Is Corporate Social Responsibility a Determinant of Purchase Intention?  
A Case Study of Ncell Nepal

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Abstract

This study investigates the relationship between Corporate Social Responsibility (CSR) activities performed by a company and its behavioral effects on customer behavior indicators namely: brand image, perceived price fairness, awareness of CSR, and purchase intention. This study also takes into account perceived service quality and its influence on customer purchase intention. The researcher surveyed about 401 respondents of generation Y in Nepal. Structural Equation Modeling was applied for the data analysis. The results showed that there exists a relationship between corporate social responsibility, perceived price fairness, brand image and purchase intention. However, the research uncovered that there exists a negative relationship between awareness of CSR and purchase intention, and that perceived service quality affects purchase intention in a positive manner.

Keywords: brand image, corporate social responsibility, perceived price fairness, purchase intentions, perceived service quality, generation Y

Introduction

In today’s rapidly changing business world where consumers are becoming more aware of the origins of what they consume, their environmental footprint, and increased awareness to social and moral queues, corporate social responsibility has become an important tool that companies use to differentiate themselves from their competitors. Today, it has become essential for every business to have a CSR component, whether it be in the way materials are sourced, the manufacturing processes, waste management, or the timely payment of taxes. Buyers tend to look out for these factors when aligning themselves with brands.