.073;  $p < 0.01$ ) and brand CSR initiative awareness (Beta = 0.021;  $p > 0.05$ ). In addition, most of previous researches were often conducted in other countries (Jamali and Mirshek, 2007). This study aims to investigate the influences of environmental friendly product on consumer trust in Thailand.

The second contribution of the study is that the concept of environmental friendly product has been using as a public relation (PR) to convince the consumers and the market that the company is doing it with all concerns to the environmental issues. The outcome of this study supports the results of previous researches and expert opinions (Kotler and Lee 2005; Vlachos *et al.*, 2009) addressed that consumer are always skeptical and looking for the real reasons why business cares about environmental problems. The regression result shows that consumer's brand advertising awareness has the weakest connection to consumer trust in the significant regression model (Beta = 0.073;  $p < 0.01$ ), and brand CSR initiative awareness has

no significant correlation with consumer trust ( $\text{Beta} = 0.021$ ;  $p > 0.01$ ). If it is said consumer's perception of the corporate social responsibility drive consumer trust and commitment (Lacey and Kennett-Hensel, 2010), the results of this study show the factors that influence consumer trust and the degree of their influences.

In addition, many companies implement CSR initiatives as an essential requirement to highlight their reputation, improve corporate image and strengthen their brand. Most of the previous studies focus on the impact of consumer perceived CSR initiatives on corporate reputation, but only few investigated the other way around. This study found that corporate reputation is the most important factor influencing consumer trust toward company's CSR initiatives. Therefore, this study confirms that developing or/and maintaining a good reputation is a value asset (Stanaland, Lwin and Murphy, 2011) that can create a competitive advantage for a company (Balmer, 2009; Porter and Kramer, 2006).

The last contribution is to develop stronger bond between consumers and companies through more effective integrated marketing strategies. The results of this study show that beside perceived corporate reputation, consumer identity, both C-C identification and C-CSR identification, also has a significant positive relationship with consumer trust ( $\text{Beta} = 0.248$ ;  $p < 0.01$ ; and  $\text{Beta} = 0.317$ ;  $p < 0.01$  respectively). The result presents that C-CSR identification has slightly stronger relationship toward consumer trust than C-C identification. Therefore, besides promoting company's CSR initiative, educating consumers about the causes of social and environmental issues (Dahlstrom, 2011) and promoting the alternatives to accommodate the problems would be a good idea to stimulating C-CSR identification. Moreover, at the end C-C identification would also be developed through companies' CSR events or activities that consumers participate.

## Limitation and Future Research

### Limitation

Due to the limited time constraint, the scope of this study was only limited to one particular environmental friendly product, Namthip drinking water, re-launching to the market during the period of time allowance for this study. Moreover, this research used only quantitative methods. The data sources for this research were based on primary data of questionnaire survey and secondary data of literature reviews. The sampling frame for this study was also only limited to the college students. Therefore, the findings of this study might have limitation to be generalizing to other demographic groups of consumers in Thailand.

The questionnaire items for this study are all adopted from previous studies with different market culture. Therefore, there is likely some of the questionnaire items do not fit in Thai market environment. Each of consumer awareness constructs in this study was measured by only one simple scale question. It was a limitation in computing process of hypotheses testing.

The results of this study show only the direct impact of corporate reputation, consumer identity and consumer awareness on consumer trust. The indirect impact, interdependent relationship and the role of mediators were not shown in the result of this study.

### **Future Research**

Future research shall utilize longer time allowance and broader demographic profile. Mixed research method, mixture between qualitative and quantitative methods, should be conducted in order to gather deeper information and ideas applied to certain market environment and culture. The scope of the study should be expanded to broader environmental product category to have a general view of consumer perception toward environmental product in general.

Moreover, more complex computing program should be applied in order to investigate the indirect impact, interdependent relationship of variables (Porter and Kramer, 2006), and the role of mediators. The further study should extend the conceptual framework to explore the outcome of consumer commitment caused by consumer trust.

The approach of this study focused only on one CSR initiative, socially responsible business practices – environmental friendly products. The future research can investigate the relationship between other CSR initiatives and consumer trust.

Among the five hypotheses, there is one not supported. The study strongly suggested that the future research should explore and verify the better measurement of consumer awareness, both brand advertising awareness and brand CSR initiative awareness. The results will probably not the same of there might be some new other dimensions appearing in the future.

## Appendix

### Constructs and Measurement Items

Constructs	Items
<b>Corporate Reputation</b> (Fombrun, Gardberg and Sever, 2000; and Stanaland, Lwin and Murphy, 2011)	<b>7-point scales</b> 1. XXX has a reputation for being honest. 2. XXX has a reputation for being reliable. 3. XXX has a reputation for being trustworthy 4. XXX supports good causes. 5. XXX is an environmentally friendly company. 6. XXX maintains high standards in the way it does business.
<b>Consumer Identity</b> (Du, Bhattacharya and Sen, 2007; Homburg, Wieseke and Hoyer, 2009; and Perez, 2009)	<b>7-point scales</b> <i>Consumer-Company Identification</i> 1. The way I am fits in with what I perceived of XXX. 2. I am similar to what I think XXX represents. 3. I am similar to how I perceive XXX. 4. The image I have of XXX fits in with my self-image. 5. My sense of XXX match my sense of who I am. 6. I feel good to be a customer of XXX. 7. I like to tell that I am a customer of XXX. 8. I feel attached to XXX.
<b>Consumer Identity</b> (Du, Bhattacharya and Sen, 2007; Homburg, Wieseke and Hoyer, 2009; and Perez, 2009)	<b>7-point scales</b> <i>Consumer-CSR Identification</i> 1. I fulfill my social responsibilities. 2. I act in a socially responsible way. 3. I act with society's interests in mind. 4. I am interested in environmental issues.
<b>Consumer Awareness</b> (Du, Bhattacharya and Sen, 2007; Perez, 2009; and Zikmund <i>et al.</i> , 2010)	<b>Simple scales</b> 1. Have you ever seen any advertising for XXX? 2. XXX works for (the brand's CSR initiative)

**Constructs and Measurement Items (Cont.)**

Constructs	Items
<b>Trust</b> (Lacey and Kennett-Hensel, 2010; Lin <i>et al.</i> , 2011; Newell and Goldsmith, 2001; and Stanaland, Lwin and Murphy, 2011)	<b>7-point scales</b> 1. I trust that XXX is competent at what it is doing. 2. I feel generally that XXX has very high integrity. 3. I feel generally that XXX is very responsive to customers. 4. I feel generally that XXX will respond with understanding in the event of problems. 5. XXX is a socially responsible brand. 6. XXX has made a real difference through its socially responsible actions. 7. I trust the information that XXX provides its customers. 8. XXX does not make false claims. 9. I trust XXX to be frank in dealing with its customers. 10. XXX makes trustful claims. 11. I do not believe what XXX tells me.
<b>Demographic data</b>	Gender, age, name of university enrolled and year of study

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