

How Corporate Social Responsibility (CSR) Impacts on Corporate Image and Consumers' Trust with Social Trend as an Extraneous Variable: A Case Study of Red Bull Beverage Co., Ltd.

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Article Info
Received 18 December 2021
Revised 29 December 2021
Accepted 30 December 2021
Available online 31 December 2021

Abstract

The objectives of this study were: 1) to study how sustainable marketing influences consumer trust 2) to study corporate advertising had influence on consumer trust 3) to study donation activities had influence on consumer trust 4) to study the corporate image and the influence on the trust of consumers with the social trend as a complication and empirical data. The data was analyzed by using the Process method. The analysis results showed that the sustainable marketing, corporate advertising, corporate image trust, and the social trend significant level of 0.05 was influenced by partial mediator on trust, which supported the hypothesis. The organizational image factor influenced the trust variable at 76% and the influence of the complication variable was -1.1% which rejected the hypothesis.

Keywords: Sustainable Marketing, Advertising, Giving, Image, Trust, Social Trend

Introduction

Behaviors of consumer have been changing recently due to customers' realization in the corporate social and environmental responsibilities (Kritchanat Saentawee, 2017). This shows an influence between corporate social responsibility and behaviors of customer in many aspects. The aspects are including corporate reputation, brand loyalty, and brand image (Lee, Park, Rapert, & Newman, 2012). Furthermore, the complicated business competition had forced many organizations to adapt along with invent their new strategies and endure their development. In order to create an advantage and make a difference for sustainable business.

Sustainable marketing, advertising corporate, and corporate giving (philanthropy) are corporate social responsibility (CSR) strategies that would benefit organizations to operate their business sustainably and successfully (Wangsiripaisan & Rapeetoncho, 2020). It had shown that CSR would aid consumer to recognize decent image of organizations. The effective CSR activities are containing both types of CSR, CSR-after-Process and CSR-in-Process. There are uncontrollable corporate external factors that affect social trend in both positive and negative ways. Whenever those are happened, especially in negative way. Corporate must act to ensure space in medias by utilize CSR that would cover any bad reputation, divert inferior point, reduce damage and consumer negative perception (Charloemphon, Watcharobon &

Pongsuwan, 2018). These are crucial points that would aid corporate through any crisis and become sustainable business under any business competition in harsh environment.

Researchers tend to study the effects of CSR to corporate image and consumer trust with social trend as complication variable. This would guide corporate when facing uncontrollable difficult circumstance, CSR will be other solution since CSR could earn corporate image and consumer trust.

Objectives

1. To investigate sustainable marketing had influence on consumer trust with corporate image as mediator variable.
2. To study corporate advertising had influence on consumer trust with corporate image as mediator variable.
3. To review giving activities had influence on consumer trust with social trend as mediator variable.
4. To study corporate image had influence on consumer trust with social trend as extraneous variable.

Literature Review

Concept of Sustainable Marketing

The whole idea of sustainable marketing is to establish connection between all stakeholders and maintain the connection individually. The connections between corporate, employees, customers, suppliers, society, communities, and environment will empower together with organizations and deliver superior value to consumer as one type of CSR-in-process. Sustainable marketing is focusing on utilizing internal process to take care of society as if corporate customers. Corporate benefit in determining their marketing strategies according to the needs of both present and future of stakeholder. Corporate earn decent image, credibility, and trust in sustainable business operations (Gertner & Kotler, 2004).

(H1): Sustainable marketing had influence on consumer trust through corporate image.

Concept of Corporate Advertising

Corporate Advertising is an instrument that create positive image by illustrate corporate grace, it concern about selling products and services also targeting on consumer impression and friendly with the corporation. These convince consumers to provide information, and remind consumers about corporate (Farbey, 1998). Corporate advertising on CSR is the center that driving their activities by emphasize stakeholder about their dedication to society and environment by presenting the contents of CSR in the same direction with corporate intention. That generate positive response on securing consumer in image and acceptance of corporate, gaining consumer trust and supportive activity (Schuler & Cording, 2006).

(H 2): Corporate advertising had influence consumer trust through corporate image.

Concept of Corporate Giving

Corporate Giving is a type of expressing their responsibility to society. This contribution to society could be in form of financial aid or donating supplement to charities. By donating part of their profit from business back to society or CSR-after-process that focusing on activities for society and environment which in directly in volve the corporate operation. The cooperation will benefit in many aspects including corporate image and establishing valuable connection among stakeholders. Eventually, corporate earn credibility and trust in society.

(H 3): Corporate giving had influence on consumer trust through corporate image.

Concept of Corporate Image

Gray & Balmer (1998) stated that corporate image was consumer perception to the entire picture and operation of corporate. This perception take place in consumer mind and had establish from their experience, impression, and affection by consider the corporate as a person, each one would have different image and personality. Gray & Balmer (1998) stated that corporate image was an image that occur in mind (Mental Picture) of consumer while hearing, seeing corporate name or logo. Corporate image is crucial to their successful operation in both short term and long term. These construct consumer trust and encourage corporate with good image and would cooperate to its successful operation.

Concept of Trust

Trust is perception of customer, consumer will estimate their level of trust base on corporate image, products and services offering. This is an important indicator of relationship that customer has with corporate (Morgan & Hunt, 1994) that concentrate on consumer feeling base on confidence, reliability, and integrity of corporate. To earn customer trust, corporate must do whatever it takes to protect customer benefit and must not take any advantage from consumer.

Concept of Social Trend

Many organizations have been using social trend for their public relation and image recognition which are components of believe, notion, and impression from individual to organizations (Gertner & Kotler, 2004). A negative social trend could be criticism or exposing mischief behavior of people in organization. It might impact corporate image and consumer trust. The corporate obtain to manage the impact from social trend by encouraging the positive impact and reducing the negative one. Furthermore, organization possess ensure space in medias for interesting news to minimize damage from negative news.

(H 4): Corporate image had influence on consumer trust with social trend as extraneous variable.

Conceptual Framework

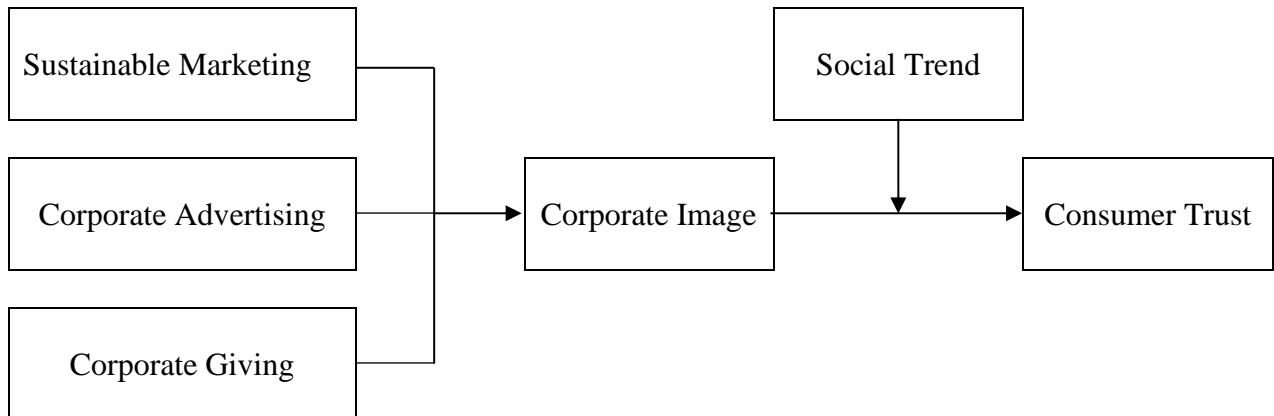


Figure 1: Conceptual Framework

Research Methodology

Population and Sample Selection

Population in this research was Gen Y in Chonburi Province. They had knowledge and realization in environmental issues comparing to other groups of people. They could access information easily and rapidly, and meet a concern on corporate social responsibility in the present time. But due to large target population, researchers applied the sample size. Researchers could not acquire definite population number (N), hence researcher used Cochran's sample size formula (Cochran, 1977 in Kalaya Vanichbancha, 2007) which the results appear at least 385 samples. Then researchers had increased sample group by 10 percent (according to Yamane method) to prevent any mistakes from incomplete or incorrect questionnaire hence, the sample group of this study was 440 people.

Research Instrument

The instrument for this research was questionnaire interpretation from various articles, documents, and many sources of data to gather information and guideline to create questionnaire and data collection. The questionnaire contained 4 parts: 1) close - ended questions on knowledge in corporation for screening participant 2) close-ended questions with multiple choices on general information of participant 3) close-ended questions with 5 level choices about each variable 4) open-ended questions on comments and suggestions. Researchers collected 440 set of questionnaires by simple random sampling from universities and department stores in Sriracha district, Chonburi Province.

Validity and Reliability

Questionnaire was validated and verified value of correspondence between the question and the objective by two experts. Using IOC method, the IOC value of each question was at 0.50 to 1.00 consistent. The average value was 0.91 thus greater than 0.50, meaning the questionnaire questions and the objectives were accurate (Kalaya Vanichbancha, 2007).

The questionnaire was tried out on 40 people from sample population by conducting a pilot test to verify the defects and problems. The question accuracy verification had shown

reliability value of variable and accuracy value of questions equaled to 0.959 thus greater than 0.70 hence, the set of questions used to measure each variable was reliable and can be employed in the research (Nunnally, 1978).

Data Collection

Researchers had collected data for four months from December 2020 to March 2021.

Data Analysis and Interpretation

1. Descriptive Statistic: Researchers explained and described properties, data distribution structure, and variables as followed:

- General information on participants include gender, age, education level, occupation, and average monthly income was analyzed by frequency and percentage methods.
- The 6 aspects of variable include sustainable marketing variable, corporate advertising variable, corporate giving variable, corporate image variable, consumer trust variable, and social trend variable were analyzed by mean and standard deviation methods.

2. Inference Statistic Researchers had analyzed data as followed:

- The relationships between variables were analyzed using correlation with Pearson correlation coefficient method.
- The relationships between independent variables to dependent variables were analyzed using multiple regression with process method

Research Finding

Part 1: Participant general information analysis

The research showed 435 out of 440 people had already known the corporate at 98.9 percent. Containing 151 males (34.5 percent) and 284 females (64.5 percent). Age between 21-25 years was 308 people (70 percent). Studying in bachelor’s degree was 370 people (84.1 percent). 360 of them are students (69.5 percent).

Part 2: Result of opinion level variable analysis

Table 1: Mean and standard deviation correlation

Variable	\bar{x}	S.D.	Interpretation
Sustainable Marketing	3.9096	.73131	High
Corporate Advertising	4.0659	.57535	High
Corporate Giving	3.9120	.71188	High
Corporate Image	3.8129	.67679	High
Consumer Trust	4.0276	.64140	High
Social Trend	4.0864	.81171	Highest

Table 1 shows an analysis result on social trend factor that influenced consumer trust at highest level (\bar{x} = 4.0864) with the consumers gave priority to corporate advertising factor (\bar{x} = 4.0659) and consumers’ trust factor (\bar{x} = 4.0276). The consumers also paid attention to sustainable marketing, corporate giving, and corporate image.

Part 3: Results of correlation coefficient analysis and influence of the variables analysis by process method

Table 2: Pearson's Correlation Coefficient Analysis

Correlations						
	Sustainable Marketing	Corporate Advertising	Corporate Giving	Corporate Image	Consumer Trust	Social Trend
Sustainable Marketing	1					
Corporate Advertising	.626**	1				
Corporate Giving	.738**	.661**	1			
Corporate Image	.595**	.501**	.627**	1		
Consumer Trust	.557**	.566**	.626**	.774**	1	
Social Trend	.063	.194**	.047	.100*	.265**	1

**Statistical significance at the significance level of 0.01

*Statistical significance at the significance level of 0.05

Table 2 shows the correlation value that the primary variable (Sustainable Marketing, Corporate Advertising, and Corporate Giving) influenced consumers' trust through corporate image with social trend as complication variable. Pearson's correlation coefficient analysis between 6 variables showed all pairs of variables were positive correlated in the same direction, values were between 0.047 and 0.774. None of the variables had a correlation coefficient greater than 0.80, considering there was no variable multicollinearity.

Table 3: Process method analysis on influence of variables

		Corporate Image										
		(Total effect)		Direct effect		IV-M ₁		M ₁ -DV		Indirect effect		P=
		c		c'		a1		b1		a1*b1		.000
Dependent Measures (V)	Independent Measure (IV)	B	SE	b	SE	b	SE	b	SE	b	SE	
Consumer Trust	Sustainable Marketing	.489	.035	.132	.033	.550	.036	.648	.035	.357	.034	.000
	Corporate Advertising	.631	.044	.266	.037	.589	.049	.629	.032	.365	.045	.000
	Corporate Giving	.564	.034	.209	.034	.597	.036	.595	.036	.355	.032	.000
		Social Trend										
Dependent Measures (V)	Independent Measure (IV)	coeff.		SE		P						
Consumer Trust	Corporate Image	.758		.104		.000						
	Social Trend	.189		.093		.044						
Int_1: Corporate Image x Social Trend		-.011		.025		.665						

Variable correlation analysis showed that correlation total effects the cline in path $X > Y$ when comparing to c' while c' value was reduced and had insignificant level subsequently showed whether mediator had influence. If value was reduced but still in significant level, then mediator had partial influence. The result of model analysis according to table 3 had shown the total of domination compared to direct influence had a significant reduction. This explained that corporate image variable was partial mediation between correlations of sustainable marketing, corporate advertising, and corporate giving variables. The analysis also showed complication variables Int_1: Corporate Image x Social Trend had no influenced correlation on corporate image variable to consumer trust variable.

Conclusion

How sustainable marketing, corporate advertising, and corporate giving factors influence consumers' trust with Red Bull beverage Co., Ltd.

1.Sustainable Marketing

Red Bull Beverage Co., Ltd. sustainable marketing had influenced on consumer trust ($\beta = .132, p < 0.05$). Consumers were mainly focusing on corporate action and honest responsibility to their employees, sincerely responsibility to their customers, environmental attention, honesty, integrity, and community obligation. Corresponding to Jaesuk Jung, Sang Jin Kim, Kyung Hoon Kim (2020), the sustainable marketing could improve Corporate Image in positive way. This would earn Consumer Trust, corporate could strengthen their image by continuously conducting sustainable marketing activities.

2.Corporate Advertising

Red Bull Beverage Co., Ltd. corporate advertising had influenced on consumer trust ($\beta = .266, p < 0.05$). The decent advertising obtain simple wording, easy to understand, and straightforward corporate representation. They illustrate their responsibility to society,

concrete their point, and add value to services and products attractively. Corresponding to Watphuangkao & Thiangtham (2018), consumer's priorities were perception and interpretation. Colors and symbols could be utilized to attract their attention. Message, picture, and video could be utilized to gain their recognition. The most important things are sincere and transparent communication that would gain consumer trust significantly.

3. Corporate Giving

Red Bull Beverage Co., Ltd. corporate giving had influenced on consumer trust ($\beta = .209, p < 0.05$). Corporate giving activities contain proper relationship between corporate and consumer. Their regular donations from part of profit gave back to communities were highly appreciated. Continuous charities enrich community spirits were highly appreciated too. The activities must be transparent and appropriate to the needs of members in communities. In accordance to Charloemphon, Watcharobon & Pongsuwan (2018) social activities, donations, and volunteer can earn positive result in consumer trust.

The Red Bull Beverage Co., Ltd corporate image was mediation to sustainable marketing, corporate image, and corporate giving which leads to consumer trust.

1. Corporate Image

Corporate image as mediation to sustainable marketing, corporate image, and corporate giving partially influenced on consumer trust. There are other factors represent corporate image. Researchers suggested that the 3 factors had partially influenced through mediation because consumer trust could be impacted directly from those 3 factors without corporate image as mediation. However, corporate image could stimulate consumer trust. If corporate usually conducts sustainable marketing, corporate giving, and corporate advertising then consumer would recognize corporate image and gain consumer trust.

2. Social Trend

Social trend was a complication factor that had no impact on a corporate image to influence consumers' trust. Hence, it was a controllable factor. Researchers suggested that even social trend had no influence on consumers' trust, but corporate image in their perception might have. For example, while corporate had negative social trend, they still conducting social responsibility activities regularly. Their donation and social service again positive corporate image which lead to consumer trust. Accordance to Nikarn and Napan (2012), social responsibility activities support social issue would result decent image and value to corporate. Corresponding to Pattanapong (2014), when corporate image is in a good level, corporate should continuously and regularly reveal their information to maintain corporate image.

Suggestion

This study may benefit any corporate in understanding of CSR in sustainable marketing, advertising, giving, image, and social trend aspects that are able to lead to consumers' trust. This guideline can improve corporate image to gain an advantage in competition. The most concerning factor is advertising since advertising will make consumers realize about the information from the corporate. Advertising could also build a corporate image that would lead to the consumers' trust.

1. The corporation must focus on these three factors, namely: sustainable marketing, advertising, and giving by prioritizing on fair responsibility with employees in the organization. Consumers always expect the corporate to treat their employees equally. Advertising could be

simple and easy to understand aside from conducting donation regularly to earn good relationship between the consumers and the corporate.

2. To build a good corporate image is a crucial factor that can earn the consumers' trust. In a recent competitive situation, a good corporate image will lead to the advantage in competition and persist the consumers' trust. However, focusing on communications and services can enrich a corporate image.

3. The corporation should prevent negative social trend alter consumers decision about products and services hence, to minimize an impact of negative social trend to the lowest level. Thus attending social activities repeatedly to express social responsibility. These CSR activities create exceptional reputation, reducing the negative impact, and gaining customers' trust.

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