

**CONSUMER ATTITUDES TOWARD CSR ACTIVITIES OF  
PETROLEUM COMPANIES IN THAILAND**

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Thesis  
entitled  
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## CONSUMER ATTITUDES TOWARD CSR ACTIVITIES OF PETROLEUM COMPANIES IN THAILAND

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### ABSTRACT

This research studied consumer attitudes toward the CSR (Corporate Social Responsibility) activities of petroleum companies and how these activities affect market shares in Thailand. The scope of this study is to compare three major brands: PTT, Esso, and Chevron (Caltex brand). Respondents were selected from consumers who use the products or services and those who might become users of the brands in the future. This cross-sectional survey research adopts probability sampling and Yamane methods to derive information from approximately 400 respondents, equally distributed among the three brands. SPSS was used to analyze the data to produce descriptive statistics and T-statistics.

Results show that PTT is the most preferable brand. Most respondents use PTT Gas stations because of convenience, accessibility, and the company's attractive CSR activities. A total of 93% of the respondents were aware of the meaning of CSR from television, and they preferred to use the products or services that are related to CSR activities. The results also show positive relationship between consumer opinion and preference towards CSR activities of the petroleum companies. Finally, the effective management of CSR activities has resulted in consumer awareness, preferable attitudes, and purchasing decisions in favor of the products and services of the petroleum brands supported by CSR activities. [206]

KEY WORDS: CORPORATE SOCIAL RESPONSIBILITY / PETROLEUM COMPANIES / MARKET SHARE / THAILAND / CONSUMER ATTITUDES

67 pages

การศึกษาทัศนคติ และพฤติกรรมของผู้บริโภคต่อบริษัทน้ำมันชั้นนำในประเทศไทย ที่มีการจัดทำกิจกรรมเพื่อสังคม

CONSUMER ATTITUDES TOWARD CSR ACTIVITIES OF PETROLEUM COMPANIES IN THAILAND

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#### บทคัดย่อ

งานวิจัยนี้ประสงค์ที่จะศึกษาทัศนคติของผู้บริโภคที่มีต่อกิจกรรมเพื่อสังคมของ บริษัทน้ำมันซึ่งมีผลกระทบต่อส่วนแบ่งการตลาดในประเทศไทย ขอบเขตของการศึกษารั้งนี้คือการเปรียบเทียบเพียงสามบริษัทใหญ่ คือ การปิโตรเลียมแห่งประเทศไทย (ปตท) เอสโซ่ และ เชฟรอน (ปั๊มน้ำมันอีโค่คาลเท็กซ์) ซึ่งกลุ่มเป้าหมายในการให้ข้อมูลคือผู้บริโภคที่ใช้ผลิตภัณฑ์หรือบริการและผู้ที่มิอทธิพลต่อผู้บริโภคในปัจจุบันซึ่งอาจจะกลายเป็นผู้บริโภคในอนาคต โดยได้ใช้ตัวอย่างประมาณ 400 คน โดยใช้สูตร ทาโร ยามาเนในการคำนวณหาขนาดของกลุ่ม และเลือกผู้ให้ข้อมูลจากผู้ให้บริการในปั๊มน้ำมันของทั้งสามบริษัทดังกล่าว เมื่อได้ข้อมูลแล้วจึงวิเคราะห์ผลของความสัมพันธ์ในปัจจัยต่าง ๆ ที่ตั้งสมมุติฐานไว้ด้วยโปรแกรม SPSS

ผลการวิจัยแสดงให้เห็นว่า ปตท เป็นปั๊มน้ำมันที่เป็นนิยมนมากที่สุดเพราะความสะดวกในการเข้าถึงและกิจกรรมเพื่อสังคมที่มีความน่าสนใจ โดยร้อยละ 93 ของผู้ตอบแบบสอบถามมีความตระหนักในความหมายของความรับผิดชอบต่อสังคมจากสื่อโทรทัศน์และชอบที่จะใช้ผลิตภัณฑ์หรือบริการที่เกี่ยวข้องกับกิจกรรมเพื่อสังคม อีกทั้งผลยังแสดงให้เห็นถึงความสัมพันธ์ทางบวกระหว่างทัศนคติของผู้บริโภคที่มีต่อกิจกรรมเพื่อสังคมของบริษัทและส่วนแบ่งทางการตลาดของบริษัทน้ำมันท้ายที่สุด การจัดการที่มีประสิทธิภาพของการทำกิจกรรมเพื่อสังคมของบริษัทน้ำมันมีผลในเชิงบวกต่อการรับรู้ของผู้บริโภคและมีอิทธิพลต่อการตัดสินใจซื้อผลิตภัณฑ์และบริการที่มีต่อบริษัทน้ำมันนั้นๆ

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## **CHAPTER I**

### **INTRODUCTION**

#### **1.1 Rationale**

Among severely competitive business situation, corporations try to develop both products and services with advanced technology to satisfy the ultimate consumer's needs, in order to stimulate sales volume and maximize profits. While corporations enjoyed higher productivity and profits, they failed to acknowledge its drawbacks, deteriorated society and environment. Distinct examples are the environmental pollution from manufacturing, air, water, and noise pollutions, etc. These affect the community surroundings. Hence, it destroys the company's brand image, if appropriate actions are not created.

In this context, society at large has become one of the key players that highly influence corporate behavior, and of course, resulting in rising customer expectations. (Kotler & Keller, 2006) Therefore, corporations need to be more socially responsible, or as much as people in the area expect to see. On the other hand, without enough concerns and actions on the corporate side to cope with population explosion, natural resources would not be enough to last. These pressing issues have turned many corporations to focus more on solving the issues rather than maximizing profits only. While most companies have taken the opportunity to maximize profits regardless of the impacts on society, there is a small group of corporations that take a more philanthropic approach by considering the needs of employees and customers, especially the less fortunate ones. There has never been a compliment or honor when corporations acted for the benefits of society.

During the 70s and 80s, academic discussions on the concept of CSR have begun. The first two companies that published social reports were Ben and Jerry's in 1989, and Shell in 1998, respectively. (What's Wrong With Corporate Social Responsibility? : The Evolution of CSR) Then, in the late 70s, the Organization of

Economic Co-operation and Development (OECD), and the United Nations Centre on Transnational Corporations (UNCTC) began developing codes of conduct in an attempt to control different aspects of corporate globalization. In 1976, OECD has coordinated with 30 powerful industrialized countries to conform codes of conduct, which eventually become guidelines for multinational enterprises, in order to ease the complications associated to companies operating across borders.

In 1992, the Earth Summit in Rio was a big step toward the evolution of Corporate Social Responsibility (CSR). The effort was to form the Business Council for Sustainable Development (BCSD) who focused on social and environmental issue in the countries. Along the line, ethics and human rights topics have also taken into consideration. Resulting from these commitments, The The Principles has arrived. It asks corporations to support a set of core values in the areas of human rights, labor standards, the environment, and anti-corruption (The Ten Principles)

In Thailand, Thai Industrial Standards Institute (TISI) issued ISO 26000 standard providing voluntary guidance on social responsibility (SR) for those corporations of all types in both public and private sectors. It adds value to existing initiatives for social responsibility by providing harmonized, globally relevant guidance, based on international consensus among expert and representatives of the main stakeholder groups. By doing so, it encourages the implementation of best practice in social responsibility worldwide (Social Responsibility Standard ISO 26000)

CSR is not a new trend, but activities done for many decades by corporations. Such activities like donations, helping the poor, or supporting the less fortunate, only have not been recognized as CSR in the past. Most significant reason why CSR has been a subject of much debates for today is because the environmental impact of an over-expanding economy, while decreasing in environmental improvement by corporations. Nowadays, almost every country in the world focuses and anticipates in CSR project.

In Europe, The idea that companies contribute to societal well-being beyond their legal obligations has a long tradition, as well as the support from the state. The government even pushes CSR to be part of its environmental regulations for those doing business locally and globally. In the United States, people started to call

for more actions on social responsibility from the corporations. Therefore, CSR program and sustainability have been applied as major concepts in the organizations' strategies.

There is a study showing that most global Chief Executive Officers (CEO) plan to increase CSR investment by 25 percent over the next three years. This number shows the largest percentage increase of any investment, as identified in the just-released *IBM Global CEO Study*. The study of face-to-face interviews with 1,130 CEOs from 40 countries across 32 industries, aimed to gain insights on how the challenges CEOs face today that would impact the future of their businesses. The results show that CEOs agreed that customer expectations on CSR had been increasing. And, CSR would play an important role in differentiating an enterprise in the future (CEO plan to increase CSR investment by 25 percent, 2008). As a matter of fact, Petroleum business can be count as one of the most unfriendly industry because of nature of the business that involves exploring and drilling land surfaces. One example was Pollution Environment in Mab Ta Phut area that cause the degradation of nature resources and environment. People try to claim back the green space by protesting and let the world see how significant it is. It creates serious impact on all sectors, including environmental, resources, social, and economic. And of course, energy drives the world, it should be sustained, otherwise, there is no world to live.

CSR has become an approach for organization to emphasize a tremendously significant of the world's resources. Thai government also places a high priority on CSR and its public promotions. Therefore, it launched the Corporate Social Responsibility Institute (CSRI) to benefit Thai society and the environment in 2007. The initiation was due to the fact that society needs support from business to help prevent and resolve problems (Corporate Social Responsibility Institute, 2008). Especially in Petroleum industry, its manufacturing process effect directly to local environment. The regulation in safety and environmental issue has strictly applied. In such situation, Petroleum Institute of Thailand (PTIT) has prepared the Codes of Practice to help business identify an acceptable standard of the Thai environment (Petroleum Institute of Thailand).

**Current Codes of Practice of PTIT:**

- ❖ Code of Practice for Petroleum Tank Inspection
- ❖ Code of Practice for Loading and Unloading Petroleum Products
- ❖ Code of Practice for Colour-Coded Pipeline Identification
- ❖ Code of Practice for Safety Training in the Petroleum, Petrochemical and Associated Industries
- ❖ Code of Practice for Road Safety Management
- ❖ Environmental Code of Practice for Hydrocarbon Development in Thailand
- ❖ Code of Practice for Health Risk Assessment

Research scope is to study Petroleum or Oil companies. According to research articles, and proceedings, the very nature day-to-day process of Petroleum companies tended to destroy our limited resources, such as oil spills, excessive CO<sub>2</sub> emissions. Some has doubt about CSR initiatives of all Petroleum companies if they want to do it or have to do it. Most of them have reported the outgoing spends but never measure how effectively their money was spent (Frynas, 2010). More and more, Petroleum companies all concerns on CSR initiatives after BP has initiated its concerns on local and environmental issues. Others have followed to do so as well. They were even joined various international initiatives, including Global Reporting Initiatives (1997), UN Global Compact (1999), and Extractive Industries Transparency Initiative (EITI-2003), in order to help improve the society and to gain sustainable development.

While another researcher has studied the Indian oil industry and found that the company has conducted CSR activities and social survey through one University. Based on the results of the survey, as well as suggestion, the company has come up with two schemes as part of the company's policy. One aims at protecting environment and another at human rights and education of local people (Hazarika). These are the result they were actively implemented to measure the effectiveness of its survey.

For Thailand, we have Thailand Business Council for Sustainable Development: TBCSD aims to encourage Thai business to apply on the sustainable development principles. PTT, Esso, and Caltex are part of development committee. Majority of their project involve in protecting pollution and improving the business process. Some of them are Carbon Label for Building Project Low Carbon Products Project, and Natural Disaster Alleviation and Prevention Project (Thailand Business Council for Sustainable Development).

With all of the above reasons, a CSR trend in Thailand has become more precise and expanding. National and International energy business organizations which has shown social responsibility for long time, therefore, have been selected to be subject of this research.

## **1.2 Objectives of the study**

1.2.1 To study the relationship between CSR activities and market share of petroleum companies

1.2.2 To analyze the effectiveness of CSR activities of petroleum companies from the mindset of consumers (attitudes).

1.2.3 To recommend the most possible CSR activities that enhance the Company's competitive advantage, based on the research findings.

## **1.3 Research questions**

1.3.1 Is CSR activity related to the purchasing decision on Petroleum companies?

1.3.2 Does any CSR activity of petroleum companies in Thailand have an effect on consumer's opinion or preference?

1.3.3 How effective of CSR activities of Petroleum companies on brand-enhancement from consumer's mindset?



## **1.4 Hypothesis**

1.4.1 Brand preference of petroleum company relates to mostly used brand of Gas station.

1.4.2 Socially responsible activities (CSR) of Petroleum companies are significantly influencing consumer's attitudes.

## **1.5 Significance of the study**

The reason for this study is that CSR is now a popular trend and has become center of attention at both individual and corporation levels worldwide. It has become part of everyone's daily life as well. Thus, the significance of this study should be classified as follows:

1.5.1 This study would benefit the business owners or operators in petroleum industry. If CSR activities have some influences on the purchasing decision for products and services, the companies could prepare the right marketing plan and activities that respond to the environment and society better

1.5.2 This study result would give academic implications to marketers to understand more about the effectiveness and importance of implementing CSR programs in order to serve the right market and satisfy customer needs in the future.

## **1.6 Scope of the research**

At the present time, there are 5 key players in Petroleum industry in Thailand, according to their market shares (shown in figure 2), which are PTT Public Company Limited (PTT), Esso, Chevron (Caltex), Shell, and Bangchak Petroleum Public Company Limited (BCP), accordingly (Petroleum Institute of Thailand). This research wishes to study only the top three brands operating in Thailand, which are PTT, Esso, and Chevron on the direction of relationship between CSR activity and their market share.

Participants will be general consumers who have actually use the products and services and those that have influences on the actual users. Since this is a cross-

sectional research, the influencers in this period of time could become users in the future.

## **1.7 Limitations of the research**

1.7.1 The target respondents are concerned for those only the users of Gasoline, not users of NPG or LPG. These actual consumers should be included in the determination of efficient CSR programs of petroleum companies in the future studies.

1.7.2 This is a cross-sectional research of which the result only derived from a specific period of time and location of Bangkok metropolis. However, the result could be different if done in different time and applied to all provinces of the country.

## **CHAPTER II**

### **LITERATURE REVIEW**

This chapter provides literature reviews on the concepts, theories, and related research of Corporate Social Responsibility (CSR). Types and benefits of CSR also included.

#### **2.1 Concepts, Theories, and Related Research**

The objective of this research is to study the consumer attitudes toward CSR activities of Petroleum companies in Thailand, which are PTT, Esso, and Chevron (Caltex). This includes the consideration of consumer attitudes, exposure behavior, and awareness of CSR activities which has affected their overall behavior toward the brands. Therefore, the related concepts and theory has been reviewed and brought as guidelines for this research.

##### **2.1.1 Background and meaning of CSR**

As competition has arisen in the market place, business operators try to compete with each other by implementing many ways of marketing strategies. But, in order to address all the shifts in the market place, they need to have good marketing strategies. Holistic marketing is a newest theory for all marketers to practice as it holds to include all the implementation of marketing programs, process, and activities that help business operators realize the importance of interdependencies of the today's marketing. Holistic marketing consists of four major components which are: relationship marketing, integrated marketing, internal marketing, and socially responsible marketing (Kotler & Keller, 2006). Relationship marketing concerns long-term relationship with employee, supplier, and other marketing partners. Internal marketing emphasize everyone in the organization to understand the same principle,

not only marketers. Integrated marketing ensure the use of multiple communication tools in delivering messages to final consumer, while socially responsible marketing focus on legal, environmental concerns, ethical, and social effect of its actions.

Of course, all of four factors are very important in the eye of marketers, but what have become the most concerns in today's business practice is socially responsible marketing. Even though businesses today are more efficient and use fewer resources to make goods thanks to technological advances, many ecosystems continue to suffer. This is because the scale of economic activity grows every year, despite environmental improvements by individual enterprises. Environmental and social issues have been critically increasing as business becomes less concern for results of their own actions.

Starting a few years ago, many citizens in the United States and around the world began calls for more action from private enterprise on these social issues, beyond compliance with regulations and traditional charity-related work. The result was a new movement known as corporate social responsibility, or CSR. So governmental agents and related organizations have encourage every business units and people to aware of the issues and try to prevent it. Some companies want to be seen as a good corporate citizen and combine its product and service to some social issues, such as ten bath of a shirt sold will be donated to help patient of a breast cancer organization. As of today, a company that considers the importance of people and society needs before marketing product and service, and communicate as of, will be considered as a socially responsible company. Hence, a concept of cause-related marketing and societal marketing can be applied accordingly.

Yet, socially responsible is not just showing people that you are a good corporate citizen, but should be sincerely implemented throughout the organization. As a normal statement: it will not last unless you are good from the inside. Therefore, the whole organization must be complied with the concept of socially responsible to be called as a truly corporate social responsibility (CSR). General practices in CSR include good governance, fairness operating, apply human and labor law, consumer responsibility, community and social development, environmental protection, social report or citizenship report, and so forth. To become good governance, business needs to be legally operate, accountable, transparent, consensus oriented, responsive, and

equitable. For instance, annual report of a company is freely available, easy to access, and understandable to those who will be affected by their decisions. The business must also be accountable to the public and those who will be affected, such as stakeholders.

The bottom line for these actions would result in sustainability development, not only to benefit the business sector, but for the whole world. The business will stay in the market longer and gain profits in a long run while protecting environment and improving social quality. Since our limited resources has been wisely utilized and efficiency consumed by the previous generation.

There is an interesting CSR theory, which can be applied to the current business, so called TBL, Triple Bottom Line, is to create a balanced view on all three aspects of economic, social, and environmental. The businesses will not develop without these three views, which are to create business growth, environmental protection, and contributing to society around them. This includes business transparency and good governance for better relationships with clients and staff as well. It will create competitiveness for businesses in the future. This theory, again, encourage for sustainable development.

Green marketing is another subset of CSR, which evolved into a complex process that is, called holistic approach that aim to minimize negative impact on environment from every step of business processes. This involve in strategic, tactical, and integrated marketing process (Hollensen, 2008). CSR in some content means a business concern for the society welfare. Thus, a newest theory has arisen as Sustainability. There is a belief that a company, which operates in a socially responsible way, focusing in curing the world's social problems at the same time, will outperform others in the same industry, and consequently make profits and stay in business longer.

As mentioned, Ethics is a component of CSR because good ethics seems to be connected to good business. Of course, Ethics is not only a structure of a good CSR, but it shapes norms, expectations, corporate culture, meaning and value of work, moral rights, employee responsibility and sincere marketing mix of a business (Desjardins, 2009).

Another theory of guidelines/implementation widely used in the academic industry is CSR pyramid by Carroll Archie B. It is suggested here that four kinds of

social responsibilities constitute total CSR, economic, legal, ethical, and philanthropic. A business organization was the basic economic unit in our society. Its principle role is to produce goods and services that match consumer needs and wants to maximize profits. All other business responsibilities are predicated upon the economic responsibility of the firm, because without it the others become moot considerations. However, profits making of the business must comply with laws and regulations as the principle rules under which business must operate.

While laws and regulations has become a tool of business operation in fairness and justice, ethical responsibility has guided the activities and practices that are expected or prohibited by social members even though they are not coded as a law. Ethical responsibilities include those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights. Philanthropic responsibility is the actions in response to society's expectation that business is a good corporate citizen, such as donation, contribution or any other activities that promote human welfare and create goodwill toward the organization. Community will not take the business as unethical if they do not donate. Nevertheless, it is just a desire from them that the business will contribute either financial or human resources to improve the quality of life. Therefore, Philanthropy is more discretionary or voluntary on the part of businesses even though there is always the societal expectation that businesses provide it.

CSR has been defined in many different contexts, depends on writers, academics, theorists, and researchers. However, CSR is defined mostly in academic context as Corporate Social Responsibility. It is also known as corporate responsibility, corporate citizenship, responsibility in business, responsible business (SRB), and Corporate Social Responsibility (CSR). Generally, the meaning of CSR refers to corporation that shows responsibility to the environment, society, business partners, government, employee, economy, and community they are working with, both inside and outside of the company (Wikipedia, 2011). This responsibility is not forced by a law, but a practice underlined by ethics and morality. However, there is study on evolution of CSR activity in America indicating change of practice in social

activity to support objective of a corporation, which transform social activity to become more strategically planned and evaluated (Kotler & Lee, 2005).

If CSR to be defined by word, Corporate is a profit-seeking business, Social is people with relevant by both natural or deliberate as well as other living things and environment in the surrounding area, and Responsibility is responsible for their own actions to stakeholders. All together means a responsible profit-seeking company toward stakeholders, which are customer, business partner, competitor, individual, employee's family, community, environment, and ecosystem (Thaipat Institute, 2009).

Back then, an economist, Milton Friedman, argued that there is no world outside that is impacted or affected by actions of a corporation and that is no need for a corporation to do any help to the society. Since corporation only has duty to maximize profits for stakeholders. Money of stakeholder is to be only for investment, other than that, a corporation has no rights to spend it. This approach is called "Instrumental approach". However, once we realized that there is a world out there that is affected by our actions, it called "social contract approach" (Ghillyer, 2008).

Corporate Social Responsibility or CSR obviously relates to the word 'Responsibility'. For organization, means responsibility to operate the business under the law & regulations, along with ethical mindset. Not only the CEO, but the whole organization needs to truly, deeply feel responsible for the actions taken in operating the business. CSR considered as an investment of the business for the graceful benefits to stakeholders, employees, customers, consumers, suppliers, partners, shareholders, communities, surroundings, environments, and the whole country, in which the actions must not against the law, ethic code of conducts, and human rights.

CSR can be divided into two parts, inside the organization and the outside. Starting from inside, importantly, the employees, they need to be educated and provided with the business code of conduct, which includes all the vision, and expectations of the business and mostly ethics for business. The organization needs to be clear on law of human rights, workforce, equal employment, consumer law, corruption, etc. to make employees understand and fully aware of the actions and results. We can say CSR needs to start from the inside of the organization. Make them aware of the responsibility they have for themselves, the organization, and the outsider

(all of other parties). The organization needs to treat their employee as a partnership, make them willing to stay and provide suitable and ethical benefits, for example, financial support on higher education, or training program to enhance effectiveness of individuals. This is good for both parties; good investment ends up with good resources. Citizenship report should be established and provided to employees, stakeholders, and public for acknowledgement and reviews. Therefore, others would understand the way we do business, clear and honest.

For consumers, suppliers, and other partners, including communities and environment, we considered as outside factors. But, we treat them as our partners we do not call “supplier”, but we call them “partner”. We are responsible for them. For example, we need to operate the business in an ethical way by providing facts and legal information to consumer about our business and products. Responsible for selecting ethical and legal suppliers become part of the organization. Be initiative and innovative in reducing wastes and pollutions in manufacturing process and share with the social as a benefit. Do not violate any law & regulations; try to warn those who break the law. Communities, environment, and social, they need to be supported since they are partly affected from the operation of the organizations.

The World Business Council for Sustainable Development defines corporate social responsibility as a commitment to the organization's continued compliance with the agreement of business ethics for the prosperity on economic development while improving total employee's quality of life, community, and societal.

World Bank has defined ten components of CSR, which are (1) environment, (2) labor, (3) human rights, (4) community commitment, (5) business standard, (6) market, (7) organization and economic development, (8) sanitation, (9) education and leadership development, and (10) public relief. Besides these components conducted by World Bank, Kofi Annan, formerly United Nations Secretary-General, has proposed and encourage for all the business sectors worldwide to become a Good Global Citizenship, with respect of the 10 UN Global Compact.

The Global Compact asks companies to embrace, support, and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment, and anti-corruption:



**Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Make sure that they are not complicit in human rights abuses.

**Labor Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: The elimination of all forms of forced and compulsory labor.
- Principle 5: The effective abolition of child labor.
- Principle 6: The elimination of discrimination in respect of employment and occupation.

**Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Undertake initiatives to promote greater environmental responsibility.
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Despite the mentioned meaning of CSR, in addition to marketing world, conscious marketing has come in as a major approach to gain awareness little by little. It emphasizes that you need to build marketing message from your heart and connect to your target customers. People will attract to your passion finally, not a fake message that you try to send out (Cherney,2011).

**2.1.2 Types of CSR**

Prof. Philip Kotler of the University of North Western, and Nancy Lee, Associate Lecturer, University of Washington and University of Seattle, have classified CSR activities into seven types.

2.1.2.1 Cause Promotion - The financing of goods or materials, other resources of the organization to expand awareness and concern for

social issues as well as funding support, participation or volunteering. Businesses may initiate and promote the self-administration or collaboration with any organizations.

2.1.2.2 Cause-Related Marketing - A contribution or donate a portion from the sale of products to help a specific social issue, which is often in a limited timeline, sometimes, to a specific products or charity listed only. This type of CSR activity, the business often works with organizations that do not aim for profit to create a relationship of mutual benefit by increasing sales volume to bring income to support charitable activities, while offer opportunities for consumers to participate in helping charities through the purchase without any additional cost.

2.1.2.3 Corporate Social Marketing - It supports the development of the cause or result of the campaign to change public health behavior, security, environment, or health. The key difference between the marketing that focuses on solving social problems and promoting awareness issues is that the marketing that focus on solving social problems will focus on behavioral change as a basis, while promoting awareness issue will focus on social awareness and support resources, capital, and volunteers to recognize these issues.

2.1.2.4 Corporate Philanthropy - Assistance to the social issues directly in the form of donations of money or material. This type of CSR is an activity that is found in virtually every organization. And very often, the subject matter to be outside or have offered to do so rather than a result of planning or designing activities from within the organization itself, which makes no linkage to the goals or mission of the organization.

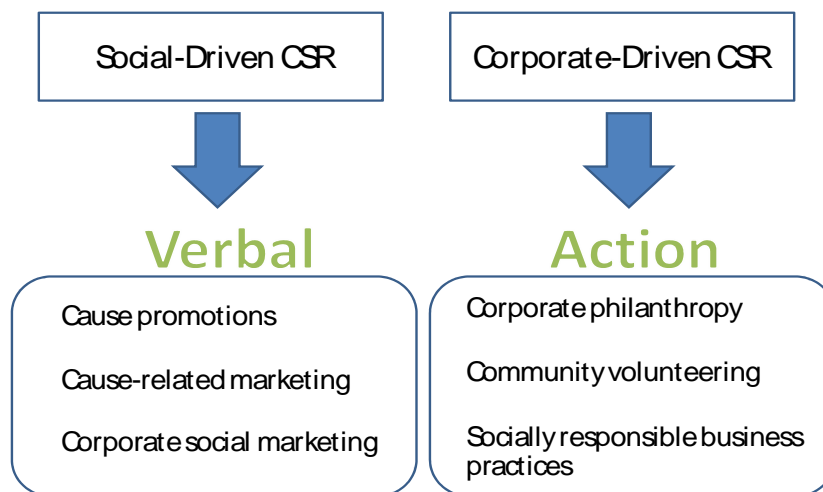
2.1.2.5 Community Volunteering - The support or incentives for employees and partners taking an effort to community the organizations located and to respond to social issues that organizations are interested in or concerned. Businesses may be operated by themselves alone or in collaboration with other organizations. Employees can select the activity and present to corporate for consideration of supporting which employee can receive compensation in the form of vacation leave or else.

2.1.2.6 Socially Responsible Business Practices - The business activity in terms of both protection to avoid causing social problems and in terms of sharing to help ease social problems by using the business processes to

enhance community health and environmental protection. The business is to be conducted by themselves or choose to work with any outside partners.

2.1.2.7 Accessible product and services for bottom line consumer - The latest, additional type from Kotler (2006), the objective is to produce product or service which can be accessed and affordable by the bottom line consumer, less fortunate people. By using the expertise of the business process to enhance the production will resulting in business opportunity, and eventually create sustainable development.

**Figure 2.1: Types of Corporate Social Responsibility**



Source: <http://www.thaipat.org> (Thaipat Institute), 2008.

From Figure 2.1, we can divide types of CSR into two groups, Social-driven and Corporate-driven. Social-driven CSR encourage the acknowledgment of social issues to the public, Marketing related social issues, and marketing communication activities using resources outside the main organization. Corporate-driven CSR are those activities that embedded inside the organization, such as philanthropy, volunteering, and business practices. Indeed, most of the organizations nowadays are trying to differentiate by including CSR as part of the business plan such as associated with the marketing in the form of social assistance, ethical concepts, and corporate philanthropy.

Operation of CSR enterprises in 2552 B.E. has expanded to cover all branches of industry, whether the financial, vehicles, real estate, telecommunications, energy, or consumer goods, etc. The CSR activities conducted can be divided into two main classes, in- and after-process. CSR Class which is not related to business processes (CSR-after-process), such as charity, donations, and volunteers to help society in various ways. Another is CSR Class which combines the business process (CSR-in-process), such as using environmental friendly materials, corporate governance, treatment of workers, waste management, and energy efficiency to reduce carbon dioxide emissions to the atmosphere.

Recently, CSR has become an issue that causes a broad impact. Especially, law enforcement about the social responsibility that is unclear, which is causing social and environmental problems. The result reflected a barrier to economic development, the Map Ta Phut pollution or the careless disposal of toxic substances in the Gulf of Thailand, was an example. The lack of effective governmental supervision, allows irresponsible business to create negative impacts on society and the environment extensively. At the same time, an obligation to remedy problems has been pushed to become the duty of the state.

CSR operations of the irresponsible business are a matter of image building and advertising. Or intentionally, it is to minimize the operation of an organization that negatively affects society and the environment. The aim is not to be a real contribution to society, but is to protect the interests of the organization it located. The results from operating CSR as such will discredit of both the organization and the industry overall.

### **2.1.3 Benefits of CSR**

From the reviews, benefits of CSR can be useful for the business owner, due to an increasing demand by the investors in the business of socially responsible or so-called “Social Responsibility Investing”. Accessibility of the business to financial resources is increasing, resulting in lower financial cost than the market. Gaining heart and mind share from the employee which result in low turnover rate and on the other hand, draw high quality resources to the company. Incomes, profits, and finally the

market share can be increased due to higher volume of purchasing from consumers who choose to buy from the socially responsible business.

Research of Harvard University has revealed that the business which operates socially responsible, the growth in sales and profit will be up to four times within ten years faster than usual. Employees were eight times more active. Funds that focus on social responsibility, such as creating the corporate social responsibility Index, have higher-value faster than other funds (KPMG, The Business Case for Sustainability, 2001)

The business can realize cost reduction and work efficiency as CSR has become one of the tools for the whole organization to utilize all available resources. A sincere CSR activity can be seen and respected by the society, thus promoting brand and image of the organization as well. Brand loyalty can increase profits of the company as consumer nowadays has intention to buy environmental-friendly product rather those that harm the environment. Employment and CSR has been related since one of the researches has discovered that turnover rate has decreased due to the employee satisfaction of being employed under a high ethical standard organization.

Of course CSR activity is not only the activity outside the company, good governance is another big and important part of the word CSR. Organization can be good governance by being responsible inside out. Honesty and transparency needs to be emphasized inside the organization. This responsibility will internally force everyone to act beyond common rules and norms or even government regulations. The chance of making mistakes or underestimation will be lesser because the organization has been fully responsible to themselves and society, therefore, minimal chance to be impacted by law and regulation. The most interesting part of CSR is that it has become very popular and worldwide as one of the opportunities for the business to distinguish themselves from the competitors by using the advantage of being socially responsible organization as their strength. This can be seen by almost every organization in the market today, that try to promote how green they are, how friendly-product they offer, how environmental-friendly process they have. This is because of everyone in the world has been educated or inherited by the society of the benefits when we are responsible for our own actions. It starts from individual to the organization and to the society as a whole. When we act well, we are good citizens. When we act reversal, we

are bad citizens, as well as the organization. In the old days, CSR has been known only as a new trend. Firm can promote or advertise that it is a good corporate, transparent and no one would have searched or truly be interested to check, they only take a glance. Nowadays, the whole society looks at business operations very deep down and is concerned if they are really what they are saying. Now, it is not a trend but it is a must for every organization to combine CSR as part of the management and a key part of corporate development strategy.

But why CSR has become an essential part of the business process, the reason is very simple. When individual gets affected by the result of irresponsible action from whatever or whomever, they will be unconsciously alerted. For example, a well-known global warming issue, which causes hazardous natural disaster worldwide, or whatever that has a direct effect on us. That direct effect will automatically remind us not to further harm the world and should encourage everyone in the world to help prevent the issues and be responsible. As a result, everyone will act responsibly and seek to purchase from those socially responsible as well. And, those respected organizations will benefit from increased sales volume and profits, corporate images, better brand positioning, heart shares, and mind shares from consumers, and finally be able to gain sustainable advantage.

Concept of CSR can be applied as a strategy as the example of White Ocean Strategy adopted by Mr. Danai Chanchaochai (Chanchaochai, 2009). As indicated by the adopter, the “white ocean strategy” starts from the beginning, the very first day of establishing the company. Thinking through the way from the beginning to the end and once we earn from the business profits, and enough, then we need to share those profits to others in the society. By supporting social and environment, helping others, and finally giving back to the country Mr. Danai talked about 5 levels of CSR, individual SR, family SR, corporate SR, community SR, and country SR. We need to start from ourselves and make it to the highest level. The strategy consists of 7 rules which mainly emphasize that the organization needs to think of how to help others by taking vision in balancing between people, planet, and profits. All of these actions must be based on moral and ethics.

Almost every organization has developed CSR activities as part of their business plans, in order to give back to the whole society. For example, insurance

industry, sanitary industry, consumer product, construction industry, manufacturing industry, and even energy industry, have concerns over the environmental issues and act responsibly within their organizations as well. Siam Cement Group (SCG), for instance, can be seen as the most transparent organization in Thailand, or called “good governance”. The company encourages honesty and trustworthiness from inside, to set a good example for outside. Unilever Thailand has supported community well-being by providing parks around Bangkok. Esso Thailand has supported educational opportunities for students by offering an internship program with the company. The program encourages acknowledging internships in the business process and how to do the business, while operating ethically and morally. This is just an example of CSR activities performed by many organizations.

In 2008, IBM Global CEO study, the largest study of chief executives ever conducted, has revealed CEO plans to increase their CSR investments by 25 percent over the next three years, the largest percentage increase of any trend identified (BusinessAssurance.com, 2008). Due to the fact that customer expectation around corporate social responsibility has increased and increasingly demanding socially-minded products, services, and even supply chains. The research also indicates that while consumers have always cared about societal issues, those concerns are now more frequently turning into action as the more socially aware consumers evaluates an enterprise’s CSR profile before making purchasing decisions.

A doctoral dissertation from Argosy University, “The Environmental Responsibility of Multinational Corporation”, has indicated that environmental and natural resources are not limitless, it can be depleted if the businesses are not aware of the results from their own actions (Liu, 2010). This study on the ecological ethics has included business firms as part of a larger ecological system, our earth. Business firms depend upon the natural environment for their energy, material resources, and waste disposal. Consequently, the environment is affected by the commercial activities of business firms. Unless businesses recognize the interrelationships and interdependencies of the ecological systems within which they operate, the problems of pollution cannot be solved effectively. Beyond other things, ethic and moral must be cultivated from an individual consciousness since population is growing, rising

temperature, loss of forests, plants, and animals. These environmental issues have resulted in hazardous environmental destruction.

Journal on “The Role of Corporate Social Responsibility in Oil Company’s Expansion into New Territories” has studied the role of CSR in British Petroleum (BP)’s overall business strategy in relation to oil developments in new territories and cultures (Christina L. Anderson, 2005). The research has shown that CSR has benefitted the company by encouraging the positive impact on the societies in which they operate. This led to the content that CSR is an important part of the business strategy. The result of this research has emphasized that in business today, whether in any part of the world, is complex and intensely competing. Therefore, businesses need to adapt the learning and continuously improve, social, economic and environmental change, which in particular called basic responsibilities. The organization must have a social responsibility such as quality of goods or services supplied to consumers, responsibility for the welfare and safety of staff, responsibility to nature and the environment resulting from the production process of the organization. These responsibilities will directly affect the business success.

Research center of Dhurakij Pundit University (Asia, 2009), supported by business support organizations, Kenan Institute Asia, conducted a survey on behavioral research on consumer attitudes about social responsibility of enterprises in Thailand. The survey was called “Survey on Consumer’s Behavior and Attitude toward Corporate Social Responsibility of the Business organization in Thailand. For the first time by surveying people in Bangkok for the understanding of behavior and attitudes toward social responsibility of Business in Thailand and published as a documentary, given to the enterprise, and relevant agencies to guide the business development, operation, and planning are consistent with the expectations of consumers nowadays. The concept comes from the awareness about corporate social responsibility or CSR business that become of greater importance in Western countries. After lessons learnt from social and economic development, by ignoring the effects on society such as the environmental degradation caused by industrial waste from industrial factories or the management of large enterprises has not been transparent. For European countries, most consumers willing to buy from companies that although more expensive but it is a company with social responsibility.



Results from the research above showed that companies with good earnings, 75% classified as socially responsible company. For Thai society where most consumers have average earning, the decision to purchase is determined significantly by a price, while less focus is on the product and friendly service to the community or the environment than those developed countries. Combined with inefficient mechanisms to protect consumers and human rights in Thailand, coupled with the fact that Thai people do not like to claim their rights, it has resulted in lesser pressures for manufacturers to be socially responsible. On the other hand, for more developed countries, with an efficient system, it would pressurize manufacturers to be much more socially responsible.

Most of Bangkokians have approximately high level of knowledge in CSR towards enterprises in Thailand (911, 2011). More than 50 percent of them are willing to purchase goods and services from organizations or businesses with social responsibility. They prefer to buy products and or services that only not destroy the environment, but buy the products and services in order to help the less fortunate in the society. And, they will recommend the offers to the family members and relatives to help support these products or services that do not damage the environment. However, it is found that factors driving purchasing decision in today's time are still mainly quality and prices. If the price and quality are indifference, the brand with socially responsible image will gain from the purchase. But, interestingly, if quality is indifference, but socially responsible company has higher price, consumer will choose those with lower price but same quality, even those company or brand is not socially responsible.

Development trend of corporate social responsibility in corporate business in Thailand has become stronger, especially for those international business organizations, and large national enterprises, which tend to develop social responsibility scheme than the medium and small firms.

Another piece of literature reviewed was a thesis on a topic of Corporate Social Responsibility in the Oil and Gas Industry on "Strategic Importance and the Role CSR Plays in Large Oil and Gas Multinationals". The author was inspired by this article to study in this field (Vrubic, 2010). The study compared CSR initiatives and the way CSR has been part of company policy between two major oil companies,

separated by zone, ExxonMobil for North American zone and BP oil for European zone, to show a difference in corporate culture, proactive and reactive. The points out that CSR is actually a must do policy, in order to boost public image, or because of the real moral or awareness of the company itself.

Contents of a thesis show a slight view of both company backgrounds and their CSR activities. The result indicates that CSR has been recognized as a major role in company policy to gain sustainable development without losing its reputations. In conclusion, for oil industry today, CSR has become more strategically important to the company than before. And, the major reason is because CSR is a visible strategy to cope with any side effects from a company's daily operation, not from an ethical or moral point of view, and consequently providing financial benefits to the company. Moreover, there was no significant difference between these two companies for the purpose of adopting CSR as part of company policies. Therefore, this research has clearly indicated that major oil companies conducted CSR to eventually gain financial advantage, and increase sales and market share.

There are many researches in Thailand which has studied about CSR of various business areas, mostly for consumer market. Some are in manufacturing business, such as car producers, petroleum industry, and others. International research is also available for this field to review as well, and most of them focus mainly on environmental issue which has caused the public to raise their voice to manufacturers and producers to act responsibly and give back to the society. However, all researches and journals have mentioned the basic of being responsible to be based on moral and ethic as well.

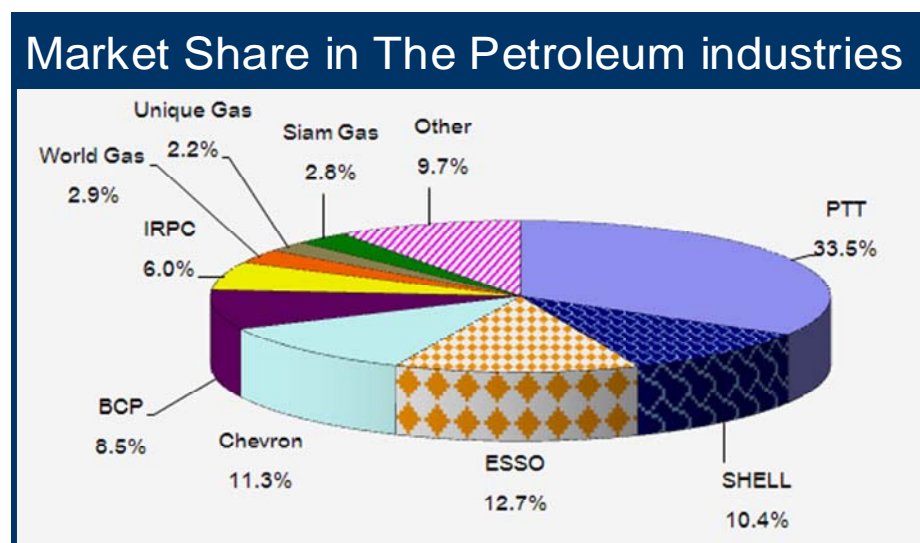
The author found a research in Thailand which has studied about how CSR activities of PTT affect the PTT brand, product image, and attitudes (Yotha-apirux, 2008). Still, no further research has been done on the top three Petroleum Companies in Thailand according to the market share.

As mentioned, market share does not come easily. To begin with, the products and services need to be processed and accepted in the hearts of consumers. Therefore, a positive attitude towards the product and service is what is desired by every company. Attitude means an overall evaluation showing the degree of like and

dislike towards the product, service, or any object. Attitudes exist over a period of time from consumer's learning experience (Hoyer & MacInnis, 2007).

Overall market share is the company's sales expressed as a percentage of the total market sales (Kotler & Keller, 2006). Market share for Petroleum business in Thailand is shown as in figure 2.2.

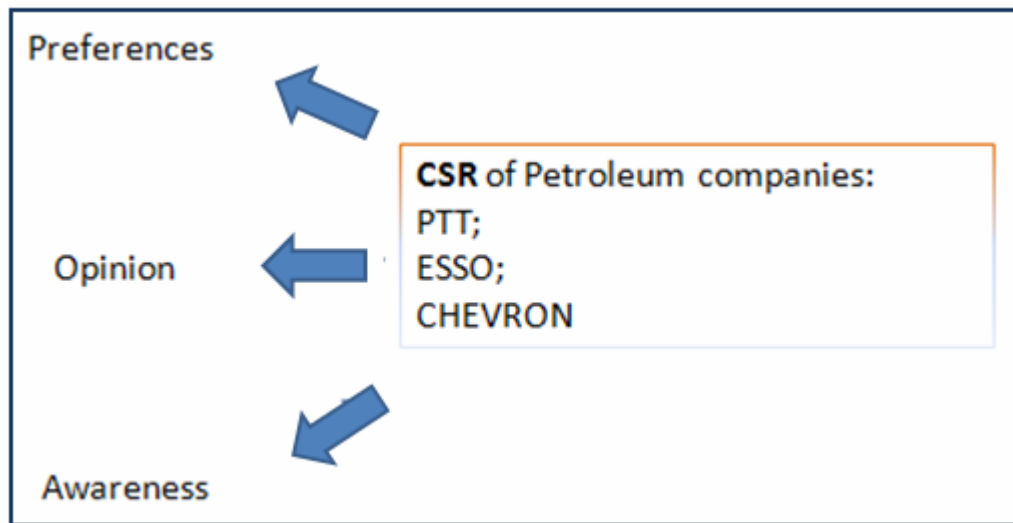
**Figure 2.2: Market share in the Petroleum industries in Thailand, in 2009.**



Source: <http://www.ptit.org> (Petroleum Institute of Thailand), 2009 (March – November)

## 2.2 Concept Flow

The author has come up with the concept flow after reviewing all the literatures. The topic of this research is about consumer attitudes toward CSR activities of selected petroleum companies in Thailand. The largest three companies operating in Thailand, according to the market share in year 2009, PTT Public Company Limited, Esso (Thailand) PLC, and Chevron Thailand (Caltex) PLC were chosen for analysis.

**Figure2.3: Concept flow**

Source: The author

The above concept flow indicates the flow of variables that consumer preference, opinion, and awareness toward products and services are affected by CSR activities of a particular oil/gas brand, investigated at the gas station. Of course, the study has also included other characteristics of a gas station, i.e. accessibility and convenience, in order to determine if those characteristics have an effect on consumer's mind to purchase the products and services rather than CSR activities. Hypothesis along with the concept flow are brand's preference of a gas station relates to mostly used brand of Gas station and social activities (CSR) of petroleum companies are significantly influencing consumer's attitudes.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

This chapter demonstrates an overview of the methodology of this research. The chapter is divided into four sections. The first part is the research methodology and the second part is the respondents and sampling procedures. The third section is the research instrument which is the questionnaire. And the final part is the collection and statistical treatment of data.

#### **3.1 Research Methodology**

The researcher analyzed data by applying SPSS computer program such as descriptive statistics and inference statistics as follows. The results will be in descriptive format.

**Objective 1:** The researcher used descriptive statistics to demonstrate the results in frequency and percentage.

**Objective 2:** The researcher applied one sample T-test for analytical analysis to find the respondent attitudes toward the type of social activities of Gas Stations, all information was measured in terms of PTT, Esso, and Caltex Social Activities. Closed-ended question with the Likert 5-point scale were used to measure the degree of attitude. The findings were shown in the form of frequency distribution, mean, and statistical deviation.

**Objective 3:** Chi-square ( $\chi^2$ ) was used in order to find the relationship between brand's preference of Gas station and mostly used brand of Gas station. As well as the relationship between consumer preference and company's market share.

## **3.2 Respondents and Sampling Procedures**

### **3.2.1 Target population**

So the sample size for this research consists of people who live in Bangkok area and is a general consumer between three petroleum companies. Touch point of these companies is, generally speaking, a gas station. Therefore, three brand of gas station which is PTT, Esso, and Caltex (Chevron) are considered as a location for data collection. Though, general consumer will be anyone who drives and is capable of making a purchase decision of product and service by themselves, regardless of age. Non probability will be applied using convenience sampling to collect data from the samples

### **3.2.2 Sampling procedure and Sampling Unit**

The research of consumer attitude toward CSR activities of Petroleum companies in Thailand has studied only on the largest top three petroleum companies operating business in Thailand, according to the market share. This is a cross-sectional, quantitative research conducted using questionnaire to collect data.

Probability sampling technique, stratified sample random method, was applied to stratified sample by users of each petroleum companies, PTT, Esso, and Caltex. And, a simple random sample is selected from each group or cluster using systematically selection to select every sample within each cluster. The actual users of Gasoline, not included users of Gas NPG or LPG, were selected and asked for cooperation to fill out a close-ended questionnaire.

### **3.2.3 Sample size**

People who live in Bangkok area according to The National Statistical Office of Thailand (TNSO) in year 2006 is approximately 6,825,956, out of whom,

5,309,547 are those over 18 years and have registered driving licenses (Office, 2004). Sample size will be determined using Taro Yamane (Yamane, 1967) at 95% confidence level. An equation illustrated below.

$$n = \frac{N}{1 + N(e)^2}$$

Where  $n$  = sample size

$N$  = Population size

$e$  = The error of sampling

Therefore, the sample size for this study will be as follows

$$n = 5,309,547 / \{ 1 + 5,309,547 (0.05)^2 \} = \text{approximate } 399.98 \text{ or } 400.$$

So the sample size for this research consists of people who live in Bangkok area and is a general consumer between three petroleum companies. Touch point of these companies is, generally speaking, a gas station. Therefore, three brand of gas station which is PTT, Esso, and Caltex (Chevron) are considered as a location for data collection. Though, general consumer will be anyone who drives and is capable of making a purchase decision of product and service by themselves, regardless of age.

### 3.3 Research instruments and Questionnaires

The researcher has gathered data from secondary sources, including academic journals, articles, and previous thesis. This is a cross-sectional, quantitative research conducted using questionnaire to collect data. This quantitative study will collect primary data from approximately 400 consumers in Bangkok area. Probability Sampling will be applied using stratified sampling method. A structured questionnaire was designed, using Likert type of scale, to measure perception and attitude of consumers toward CSR activities done by top three petroleum companies in Thailand. The questionnaire also includes general demographic questions to analyze differences among consumer socio-economic groups. Data was later processed and analyzed by SPSS computer program. The results will be in descriptive format.

The questionnaire was prepared in both Thai and English and divided into four parts as follows:

**Part 1:** Information about the behavior of consumers using Gas Station

This part consists of general information on the frequency of using Gas station, preference toward each brand of Gas station, and factors affecting those preferences.

**Part 2:** Information about consumer attitudes toward Gas station conducting social activities. Knowledge and attitudes toward CSR from consumer's mind were asked in this section.

**Part 3:** Information about the attitudes toward the type of social activities of Gas stations. It aims to measure level of attitudes of consumers toward each social activity of each brand of Gas station and to see the relationship between attitude and tendency of purchasing the product and service.

**Part 4:** General information about the respondents

This part consists of six questions including age, gender, marital status, education level, occupation, and monthly income of the respondents.

### **3.4 Data Collection and Statistical Treatment of the Data**

#### **3.4.1 Secondary Data**

The information presented in chapter 1 and chapter 2 is taken from textbooks, articles, academic journals, news and internet sources which were related to this study.

#### **3.4.2 Primary Data**

Four hundred returned questionnaire surveys are the first hand information that the researcher obtained directly from target respondents. The respondents are those who actually use the products and services of each gas station, PTT, Esso, and Caltex in Bangna area. The researcher used personal judgment and convenience to select 455 target respondents in order to obtain an approximately clean 400 questionnaires.

After the surveys were completed, all data were encoded and analyzed by Statistical Package for Social Scientists (SPSS) which provides research findings



based on statistical results such as chi-square, frequencies, mean, and standard deviation.

In conclusion, the research instruments and data collection process are presented in this chapter. Further, next chapter will provide results obtained from the questionnaire.

## CHAPTER IV

### RESULTS

In this chapter, the data analysis was made by using the Statistical Package for Social Scientists (SPSS) to provide descriptive statistics of the subjects, such as frequency, percentage, and mean.

#### 4.1 General Information about the Respondents

The first part of the questionnaire sought the demographic data concerning gender, age, marital status, education level, occupation, monthly income. All information was displayed in the form of frequency and percentage of the respondents as follows:

**Table 4.1: Descriptive statistics for gender of the respondents**

Gender	Frequency	Percentage
Male	195	48.8
Female	205	51.3
Total	400	100.0

As shown in table 4.1, about half of the respondents were female and the rest were male. By chance, the proportion of respondents' genders corresponds with the gender structure of Thai population.

**Table 4.2: Descriptive statistics for age of the respondents**

Age (years old)	Frequency	Percentage
18-25	30	7.5
26-33	176	44.0
34-41	93	23.3
42-49	43	10.8
50-57	42	10.5
58-65	16	4.0
Total	400	100.0

According to table 4.2, majority of the respondents was in the age of 26 to 41(67%), which in a stage of working period. The rest were in the age of maturity (25%) and teenagers (7.5%). This is according to the Thai population structure, showing a large number of working population.

**Table 4.3: Descriptive statistics for marital status of the respondents**

Marital status	Frequency	Percentage
Single	225	56.3
Married	159	39.8
Divorced	16	4.0
Total	400	100.0

From data collection as shown above, about half of the respondents (56.3%) were single. The other half was married (39.8%) and divorced (4.0%).

**Table 4.4: Descriptive statistics for education level of the respondents**

Education level	Frequency	Percentage
Less than Primary school	5	1.3
Secondary school	6	1.5
High school	26	6.5
Diploma	46	11.5
Bachelor degree	154	38.5
Master degree	163	40.8
Total	400	100.0

More than half of the respondents were graduated in undergraduate level and higher. It corresponds with the respondent's knowledge of CSR. However, the rest were under college and in secondary school (20%).

**Table 4.5: Descriptive statistics for occupation of the respondents**

Occupation	Frequency	Percentage
Government officer	168	42.0
Employee	160	40.0
Business owner	10	2.5
Freelance	20	5.0
Student	5	1.3
Housewife	6	1.5
Others	31	7.8
Total	400	100.0

Most of the respondents (82%) were non-self employed, which are government officers and employees. They were paid in a monthly basis. The rest were

self-employed, which are business owners, freelances, housewives, and others. Only 1.3% of college students were responded to the questionnaires.

**Table 4.6: Descriptive statistics of monthly income of the respondents**

Monthly income (baht)	Frequency	Percentage
Less than 10,000	61	15.3
10,001-20,000	111	27.8
20,001-30,000	153	38.3
30,001-40,000	55	13.8
40,001-50,000	15	3.8
More than 50,000	5	1.3
Total	400	100.0

According to the above table, most of the respondents have income between 10,000 to 30,000 baht (66%). It corresponds with an average income of regular employees who graduated in bachelor degree and higher, 12,000 and 20,000 baht accordingly.

## 4.2 Information about Behavior of the Gas Station Users

This part sought information about the behavior of respondents using gas station, which is the key product of oil companies implementing CSR programs. All information was displayed in the form of frequency and percentage of the respondents as follows:

**Table 4.7: Descriptive statistics for gas station usage per month of the respondents**

Times	Frequency	Percentage
1-2 times per month	76	19.0
3-4 times per month	185	46.3
more than 5 times per month	139	34.8
Total	400	100.0

There are over 80 percent of the respondents using gas stations (of any brand) more than 3 times per month. The result corresponds with the age of the respondents referred as most were in working stage. While the rest use Gas station only a few times per month.

**Table 4.8: Descriptive statistics for brands of gas stations mostly used by the respondents**

Brand	Frequency	Percentage
PTT	233	58.3
Esso	88	22.0
Caltex	79	19.8
Total	400	100.0

According to table 4.8, most of the respondents use PTT gas station (58.3%); followed by Esso gas station (22.0%) and Caltex gas station (19.8%).

**Table 4.9: Descriptive statistics for top three factors in choosing the gas station of the respondents**

Factors	First factor (3 Point)	Second factor (2 Point)	Third factor (1 Point)	Total Score
1. Convenience and Accessibility	104	89	61	551
2. Facilitation and other services such as car wash, convenience store, and restroom	51	78	60	369
3. Product meets the requirements such as Gasoline 95	80	25	25	315
4. Promotion such as premium	40	41	63	265
5. Surroundings such as cleanliness and safety	20	66	48	240
6. Price meets the needs	20	35	20	150
7. Brand of Gas station	48	22	31	219
8. Service provided by the employee	10	20	55	125
9. Others	12	-	-	36
10. Feel involve and proud of social activities of the particular brand	-	5	11	21

As shown in table 4.9, the most important factor in choosing gas station was convenience and accessibility. Facilitation and other services such as car wash and restroom was the second factor of importance. The third factor was the reason of product requirement meets consumer's needs.

Other factors related to environment, brands, promotion, and services of employee were grouped as a moderate importance, while attitude towards brand's CSR was the least important factor in choosing the gas station.

**Table 4.10: Descriptive statistics for top three factors in choosing the PTT Gas station of the respondents**

Factors	First factor (3 Point)	Second factor (2 Point)	Third factor (1 Point)	Total Score
1. Convenience and Accessibility	57	49	41	310
2. Facilitation and other services such as car wash, convenience store, and restroom	35	44	45	238
3. Surroundings such as cleanliness and safety	14	52	29	175
4. Product meets the requirements such as Gasoline 95	45	8	9	160
5. Brand of Gas station	34	11	20	144
6. Service provided by the employee	4	9	21	51
7. Promotion such as premium	4	24	36	96
8. Price meets the needs	14	22	-	86
9. Others	11	-	-	33
10. Feel involve and proud of social activities of the particular brand	-	5	6	16

The above result shows an importance of each factor for consumers choosing to use PTT gas station. Again, convenience and accessibility, facilitation and other services were greatly selected reasons. Surroundings, product requirements, and Gas station's brand were classified in a middle importance factors.

Even feeling or attitude towards brand's CSR was the least importance factor, although the number is considered high comparing to the other two brands.

**Table 4.11: Descriptive statistics for top three factors in choosing the Esso gas station of the respondents**

Factors	First factor (3 Point)	Second factor (2 Point)	Third factor (1 Point)	Total Score
1. Convenience and Accessibility	39	14	12	157
2. Promotion such as premium	19	8	10	83
3. Product meets the requirements such as Gasoline 95	11	13	16	75
4. Facilitation such as car wash, convenience store, and restroom	8	22	7	75
5. Surroundings such as cleanliness and safety	2	10	15	41
6. Brand of Gas station	5	7	7	36
7. Price meets the needs	2	5	12	28
8. Service provided by the employee	1	7	8	25
9. Feel involve and proud of social activities of the particular brand	-	-	1	1
10. Others	1	-	-	3

As shown above, the most important factors in choosing Esso gas station were convenience, accessibility, and promotion such as premium. Products that meet the requirements, such as Gasoline 95 and station's facilitation were considered of equal importance. The rest of the factors, including feeling towards brand's CSR were less importance respectively.

**Table 4.12: Descriptive statistics for top three factors in choosing the Caltex gas station of the respondents**

Factors	First factor (3 Point)	Second factor (2 Point)	Third factor (1 Point)	Total Score
1. Promotion such as premium	17	9	17	86
2. Convenience and Accessibility	8	26	8	84
3. Product meets the requirements such as Gasoline 95	24	4	-	80
4. Facilitation such as car wash, convenience store, and restroom	8	12	8	56
5. Service provided by the employee	5	4	26	49
6. Brand of Gas station	9	4	4	39
7. Price meets the needs	4	8	8	36
8. Surroundings such as cleanliness and safety	4	4	4	24
9. Feel involve and proud of social activities of the particular brand	-	-	4	4
10. Others	-	-	-	-

Differently for Caltex, promotion was the most important factor in choosing the gas station. However, it was not that much deviated from convenience and product requirement factors. The rest of the factors were ranged in the middle importance, while feeling toward brand's CSR was the least importance, similarly to the other two brands.

**Table 4.13: Descriptive statistics for preferred brand of gas station by the respondents**

Brand	Frequency	Percentage
PTT	160	40.0
Bangchak	69	17.3
Shell	65	16.3
Esso	46	11.5
Jet	40	10
Petronas	10	2.5
Caltex	10	2.5
Total	400	100.0

According to table 4.13, most of the respondents prefer PTT brand of gas station (40.0%), followed by Bangchak (17.3%), Shell (16.3%), Esso (11.5%), Jet (10.0%), and Caltex (2.5%).

**Table 4.14: Descriptive statistics of top three reasons why the respondents prefer the brand of gas station**

Factors	First Place (3 Point)	Second Place (2 Point)	Third Place (1 Point)	Total Score
1. Convenience and Accessibility	95	99	71	554
2. Facilitation such as car wash, convenience store, and restroom	71	82	51	428
3. Surroundings such as cleanliness and safety	55	76	48	365
4. Brand of Gas station	43	27	51	234
5. Price meets the needs	20	45	20	170
6. Promotion such as premium	35	21	68	215
7. Service provided by the employee	10	15	35	95
8. Feel involve and proud of social activities of the particular brand	5		11	26
9. Others	6	-	-	18

The most important reason why consumers prefer a gasoline brand was convenience of accessibility. It was the same factor for those who actually use the



brand of PTT and Esso. The result shows positive relationship with the factors of consumer usage of the particular brand and the tendency of using the preferable brand.

### 4.3 Information about Consumer Attitudes toward Gas Station with Corporate Social Responsibility (CSR)

This part sought to gain insight on consumer attitudes toward Gas station with social activities. All information was displayed in the form of frequency and percentage of the respondents as follows:

**Table 4.15: Descriptive statistics of respondent's awareness toward the meaning of "Social Activity" or "Corporate Social Responsibility (CSR)"**

Awareness	Frequency	Percentage
Already aware of CSR meaning	375	93.8
First time	25	6.3
Total	400	100.0

Most of the respondents know the meaning of "Social Activity" or "Corporate Social Responsibility (CSR)" (93.8%) and the rests know about the meaning for the first time (6.3%).

**Table 4.16: Descriptive statistics of the purpose a company conducting a social activity**

Purpose	Frequency	Percentage
Good company image	214	53.5
To show responsibility to society	113	28.3
To boost up sales	38	9.5
Advertising goods and services	20	5.0
The current popularity	10	2.5
Others	5	1.3
Total	400	100.0

Most of the respondents (80%) understood that good company image and to show responsibility to society were two main purposes of a company conducting social activities. In reality, these two factors lead to company's credibility and responsive image. They were conducted to enhance consumer's positive attitudes toward the company. The rests were related to sales volume creation, which was not the direct consequence of a company doing CSR.

**Table 4.17: Descriptive statistics for information source of social activities received by the respondents**

Media channels	Frequency	Percentage
Television	286	71.5
Newspaper	81	20.3
Internet	55	13.8
Magazine	45	11.3
Outdoor media	41	10.3
Radio	35	8.8
Others	-	-

Television was the best media channel to distribute direct message to consumers, as it is easy and convenient since the distribution frequency is the highest among other media channel. Newspaper was captured only 20% of all respondents. However, the Internet channel is a new wave and has become popular among teenagers. The rests were less consumed accordingly.

**Table 4.18: Descriptive statistics of respondent's perception towards petroleum companies with Corporate Social Responsibility (CSR)**

Perception	Frequency	Percentage
Prefer and use the product and service	315	78.8
Prefer but not use product and service	10	2.5
Not prefer but use product and service	5	1.3
Neutral but use product and service	65	16.3
Neutral but not use product and service	5	1.3
Total	400	100.0

The table shows perception of respondents towards petroleum companies conducting CSR activities. The tendency of using the preferred products and services is positive as almost every respondent preferred and tended to use the product and service of the company conducting CSR activities. However, some of them were neutral in their attitudes that link to purchase intentions of that particular brand.

#### 4.4 Information Regarding Respondents' attitudes toward each Type of Petroleum Company's CSR Activities

This part is for the respondent attitudes toward each type of social activities of gas stations; all information was measured in terms of PTT, Esso, and Caltex social activities. Closed-ended questions with the Likert 5-point scale were used to measure the degree of attitude. The findings were shown in the form of frequency distribution, mean, and statistical deviation.

**Table 4.19: Descriptive statistics of the attitudes toward social activities of PTT gas station of the respondents**

Social activities (PTT)	Level of Measurement					$\mu$	S.D.
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
1. The Permanent Reforestation Project	260 (65.0)	120 (30.0)	10 (2.5)	5 (1.3)	5 (1.3)	4.56	0.723
2. The Herbal Garden Project	250 (62.5)	120 (30.0)	20 (5.0)	5 (1.3)	5 (1.3)	4.51	0.759
3. Community Project (โครงการปันน้ำใจให้ชุมชน)	200 (50.0)	190 (47.5)	- -	5 (1.3)	5 (1.3)	4.44	0.687
4. Lab School Project	188 (47.6)	167 (42.3)	30 (7.6)	5 (1.3)	5 (1.3)	4.34	0.778
5. Community project (ปตท. ร่วมใจด้านภัยหนาว)	165 (41.3)	190 (47.5)	35 (8.8)	5 (1.3)	5 (1.3)	4.26	0.771
6. Safe Road Project	159 (39.8)	186 (46.5)	35 (8.8)	10 (2.5)	10 (2.5)	4.19	0.882
7. Contest and display art Energy Conservation Youth Camp	160 (40.0)	165 (41.3)	60 (15.0)	10 (2.5)	5 (1.3)	4.16	0.859
8. Project to support use of NGV to save energy and environment	160 (40.5)	170 (43.0)	40 (10.1)	20 (5.1)	5 (1.3)	4.16	0.893
9. 5S Youth Development Project	88 (22.0)	222 (55.5)	65 (16.3)	20 (5.0)	5 (1.3)	3.92	0.831
Overall						4.30	0.664

*Note: Numbers in bracket is a Percentage (%)*

From table 4.19, most of the respondents were strongly agreed with overall social activities of PTT Gas station ( $\mu=4.30$ ), the highest score belongs to the permanent reforestation project social activities of PTT Gas station ( $\mu=4.56$ ), followed

**Table 4.20: Descriptive statistics of the attitudes toward social activities of Esso Gas Station of the respondents**

Social activities (Esso)	Level of Measurement					$\mu$	S.D.
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
1. Campaign on the use of helmet	193 (49.0)	186 (47.2)	- -	5 (1.3)	10 (2.5)	4.39	0.787
2. Support on community development	194 (49.2)	165 (41.9)	25 (6.3)	5 (1.3)	5 (1.3)	4.37	0.767
3. Purchase a van for transporting cold blood to blood center of the Thai Red Cross Workers	199 (50.5)	155 (39.3)	25 (6.3)	10 (2.5)	5 (1.3)	4.35	0.813
4. "Turn off engine while parking" campaign to reduce global warming	169 (42.9)	195 (49.5)	15 (3.8)	10 (2.5)	5 (1.3)	4.30	0.770
5. Support Center for Marine Environment	165 (41.9)	194 (49.2)	25 (6.3)	5 (1.3)	5 (1.3)	4.29	0.751
6. Support the construction of school buildings in rural areas	165 (41.9)	189 (48.0)	25 (6.3)	10 (2.5)	5 (1.3)	4.27	0.793
7. Student support activities that benefit society such as Mahidol University -SIFE Program	163 (41.4)	196 (49.7)	20 (5.1)	10 (2.5)	5 (1.3)	4.27	0.779
8. Environmental youth leadership training program	123 (31.6)	236 (60.7)	20 (5.1)	5 (1.3)	5 (1.3)	4.20	0.704
9. 'Knowledge is Light' magazine and TV documentary program	144 (36.5)	195 (49.5)	40 (10.2)	10 (2.5)	5 (1.3)	4.18	0.809
10. Esso challenge - Innovative Internship	81 (20.6)	213 (54.1)	75 (19.0)	20 (5.1)	5 (1.3)	3.88	0.836
Overall						4.25	0.655

*Note: Numbers in bracket is a Percentage (%)*

From table 4.20, most of the respondents strongly agreed with overall social activities of Esso Gas station ( $\mu=4.25$ ), the highest score belongs to the campaign on the use of helmet ( $\mu=4.39$ ), followed by support on community development ( $\mu=4.37$ ). While, Esso challenge - Innovative Internship ( $\mu=3.88$ ) has the lowest score.

**Table 4.21: Descriptive statistics of the attitudes toward social activities of Caltex Gas station of the respondents**

Social activities (Caltex)	Level of Measurement					$\mu$	S.D.
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
1. Recovering school from Tsunami	200 (50.0)	180 (45.0)	5 (1.3)	10 (2.5)	5 (1.3)	4.40	0.753
2. "Quality and Safety Gas station" project	200 (50.0)	180 (45.0)	5 (1.3)	10 (2.5)	5 (1.3)	4.40	0.753
3. Repairing school buildings. Provide scholarships and educational equipment to schools	195 (48.8)	180 (45.0)	15 (3.8)	5 (1.3)	5 (1.3)	4.39	0.734
4. Reforestation Project (ปลูกป่าชายเลน)	200 (50.0)	165 (41.3)	25 (6.3)	5 (1.3)	5 (1.3)	4.38	0.765
5. Help AIDS patients	180 (45.0)	200 (50.0)	10 (2.5)	5 (1.3)	5 (1.3)	4.36	0.712
6. Conservation of natural plant-sea coral	159 (39.8)	206 (51.5)	20 (5.0)	10 (2.5)	5 (1.3)	4.26	0.771
7. Introduce "Caltex Diesel Techron D" to reduce exhaust	165 (41.3)	180 (45.0)	40 (10.0)	10 (2.5)	5 (1.3)	4.23	0.822
8. Co-sponsored Thai athletes to Olympic Games	117 (29.3)	203 (50.8)	65 (16.3)	10 (2.5)	5 (1.3)	4.04	0.817
9. Singha Caltex Mountain Bike Thailand Open	87 (21.8)	183 (45.8)	105 (26.3)	15 (3.8)	10 (2.5)	3.81	0.905
Overall						4.25	0.645

*Numbers in bracket is a Percentage (%)*

From table 4.21, most of the respondents strongly agreed with overall social activities of Caltex gas station ( $\mu=4.25$ ), the highest score belongs to “Recover Schools from Tsunami” and “Quality and Safety Gas station” projects of Caltex Gas station ( $\mu=4.40$ ), followed by “Repairing school buildings” project. “Providing scholarships and educational equipments to schools” receives the next agreeable attitude from the respondents ( $\mu=4.39$ ), while “Singha Caltex Mountain Bike Thailand Open” ( $\mu=3.81$ ) has the lowest score.

From all three brands, activities related to forestation are the most recognizable and agreed with as it has a great direct impact on our daily life.

## 4.5 Hypothesis Testing

This section will provide the results of the hypothesis testing.

**4.5.1 Hypothesis 1:** Brand's preference of Gas Station relates to mostly used brand of gas station.

**Table 4.22: Relationship between Brand preference of gas station relate to mostly used brand of Gas station**

Preferred Gas station	Mostly used brand of Gas Station			Total
	PTT	Esso	Caltex	
PTT	<b>122</b>	22	16	160
Esso	0	<b>46</b>	0	46
Bangchak	65	4	0	69
Shell	4	10	51	65
Petronas	5	1	4	10
Jet	37	3	0	40
Caltex	0	2	<b>8</b>	10
Total	233	88	79	400

From table 4.22, Chi-square ( $\chi^2$ ) was used to test Hypothesis 1. Significance was found between Brand's preference of Gas station and the mostly used brand of Gas station (Sig. < 0.05). Therefore, consumer who prefers a particular brand will tend to use the product and service of that brand. It shows significant relationship of preference towards actual purchasing decision.

**4.5.2 Hypothesis 2:** Social activities (CSR) of a petroleum company are significantly influencing consumer's attitudes.

**Table 4.23: One sample test attitude towards social activities of PTT company ( $\mu > 4.21$ )**

Social activities	Test value = 4.21				
	$\mu$	S.D.	t	df	Sig.
1. The Permanent Reforestation Project	<b>4.57</b>	<b>.699</b>	<b>7.790</b>	<b>232</b>	<b>.000*</b>
2. The Herbal Garden Project	<b>4.51</b>	<b>.732</b>	<b>6.273</b>	<b>232</b>	<b>.000*</b>
3. Community Project (โครงการปันน้ำใจให้ชุมชน)	<b>4.40</b>	<b>.670</b>	<b>4.408</b>	<b>232</b>	<b>.000 *</b>
4. Lab School Project	<b>4.41</b>	<b>.726</b>	<b>4.157</b>	<b>232</b>	<b>.000*</b>
5. Contest and display art Energy Conservation	4.27	.803	1.067	232	.287

Social activities	Test value = 4.21				
	$\mu$	S.D.	t	df	Sig.
Youth Camp <b>6. 5S Youth Development Project</b>	<b>4.01</b>	<b>.833</b>	<b>-3.612</b>	<b>232</b>	<b>.000*</b>
7. Safe Road Project	4.15	.961	-.881	232	.379
8. Project to support use of NGV to save energy and environment	4.15	.904	-.943	227	.347
9. Community project (ปตท. ร่วมใจด้านภัยหนาว)	4.24	.778	.595	232	.552
<b>Overall</b>	<b>4.3203</b>	<b>.665</b>	<b>2.530</b>	<b>232</b>	<b>.012*</b>

\*Significant at level 0.05

From the above table, one sample t-test was used to test hypothesis 2. Significance was found for overall social activities of PTT ( $t > 0$ , Sig.  $< 0.05$ ). Therefore, consumers who mostly use PTT brand of Gas station will agree with social activities of PTT Company. Upon testing each activity, significance was found for social activities of “The Permanent Reforestation Project”, “The Herbal Garden Project”, “Community Project (โครงการปันน้ำใจให้ชุมชน)”, and “Lab School Project” ( $t > 0$ , Sig.  $< 0.05$ ).

Therefore, consumers who mostly use PTT brand will agree with Social activities of PTT such as “the permanent reforestation project”, “the herbal garden project”, “community project (โครงการปันน้ำใจให้ชุมชน)”, and “lab school project”. However, 5S youth development project was found significance as well, but in a negative direction.

On the other hand, we can conclude that consumer who agrees with PTT’s CSR tends to use the products and services of PTT brand. It shows a positive relevance.

**Table 4.24: One Sample test attitude toward social activities of Esso Company ( $\mu > 4.21$ )**

Social activities	Test value = 4.21				
	$\mu$	S.D.	t	df	Sig.
<b>1. Esso challenge - Innovative Internship</b>	3.80	.924	-4.208	87	.000*
<b>2. “Turn off engine while parking” campaign to reduce global warming</b>	4.41	.672	2.780	87	.007*
3. ‘Knowledge is Light’ magazine and TV documentary program	4.14	.873	-.791	87	.431
4. Support the construction of school buildings in rural areas	4.35	.803	1.662	87	.100
5. Support Center for Marine Environment	4.32	.824	1.231	87	.221
6. Environmental youth leadership training program	4.26	.739	.687	86	.494
<b>7. Campaign on the use of helmet</b>	4.52	.678	4.329	87	.000*
8. Support community development	4.30	.886	.905	87	.368
<b>9. Purchase a van for transporting cold blood to blood center of the Thai Red Cross Workers</b>	4.47	.772	3.108	87	.003*
10. Student support activities that benefit society such as Mahidol University -SIFE Program	4.35	.774	1.725	87	.088
Overall	4.2915	.685	1.117	87	.267

\*Significant at level 0.05

To find relationship between social activities and the consumer’s opinion, one sample t-test was used to test Hypothesis 2. No significance was found for overall social activities of Esso Company (Sig. > 0.05). So, consumers who mostly use Esso brand of gas station will not agree with overall social activities of Esso Company. Upon testing each activity, significance was found for only social activities of “turn off the engine while parking” campaign to reduce global warming , “campaign on the use of helmet”, and “purchase a van for transporting cold blood to blood center of the Thai Red Cross Workers” ( $t > 0$  , Sig. < 0.05).

In conclusion, consumers who mostly use Esso brand or gas station will agree with only some of social activities of the company. All of the significance figures found were positive, except for only “internship program” that has a negative relationship. The results point out that only some of CSR activities of Esso Company have positive effects on consumer’s opinion and preference.



**Table 4.25: One sample test of attitude toward social activities of Caltex Company ( $\mu > 4.21$ )**

Social activities	Test value = 4.21				
	$\mu$	S.D.	t	df	Sig.
1. Co-sponsored Thai athletes to Olympic Games	4.11	.847	-1.008	78	.317
<b>2. Recovering school from Tsunami</b>	<b>4.43</b>	<b>.812</b>	<b>2.414</b>	<b>78</b>	<b>.018*</b>
<b>3. Help AIDS patients</b>	<b>4.43</b>	<b>.746</b>	<b>2.627</b>	<b>78</b>	<b>.010*</b>
4. Conservation of natural plant-sea coral	4.32	.809	1.169	78	.246
<b>5. Repairing school buildings. Provide scholarships and educational equipment to schools</b>	<b>4.54</b>	<b>.748</b>	<b>3.975</b>	<b>78</b>	<b>.000*</b>
6. Reforestation Project (ปลูกป่าชายเลน)	4.37	.819	1.704	78	.092
7. Introduce "Caltex Diesel Techron D" to reduce exhaust	4.22	.762	.061	78	.952
8. "Quality and Safety Gas station" project	4.27	.780	.636	78	.526
<b>9. Singha Caltex Mountain Bike Thailand Open</b>	<b>3.78</b>	<b>1.046</b>	<b>-3.613</b>	<b>78</b>	<b>.001*</b>
Overall	4.2743	.674	.847	78	.399

\*Significant at level 0.05

From the above table, one sample t-test was used to test Hypothesis 2. No significance was found for overall social activities of Caltex (Sig. > 0.05). When tested each activity, significance was found for some of social activities ( $t > 0$ , Sig. < 0.05). We can conclude that consumers who use Caltex brand of Gas station to only some extent of social activities done by Caltex Company, such as recovering school from Tsunami and help AIDS patients. In other words, CSR is not entirely the reason they were using the brand. Again, the result directs to the point that not all of CSR activities of Caltex has a positive effect on consumer's opinion and preference, only some of the activities have.

## **CHAPTER V**

### **SUMMARY, DISCUSSIONS, AND RESEARCH OPPORTUNITIES**

This chapter indicates a summary of the study, a summary of the findings, discussions of the findings, recommendations for CSR activities to petroleum companies in Thailand, and recommendations for further research.

#### **5.1 Summary of the Findings**

The results of the research can be summarized as follows:

Firstly, the results obtained have shown the majority of the respondents who were female more than male. The majorities of them were single and had the age group of 26-33 years old. Moreover, majority of them graduated with a Master's degree and were government officers. As a result, most of the respondents were highly educated and had a possibility of understanding or awareness of the meaning of Corporate Social Responsibility (CSR).

Additionally, the obtained results have shown that the majority of the consumers use gas station 3-4 times per month. In general, the most important factor in choosing to use a gas station was convenience and accessibility. Facilitation and products that met consumers' requirement were identified to be less important. The majority of the consumers prefer to use PTT brand of gas station (40.0%), followed by Bangchak (17.3%), Shell (16.3%), Esso (11.5%), Jet (10.0%), and Caltex (2.5%). According to the research scope, only three major Gas companies were observed which were PTT, Esso, and Caltex. Therefore, the numbers of respondents have been identified by percentage of their market share.

Unsurprisingly, the most important factor in choosing the PTT Gas station was convenience and accessibility. Its Gas station has covered all area in Bangkok and can be accessed easily, some station even open for 24 hours. Shops and services to

facilitate such as car wash, and surroundings such as cleanliness and safety were scored behind respectively. Furthermore, top three factors in choosing the Esso Gas station were convenience and accessibility, promotion such as premium, and product meets consumer's requirements such as Gasoline 95, respectively. On a contrary, promotion was the first priority for consumer to choose Caltex Gas station. Convenience and product meets the requirements such as Gasoline 95 were placed behind respectively.

In addition, the results have shown that most of the consumers know the meaning of "Social Activity" or "Corporate Social Responsibility (CSR)" (93.8%). A good company image has seen as the most reasonable and popular purpose of a company to conduct a social activity. Moreover, they were informed of social activities through media channels, mostly by television. The findings also represent that consumer who prefers social activity of a particular brand will also use their product and service as well. An obtained result corresponds with the fact that educated consumers were already aware and partially understand the meaning of CSR activity. As well as influencing other people with a positive mindset toward social activity of Petroleum company. A perception toward CSR activities of the respondents shows a positive tendency of using the preferred product and service as almost every respondent preferred and tended to use the product and service of the company conducting CSR activities. Anyhow, CSR still has not been identified as the highest important factor in choosing Gas station, instead, the lowest factor.

When testing an attitude towards overall social activities of all brands of the gas station, it was found that the majority of the respondents strongly agreed with overall activities. We can see from the results that considering together all activities from all brands, the mean score was above average. For PTT, the highest score belongs to the Permanent Reforestation Project, while, 5S youth development was the least agreeable project. Furthermore, the highest score was campaign on the use of helmet, while, the consumer were least agreed with Esso challenge - Innovative Internship. Additionally, "recovering school from Tsunami" and "quality and safety gas station" projects received the highest scores, whereas, Singha Caltex Mountain Bike Thailand Open received the lowest score.

In a contrary, upon testing significance for each social activity separately for each gas station, the results show that consumers strongly agreed with only overall social activity of PTT Company and those CSR activities have a positive effect on its market share ( $t > 0$ , Sig.  $< 0.05$ ). Showing that most of CSR activities of PTT have an effectiveness of pursuing consumers to purchase and use the products, leads to increasing in market share. Furthermore, Esso and Caltex have found no significance for overall CSR activities. Still, some of their CSR activities have a positive relationship and effect on consumer attitude and their market share.

For PTT, The Permanent Reforestation Project, The Herbal Garden Project, Community Project (โครงการปันน้ำใจให้ชุมชน), and Lab School Project were found with high significance. While 5S Youth development project was found significant but in a negative relationship, indicating this activity affects the use of the product and its market share, but the company has not focus or advertise this activity in public. For Esso, campaign use of helmet, turn off engine while parking, and purchase a van for transporting cold blood to blood center of the Thai Red Cross Workers were some of other activities which significance and a positive relationship were found. In the other hand, Esso challenge internship program has found significance but in a negative relationship. Since this program has focused on those new graduates, so it will not widely aware by everyone, however the activity still has an effect on the use of product and its market share.

Upon testing each social activity for Caltex, significance was found for some of social activities. We can conclude that consumers who use Caltex brand of gas station were agreed to only some extent of social activities done by Caltex company and these activities have an effect on company's market share as well. Activities such as recovering school from Tsunami, help AIDS patients, and repair school building have a positive relationship, while Singha Caltex mountain bike Thailand Open has a negative relationship. This activity was not well-known and lack of effective communication, still, it has an effect on the use of product and company's market share.

This CSR awareness is also relevance with high actual use of its product and service. Therefore, the result of this research does comply with the author's concept flow. Showing that effective CSR activities done by a company, even not for

overall activities, can cause a relatively consumer positive attitudes which capture heart and mind share of consumer, and followed by actual purchasing behavior, and ultimately higher market share of the company. Of course PTT has the highest market share in Thai Petroleum industry and this research has again emphasized the effectiveness of their CSR activities.

In addition, news or information regarding products and services of PTT brand always catch everyone's attention. For instance, information on higher or lower price of gasoline released by PTT has widely affected both industrial and consumer markets. Therefore, it is easier for the company to promote or advertise its social activities, thus gaining everyone's attention. After multiple messages received, awareness will be built and finally consumers will start choosing to purchase from a responsible company. However, the skeptics in pricing strategy of PTT have not been studied under this research.

Social activities of PTT mostly relate to environmental issues, such as The Permanent Reforestation Project. Since nature of the petroleum business has affected in the decrease of natural resources, such as destroy land surface, the company must boost its image by doing social activities and promote them through effectively through integrated marketing communication (IMC). PTT has done very well in distributing messages via television as it is the most popular channel. Most of PTT social activities operate in a continuing basis. For instance, The Permanent Reforestation Project has been continued for 30 years and been awarded by the Office of the Royal Development Projects Board. This can be easily aware of from consumer's perspective.

Social activity of Esso has focused on education and safety. For instance, Esso Challenge Innovative Program is to encourage social and ethical skills in the workplace. In addition, Esso has conducted a social activity concerning environmental issue, such as, "Turn off engine while parking" campaign to reduce global warming. However advertising through media channel is hardly seen by consumers, especially, on television. It may be because of the wrong choice of timing and not enough frequencies in running the spots. In addition, some social activities of Esso were too old and have not been communicated for many years. That is probably why respondents were not strongly agreed with overall social activities of the company. A

piece of good news is that consumers still strongly agree and are aware with a continuing program that affect their daily lives, such as the campaign on the use of helmet and turning off engine while parking to reduce global warming.

Consumers who actually use products and services of Caltex brand were not strongly agreed with all social activities of the company either, only to some extent. They use the products and services because of the promotion and premiums, while perceptions on Caltex's social activities receive the least agreeableness. Caltex gas station is not widely located throughout Bangkok area like PTT. Its surrounding is not as attractive when comparing with those of PTT. As well, it is hard for consumers to see advertisements of this brand to promote its social activities, especially from television channels. However, some extent of its CSR activities still show a positive relationship toward consumer attitude and the use of product and service, hence higher in company's market share.

## **5.2 Major Findings**

### **5.2.1 The relationship between CSR activities and market share of petroleum companies.**

We can conclude from this research that there is high consumer awareness towards CSR activities conducted by leading petroleum companies in Thailand. This CSR awareness is also relevance with high actual use of its product and service. Therefore, the result of this research does comply with the author's concept flow.

### **5.2.2 The effectiveness of CSR activities of petroleum companies from the mindset of consumers**

According to nature of its business, it is normally decreased natural resources and resulting in environmental issues. Therefore, most of its social activities relate with resolving environmental issue. Based on the findings, there are important factors in order to drive consumers to choose products and services of the company which conduct CSR activities. All of these factors are the impact that occurs, whether directly or indirectly, such as environmental problem, flood, inconsistent cold or hot weather, which often called "Global Warming Effect".

Of these factors, they have driven consumer consciousness and desire to become involved in helping preserve the environment. Therefore, when comparing products and services of a company doing CSR with another company that do not, consumers will choose products and services from a company with more social activities in order to indirectly protect the environment.

### **5.2.3 Recommending the most possible CSR activities that enhance the company's sustainable advantage through perceived value propositions, based on the research findings.**

Based on the findings, it is found that overall social activities of all Petroleum companies were in high score, indicating every activity has an effect on consumer's awareness and attitude. Most of social activities known by the respondent were related to environmental and community issue. The result has shown that actual consumer has totally agreed with an overall social activities conducted by PTT, along with a positive effect on market share ( $\text{sig} < 0.05$ ). Showing that an effectiveness of CSR activities conducted can be a very powerful tool for the company to gain mind and heart share, and finally market share. Therefore, the most possible CSR activities that enhance company's sustainable advantage based on perceived value from consumer were The Permanent Reforestation Project, The Herbal Garden Project, Community Project, Lab School Project, and 5S Youth Development Project ( $\text{sig} < 0.05$ ).

## **5.3 Recommendations for Petroleum Companies**

For the owners or operators of any petroleum company, or any entrepreneur who wishes to enter this market, the following recommendations are given.

We can conclude from this research that there is high consumer awareness towards CSR activities conducted by leading petroleum companies in Thailand. This CSR awareness is also relevance with high actual use of its product and service. Therefore, the result of this research does comply with the author's conceptual model. Showing that effective CSR activities done by a company can cause a relatively

consumer positive attitudes which capture heart and mind share of consumer, and followed by actual purchasing behavior, and ultimately higher market share of the company. Of course PTT has the highest market share in Thai Petroleum industry and this research has again emphasized the effectiveness of their CSR activities.

Apart of social activities of a company, there are multiple reasons why consumer chooses to buy products and services from a particular company. For example, convenience and accessibility is the highest reason in choosing to use product and service. Since PTT gas station can be seen everywhere around Bangkok area, it is not surprise if they can capture most of consumer while good CSR initiatives can support sales of their product and service.

In addition, news or information regarding products and services of PTT brand always catch everyone's attention. For instance, information on higher or lower price of gasoline released by PTT has widely affected both industrial and consumer markets. Therefore, it is easier for the company to promote or advertise its social activities, thus gaining everyone's attention. After multiple messages received, awareness will be built and finally consumers will start choosing to purchase from a responsible company. However, the skeptics in pricing strategy of PTT have not been studied under this research.

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Consumers who actually use products and services of Caltex brand were not strongly agreed with overall social activities of the company either. They use the products and services because of the promotion and premiums, while perceptions on Caltex's social activities receive the least agreeableness. Caltex gas station is not widely located throughout Bangkok area like PTT. Its surrounding is not as attractive when comparing with those of PTT. As well, it is hard for consumers to see advertisements of this brand to promote its social activities, especially from television channels.

As Philip Kotler & Lee (2005) suggested, the evolution of CSR programs indicating change of practice in social activities to support objectives of a corporation, which transforms social activity to become more strategically planned and evaluated. Of all three brands, PTT seems to be the most successful in applying effective CSR and has become one of its company's strengths. This cannot be derived easily, but requires long term plan with ethical mindset.

The results of this study can be used as guidelines to organizations in both public and private sectors in policy planning, to develop a strategy for social activities appropriately and effectively. For well-known PTT brand, which consumer has positive attitudes toward its CSR activity, it should maintain high level of awareness through constant communication and innovative ideas. In order to maintain as a first rank in the market, an up to date social activity that fit the younger generation's perception should be applied, in order to keep up with the current trend. Utilizing most accessible media channel, which is television to gain more interests and attention is a requisite. Not only in a documentary format, but the company could run a program like a Korean game show which is very popular among new generation. It may use

social activities to educate the participants via questions and ask viewers to participate, to gain program stickiness.

For other two brands, positive attitudes toward their social activities must be boosted. Again, they have to identify the right target audience and utilize proper media channels to create awareness, interest, desire, and action. A specific or continuously joint CSR program with other related product could be conducted towards larger group of people. For instance, be a sponsorship for a new car model launched and displayed company's product. Radio channel of communication may be a good alternative since it is easily accessible by consumers, with lower cost than a television. Mobile phone nowadays has radio signal embedded and mostly used by people who spend most of their time in the car, bus, or sky train, rather than at home. A chance to increase awareness seems to be higher.

Based on author's experiences and awareness, a global partner strategy is another worth trying tool. A good example is a well-known Thai Beverage Company with an international football team. Its main goal is to create a fan base in Asia where is one of the biggest markets, while we get to promote the brand and to be well-known around the world, or return in a form of an advertising. Co-branded is a simple and general strategy for all kinds of the business, including petroleum. Seeing from the result of the research, PTT goes very well with its CSR activities, this is because the overall process, not only the activity itself. Communication channel, strategic plan, people, and financial have to go to the same direction, and they seem to be readily available for PTT. Therefore, co-branded with PTT is another way to not only increase company's resources, but also help the brand to be promoted more often. And, it should increase consumer's awareness towards the brand eventually.

## **5.4 Recommendations to Policy Makers (Government Agency)**

In doing CSR, the company is trying to give back to the society. The actions including how to reduce our daily pollutions, to prevent the results of operate the business that affects the society and earth, as we called it a global warming, a well known disaster.

Due to the fact that Thailand has the technology to protect the global warming effects, or how to cool down the earth, government should encourage and adopt the technology as part of its environmental protection policy. Absorption of heat from the atmosphere at the surface of the earth is the only way to deal with this effect. Now we have new technology called, Thermal Energy, initiated by our own Thai researcher name Akesirikul. This very own technology has been known and supported by Trinity Energy Company Limited in order to absorb heat in the atmosphere and turned them into electricity. When heat turned into electricity, the cold instead is being released to the atmosphere (the energy.biz, 2009).

Government should support the idea to all national and multinational corporations to adopt the technology if their operation has an effect on the environment. Especially those petroleum companies that its business nature has always reduce our limited natural resources. Due to high cost of adopting this tool, Government could help the business to absorb some part of its financial. For example, cost could be absorbed in form of deducting tax payment at year end. This would encourage more of the business to adopt the technology.

Moreover, from the findings, this could lead to the facts that only the message from the corporate, it still not powerful enough for everyone to see the effects of environmental problems. Government should together cooperate directly or indirectly as well.

## **5.5 Recommendations for Further Research**

The following reasons are given for the future research and study.

A similar study may be conducted with other brands of gas station, regardless of their market share. Further details or topics can be discussed.

In addition, a further replication of the research study on the same topic with bigger samples by using simple random method might be conducted in order to gain a better understanding and more accurate of information about the relationship among the variables. It would also be interesting to conduct a replicated research with an in depth focus on each of CSR activities of each Petroleum company. A

comparison between petroleum companies in Thailand and internationally would also be interesting.

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## **APPENDIX**





## Questionnaire on Consumer attitudes toward CSR activities of Petroleum companies in Thailand

### **Part 1      General Information (For Participants)**

Explanation: Please fill in the check mark ( ✓ ) next to the answers that match you

1. Gender  
       \_\_\_ (1) Male \_\_\_ (2) Female
  
2. Age  
       \_\_\_ (1) Less than 18 \_\_\_ (2) 18-25 \_\_\_ (3) 26-33  
           \_\_\_ (4) 34-41        \_\_\_ (5) 42-49 \_\_\_ (6) 50-57  
           \_\_\_ (7) 58-65        \_\_\_ (8) > 65
  
3. Marital Status  
       \_\_\_ (1) Single \_\_\_ (2) Married \_\_\_ (3) Divorced
  
4. Occupation  
       \_\_\_ (1) Government officer  
       \_\_\_ (2) Employee  
       \_\_\_ (3) Business owner  
       \_\_\_ (4) Freelance  
       \_\_\_ (5) Student  
       \_\_\_ (6) Housewife  
       \_\_\_ (7) Others ( Please specify) .....
  
5. Monthly Income  
       \_\_\_ (1) Less than 10,000 baht  
       \_\_\_ (2) 10,001-20,000 baht  
       \_\_\_ (3) 20,001-30,000 baht  
       \_\_\_ (4) 30,001-40,000 baht  
       \_\_\_ (5) 40,001-50,000 baht  
       \_\_\_ (6) More than 50,000 baht

### **Part 2      Information about the behavior of using Gas Station**

6. How many times per months you use Gas station (approximately).  
       ☐ 1-2 times per                      ☐ 3-4 times per                      ☐  
           month                                      month                                      more than 5 times per month
  
7. What brand of Gas station you mostly use ( Answer only one brand)  
       ☐                      ☐                      ☐  
           PTT                                      Esso                                      Bangchak  
       ☐                      ☐                      ☐  
           Shell                                      Petronas                                      Jett

☐

Caltex

☐

Others (Please specify).....

8. What are the top three factors in *choosing* the above Gas station (answer from number 2)

- \_\_\_\_ (1) Product meets your the requirements such as Gasoline 95
- \_\_\_\_ (2) Shops and services to facilitate such as car wash, convenience store, and bathroom
- \_\_\_\_ (3) service provided by the employee
- \_\_\_\_ (4) Price meets your needs
- \_\_\_\_ (5) Convenience and Accessible
- \_\_\_\_ (6) Surroundings such as cleanliness and safety
- \_\_\_\_ (7) Promotion such as premium
- \_\_\_\_ (8) Brand of Gas station
- \_\_\_\_ (9) Feel involved and proud of social activities of the particular brand
- \_\_\_\_ (10) Others ( Please specify) .....

9. What is your *preferable brand* of Gas station

☐

PTT

☐

Esso

☐

Bangchak

☐

Shell

☐

Petronas

☐

Jett

☐

Caltex

☐

Others ( Please specify) .....

10. What are the top three factors why your *prefer* the above brand of Gas station ( answer from number 4)

**Explanation :** Please specify 1 = first place, 2 = second place, and 3 = third place

- \_\_\_\_ (1) Product meets your the requirements such as Gasoline 95
- \_\_\_\_ (2) Shops and services to facilitate such as car wash, convenience store, and bathroom
- \_\_\_\_ (3) service provided by the employee
- \_\_\_\_ (4) Price meets your needs
- \_\_\_\_ (5) Convenience and Accessible
- \_\_\_\_ (6) Surroundings such as cleanliness and safety

- \_\_\_\_ (7) Promotion such as premium
- \_\_\_\_ (8) Brand of Gas station
- \_\_\_\_ (9) Feel involved and proud of social activities of the particular brand
- \_\_\_\_ (10) Others ( Please specify) .....

### **Part 3 Information about the attitude toward Gas station with social activities**

11. Do you know the meaning of " Social Activity" or "Corporate Social Responsibility (CSR) " ?

- ☐ Yes ☐ This is the first time (Please see explanation first page)

12. What do you think should be the purpose of a company to conduct a social activity

- ☐ Good company image ☐ To show responsibility to society ☐ To boost up sales
- ☐ Advertising goods and services ☐ The current popularity ☐ Others

13. Are you informed of these social activities through media channels or any of the following

- ☐ Television ☐ Radio ☐ Newspaper
- ☐ Magazine ☐ Internet
- ☐ Friend or family ☐ Others (Please specify)

14. How do you feel about oil companies that have social activities

- ☐ Prefer and use the product and service ☐ Prefer but not use product and service
- ☐ Not prefer but use product and service ☐ Not prefer and not use product and service
- ☐ Neutral but use product and service ☐ Neutral but not use product and service

#### Part 4 Information about the attitudes toward the type of social activities of Gas stations

Rank	Social Activities (PTT)	Level of Measurement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
10	The Permanent Reforestation Project					
11	The Herbal Garden Project					
12	Community Project (โครงการปันน้ำใจให้ชุมชน)					
13	Lab School Project					
14	Contest and display art Energy Conservation Youth Camp Program by Generation P					
15	5S Youth Development Project					
16	Safe Road Project					
17	Project to support use of NGV to save energy and environment					
18	Community project (ปศพ. ร่วมใจต้านภัยหนาว)					

Rank	Social Activities (Esso)	Level of Measurement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
19	Esso challenge - Innovative Internship					
20	"Turn off engine while parking" campaign to reduce global warming					
21	'Knowledge is Light' magazine and TV documentary program					
22	Support the construction of school buildings in rural areas					
23	Support Center for Marine Environment					
24	Environmental youth leadership training program					
25	Campaign on the use of helmet					
26	Support community development					
27	Purchase a van for transporting cold blood to blood center of the Thai Red Cross workers.					
28	Student support activities that benefit society such as Mahidol University - SIFE Program					

Rank	Social Activities (Caltex)	Level of Measurement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
29	Co-sponsored Thai athletes to Olympic Games					
30	Recover school from Tsunami					
31	Help AIDS patients					
32	Conservation of natural plant-sea coral					
33	Repairing school buildings. Provide scholarships and educational equipment to schools					
34	Reforestation Project (ปลูกป่าชายเลน)					
35	Introduce "Caltex Diesel Techron D" to reduce exhaust					
36	"Quality and Safety Gas station" project					
37	Singha Caltex Mountain Bike Thailand Open					

*Thank you very much for your cooperation*

## **BIOGRAPHY**

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