

Measuring the Impacts of Corporate Social Responsibility on Consumer Purchase Decision in Turkish Furniture Industry

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Abstract

Corporate social responsibility (CSR) strategy has become an important topic in both the academic and business world. Firms have started to use CSR strategy to influence consumers (Becker-Olsen, Cudmore, & Hill, 2006; Panwar and Hansen, 2008; European Commission, 2011). The aim of this study is to measure the impacts of corporate social responsibility (CSR) strategy on consumers' purchase decisions in the Turkish furniture industry. For this purpose, we measure whether companies' CSR activities have an effect on young consumers' (Y-generation) buying decisions. The furniture industry, which is the focus of this study, is the main consumer of nature and perceived as having the greatest impact on environment (Bhambri, & Sonnenfeld, 1988; Panwar, Hansen, & Anderson, 2009). The survey is conducted using exploratory and descriptive researches. Data is collected from Y generation consumers by questionnaire using a 5-point Likert scales and is analyzed using correlation, and regression analysis. Results show that there is a relationship between the CSR dimensions (economic, legal, ethical, philanthropic, social, and environmental) of the firms and consumer purchase decisions. Demographic factors - age, education, income - are also included to compare different groups. A distinctive feature of this study is that it was conducted in the Turkish furniture industry as a research field.

Keywords: Corporate Social Responsibility (CSR), Furniture Industry, Consumer Purchase Decision, Y-Generation

Purpose of the Study

CSR strategy has become a prominent topic in both the academic and business world. Firms have started to use CSR strategy to influence consumers. The aim of this study is to measure the impacts of corporate social responsibility (CSR) strategy on consumers' purchase decisions in the Turkish furniture industry. For this purpose, we measure whether companies' CSR activities have an effect on young consumers' buying decisions. Turkey has the highest population of young people (16.6%) among the EU countries. Other demographic factors are also examined to see if they have a remarkable effect on the relationship between CSR strategy and consumer purchase decision or not. The findings of this research will provide implications for both academicians and practitioners.

Literature Review

In past decades, the importance of CSR has increased. Firms have started to integrate the CSR concept into their business strategies in order to influence consumers' attitudes, differentiate their product and create competitive advantages (Becker-Olsen, Cudmore, & Hill, 2006; Panwar, & Hansen, 2008; European Commission, 2011). Regarding the literature, businesses have several social responsibilities to perform: ethical, social, environmental, legal and economic (Carroll, 1979; Schwartz & Carroll, 2003; Dahlsrud, 2006; Geva, 2008). In particular, the environmental issues have become more prominent (Chai, & Aguilar, 2013, p. 118) in past decades. The furniture industry, the focus of this research, is the main consumer of na-

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ture and perceived as having the greatest impact on environment (Bhambri, & Sonnenfeld, 1988, p. 645; Panwar, Hansen, & Anderson, 2009, p. 19).

Companies try to be perceived as socially responsible by consumers. However, CSR activities adopted by the company must conform to the companies' overall business activities, otherwise consumers won't be able to develop positive beliefs and attitudes towards the brands/companies. As a consequence, firms can not develop satisfaction and loyalty among their customers, which will have a great impact on consumer purchase decisions (Becker-Olsen, Cudmore, & Hill, 2006).

This study focuses on young consumers' purchase decisions. These trustful, tolerant, globalized, experienced in advances in communication technology and

social networking consumers support social causes and socially responsible companies (Park, & Gursoy, 2012; Valentine, & Powers, 2013).

Method

The survey is planned to be conducted by applied and theoretical research. An exploratory and descriptive research design will be used. The aim of this study is to find out whether CSR practices have an impact on consumers' purchase decisions in the furniture industry. A theoretical framework has been developed for this survey according to the dimension of CSR and consumer purchase decision (see Figure 1).

Some hypotheses were formed following the literature survey:

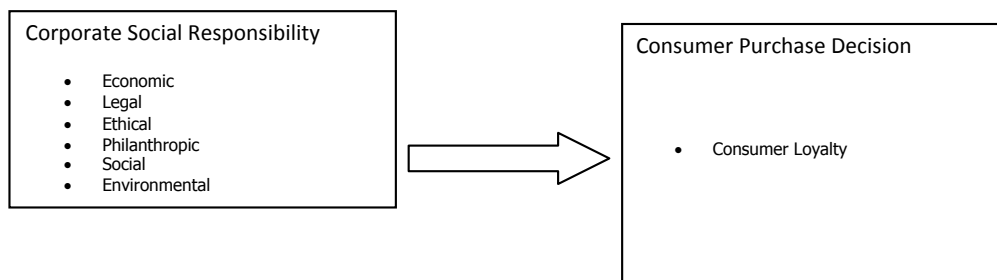


Figure 1. Theoretical Framework

- H1: There is a relationship between economic responsibilities of the CSR and consumer loyalty.
- H2: There is a relationship between legal responsibilities of the CSR and consumer loyalty.
- H3: There is a relationship between ethical responsibilities of the CSR and consumer loyalty.
- H4: There is a relationship between philanthropic responsibilities of the CSR and consumer loyalty.
- H5: There is a relationship between social responsibilities of the CSR and consumer loyalty.

- H6: There is a relationship between environmental responsibilities of the CSR and consumer loyalty.

The data is collected by questionnaire. The questionnaire has been developed according to dimensions of CSR and consumer purchase decision. The questions are based on survey questions used by Ramasamy et al. (2009) and Min et al. (2014). In addition, many questions have been developed by the author. The questionnaire is to be delivered to the sample. The sample for this study conducted with the Y generation consists of undergraduates, graduates, post-graduates and young professionals. A convenience snowball

sampling technique is used. The Consumers are asked to indicate their agreement and disagreement to the statements on a 5-point Likert scale. The survey is still being conducted. After the questionnaires have been completed and returned, results will be analyzed by SPSS.

Findings and Discussion

With regard to the survey and data analysis, we hope that our findings will show that: there is a relationship between CSR (economic, legal, ethical, philanthropic, social, and environmental) dimensions of the firms and consumer purchase decision; ethical responsibilities of the firm have an effect on consumer loyalty; environmental responsibilities of the firm have an effect on consumer loyalty; philanthropic responsibilities of the firm have an effect on consumer loyalty; and social responsibilities of the firm have an effect on consumer loyalty.

It is expected that the results of this study will be parallel with Ramasamy et al. (2009), Arredondo Trapero et al. (2010), Panwar et al. (2010) and Min et al. (2014), which indicate that CSR has an effect on consumers' perception and their purchase decision.

Conclusion, Suggestions and Limitations

This study aims to measure the affects of CSR practices on consumers' purchase decisions in the Turkish furniture industry, which makes it unique. There are many studies that measure the affects of CSR on consumers' purchase decisions in the forest products industry but they haven't focused specifically on the Turkish furniture industry.

The limitation of this study is the sampling method: convenience snowball sampling among Y-generation consumers. Further surveys could be developed using different sampling methods and with different consumer groups.

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APPENDIX A

Dimensions of CSR	Sub-dimensions of CSR	Source	Questions	Source
Economic Dimension (Carroll, 1991; Schwartz & Carroll, 2003; Dahlsrud; 2006; Garriga & Melé, 2004)	Maximization of earnings	(Carroll, 1991; Schwartz & Carroll, 2003; Dahlsrud; 2006)	I believe that businesses must always improve economic performance.	Ramasamy, Yeung, (2009)
	Maximization of share value	(Schwartz & Carroll, 2003; Dahlsrud; 2006)	I will buy the products from the companies who maximize their earnings per share to their shareholders	Min, Ai, Poh Choo, Wah, Yang, (2014)
	Profitability	(Carroll,1991; Schwartz & Carroll, 2003; Dahlsrud; 2006)	I believe that businesses must maximize profits.	Ramasamy, Yeung, (2009)
	Competitive position	(Carroll, 1991)	I think businesses must preserve their competitive position	Developed by the author, (2015)
	Operating efficiency	(Carroll, 1991; Dahlsrud, 2006)	I believe that businesses must control their production costs strictly.	Developed by the author, (2015)
	Contribution to the economic development	(Dahlsrud, 2006)	I would like to buy products from businesses which contribute to the economic development.	Developed by the author, (2015)
	Cause-related marketing	(Garriga & Melé, 2004)	It is important for me to buy products from businesses which run cause-related marketing activities.	Developed by the author, (2015)
Legal Dimension (Carroll,1991; Schwartz & Carroll, 2003)	Government and law expectations	(Carroll,1991; Schwartz & Carroll, 2003)	I believe that businesses must ensure that their employees act within the standards defined by the law.	Ramasamy, Yeung, (2009)
	Comply with federal, state and local regulations	(Carroll,1991; Schwartz & Carroll, 2003)	I will buy products from companies who are committed to following the laws and regulations	Min, Ai, Poh Choo, Wah, Yang, (2014)
		(Carroll,1991; Schwartz & Carroll, 2003)	I believe that businesses must always submit to the principles defined by the regulatory system	Ramasamy, Yeung, (2009)
	Law-abiding corporate citizen	(Carroll,1991; Schwartz & Carroll, 2003)	I believe that businesses must refrain from bending the law even if this helps improve performance.	Ramasamy, Yeung, (2009)

APPENDIX A (Devami)

	Legal obligations	(Carroll,1991; Schwartz & Carroll, 2003)	I believe that businesses must refrain from putting aside their contractual obligations.	Ramasamy, Yeung, (2009)
	Legal requirements	(Carroll,1991; Schwartz & Carroll, 2003)	I will buy products from companies that meet the legal requirement for product safety	Min, Ai, Poh Choo, Wah, Yang, (2014)
Ethical Dimension (Carroll, 1991; Schwartz & Carroll, 2003; Dahlsrud; 2006; Garriga & Melé, 2004)	Moral and ethical norms	(Carroll,1991; Schwartz & Carroll, 2003; Dahlsrud; 2006)	I would go several miles out of my way to buy from companies that I knew to be extremely ethical.	Min, Ai, Poh Choo, Wah, Yang, (2014)
			I will buy products from companies who are committed to moral and ethical behaviour.	Min, Ai, Poh Choo, Wah, Yang, (2014)
			I believe that businesses must be committed to well-defined ethical principles.	Ramasamy, Yeung, (2009)
	New or evolving ethical moral norms	(Carroll, 1991)	As a consumer, I prefer companies who follow new or evolving ethical moral norms as they operate.	Developed by the author, (2015)
	Acting morally or ethically	(Carroll,1991; Schwartz & Carroll, 2003)	I expect the companies that I deal with to act ethically at all times.	Min, Ai, Poh Choo, Wah, Yang, (2014)
			I believe that businesses must permit ethical concerns to negatively affect economic performance.	Ramasamy, Yeung, (2009)
	Corporate goals	(Carroll, 1991)	I believe that businesses must avoid compromising ethical standards in order to achieve corporate goals.	Ramasamy, Yeung, (2009)
	Sustainable development	(Garriga & Melé, 2004)	I prefer to buy products from companies who support sustainable development.	Developed by the author, (2015)
Philanthropic Dimension (Carroll, 1991; Dahlsrud, 2006)	Philanthropic and charitable expectations	(Carroll, 1991)	When given a chance, I tend to switch to brands where a portion of the price is donated to charity.	Min, Ai, Poh Choo, Wah, Yang, (2014)
			I believe that businesses must allocate some of their resources to philanthropic activities.	Ramasamy, Yeung, (2009)

APPENDIX A (Devami)

	Assist fine and performing arts	(Carroll, 1991)	I believe that companies must support the fine and performing arts.	Developed by the author, (2015)
	Participation of charitable and voluntary activities	(Carroll, 1991; Dahlsrud, 2006)	I will buy products from companies who are committed to voluntary and charitable activities.	Min, Ai, Poh Choo, Wah, Yang, (2014)
			I believe that businesses must participate in the management of public affairs.	Ramasamy, Yeung, (2009)
	Assist private and public educational institution	(Carroll, 1991)	I think businesses must assist private and public educational institutes.	Developed by the author, (2015)
	Support voluntary projects	(Carroll, 1991)	I think businesses must support voluntary projects.	Developed by the author, (2015)
Social Dimension (Dahlsrud, 2006)	Contribute to a better society	(Dahlsrud, 2006)	I believe that businesses must help to solve social problems.	Ramasamy, Yeung, (2009)
			I believe that businesses play a role in our society that goes beyond the mere generation of profits.	Ramasamy, Yeung, (2009)
	Integration of social concerns in their business operations	(Dahlsrud, 2006)	Would you buy the product made with CSR, even if it were more expensive?	Arredondo Trapero, Maldonado De Lozada, Garza Garcia, 2010
	Consideration of their impact on communities	(Dahlsrud, 2006)	I prefer to buy products from businesses who care about how their operations' impact on communities they are involved in.	Developed by the author, (2015)
Environmental Dimension (Dahlsrud, 2006)	Cleaner environment	(Dahlsrud, 2006)	I prefer to buy the products from companies who contribute a cleaner environment.	Developed by the author, (2015)
	Environmental stewardship	(Dahlsrud, 2006)	I would like to buy products from businesses who are environmental stewardships.	Developed by the author, (2015)
	Environmental concerns in business operations	(Dahlsrud, 2006)	I prefer to buy products from businesses who integrate environmental concerns into their business operations.	Developed by the author, (2015)

APPENDIX B

Consumer Purchase Behavior	Sub-dimensions of CSR	Source	Questions	Source
Customer Trust			I believe that this company will not try to cheat me.	Lau et al., 1999
			I feel that I can trust this company completely.	Lau et al., 1999
			I prefer to use the products of this company	Bobălcă et. al, 2013
			The brand meets with my expectations.	Developed by the author
Customer Loyalty	Customer Satisfaction	Gould, 1995	I think this company has the best offers at the present.	Bobălcă et. al, 2013
			I am satisfied with my decision to buy this brand/company.	Lau et al., 1999
			I would like to buy these products from this brand more often.	Developed by the author
			I would like to buy more products from this brand.	Developed by the author
	WOM	Gould, 1996	I say positive things about this brand to other people.	Bobălcă et. al, 2013
			I recommend this brand to those who ask my advice	Bobălcă et. al, 2012