

## THE MEDIATING ROLE OF CSR ON CORPORATE REPUTATION AND BEHAVIORAL INTENTION: A STUDY OF THAI GEN Y CONSUMERS

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### Abstract

The aim of this study was to investigate the relationship between consumers' perceptions of fit regarding their values and lifestyle, and their perception of corporate social responsibility, corporate reputation, and behavioral intentions. Moreover, the study aims to assess perceived corporate social responsibility as a mediator of the relationships between the investigated variables. A survey was conducted with a sample of 400 respondents from Generation Y in Bangkok. All respondents were aware of the CSR activities which the corporations had been consistently communicating to the public. The research results indicated direct relationships between the perceived fit of values and the perceived corporate social responsibility, between the perceived fit of lifestyles and the perceived corporate social responsibility, and between the perceived corporate social responsibility and the perceived corporate reputation, as well as between the perceived corporate social responsibility and behavioral intentions. In terms of mediation, perceived corporate social responsibility was found to mediate the relationships between the perceived fit of lifestyles and both perceived corporate reputation and consumer behavioral intentions. The results could be re-examined using respondents belonging to different generations in different countries or cultural contexts. Few, if any, studies have been conducted with the same focus.

Keywords: corporate social responsibility, perceived fit of values and lifestyles, corporate reputation, behavioral intention, Generation Y

### 1. INTRODUCTION

Generation Y is a significant group of consumers who make up the majority of the workforce in all types of business and who wield significant power in terms of consumption. Generation Y is widely recognized around the world for possessing different values and lifestyle choices than previous generations. In Thailand, Generation Y consists of roughly 23 million people, approximately equal to one-third of

the total population, and has powerful purchasing behavior. Thai consumers in Generation Y are diverse, tech-savvy, and individualistic people, who have been quick to embrace globalization via online sources and social media. However, Thai consumers in Generation Y were born and grew up in times of globalization, heavy political turmoil and economic downturn. They are bored of politics and feel the pressure of having contrasting values with the older generations (Bangkok Post, 2016). In contrast to Baby

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Boomers and those in Generation X, members of Thailand's Generation Y have lower concerns regarding a number of terminal values that are related to the core concepts of corporate social responsibility (CSR) and sustainability, such as existing in a beautiful and peaceful world, being a part of society, and living in a well-balanced way (Manmin and Tantivejakul, 2017).

An empirical study of the perceived fit of one's values and lifestyles and CSR activities by Lee, Park, Rapert and Newman (2012) suggested that consumers' perceptions of fit influence their perception of CSR activities. In the context of studies relating to corporate social responsibility, prior research shows that there are links between CSR and consumers' perceptions and behavioral outcomes (Chaudry, Shahid, Khan, Azar and Zahid, 2016; Stanaland, Lwin and Murphy, 2011; Gardburg and Frombrun, 2006; Bhattacharya and Sen, 2003; Sen and Bhattacharya, 2001; Barone, Miyazaki and Taylor, 2000), including their purchase intentions (Maden, Arikan, Telci and Kantur, 2012; Bartikowski, Wash and Beatty, 2011; Hansen, Samuelsen and Silseth, 2008; Walsh, Dinnie and Wiedmann, 2006). The perceived fit of one's values and lifestyles may affect a consumer's perception toward a firm's CSR practices. As a result, it may also affect one's perception and behavior towards a firm, and therefore the firm's reputation. Thus, the purpose of this study was to investigate the relationship between the perceptions of individuals in Generation Y regarding the fit of values and lifestyles, and their perceptions of corporate social responsibility, as well as to analyze the extent to which this relationship has a bearing on a company's corporate reputation and, consequently, consumers' behavioral intentions. The study also considers consumer perception of corporate social responsibility as a mediator of the relationship between the perceived fit of values and lifestyles and both corporate reputation and behavioral intention with regard to consumers in Thailand's Generation Y.

As this study was conducted in Thailand, few studies regarding CSR and corporate reputation were found. However, studies which have dealt with the values and lifestyle of Thai consumers mostly engage with media usage, or are related to the field of purchase behavior or patterns, rather than the field of business or corporate communication, corporate reputation and CSR. Even so, Thai's in Generation Y have grown up in accordance with the emerging concept of corporate social responsibility (CSR), which has been adopted, promoted, implemented and communicated by many leading corporations in Thailand. It is important to note that companies' corporate communications play a critical role in this study. Without corporate communication, the consumer would be unable to acknowledge a company's efforts and its CSR activities. This was reflected in the process of selecting companies as case studies and that of screening respondents. Further details pertaining to the selection process are discussed in the methodology section.

## **2. LITERATURE REVIEW**

### **2.1 Fit between Consumer Values and Lifestyles and CSR Activities**

Values and lifestyles are known as psychographics and are widely used with demographics in order to study consumer behavior. Values are important existing beliefs which influence a person's behavior (Rokeach, 1973). Values are defined as the desirable and trans-situational goals which one uses as a guiding principle in life; in other words, values are motivational goals people express, and they differ from "norm" and "attitude" (Schwartz, 2006). Values, therefore, guide the way in which people make their choices, and to a certain extent they determine lifestyles as well. Lifestyles encompass the behavioral patterns of individuals, reflecting the way they allocate their resources, money and time. They are determined by past experiences, psychographic factors, and surrounding

situations, and influence the consumption behavior of individuals (Hawkins and Motherbaugh, 2010). Lifestyles exemplify how each person wants to live their life through their choices and activities (Honkanen, Olsen and Myrland, 2004). Both are consumer characteristics that contribute to driving consumer perception and behavior toward a company's corporate social initiatives (Bhattacharya, Smith, and Vogel, 2004).

In early social marketing and CSR-related studies, "fit" referred to the perceived association between social issues/causes and products, brands and target groups on three levels: organization level, product line level and brand level (Varadarajan and Menon, 1998). Later, Becker-Olsen, Cudmore and Hill (2006) indicated that perceived congruence or fit centered on the similarities between a firm's mission and its CSR activities, while other studies related to CSR sponsorship projected the term as the relatedness or relevance of a firm's product or image and their sponsored activities (Johar and Pham, 1999), or consumer perception of similarity or compatibility (Lafferty, 2007). Alcaniz, Caceres and Perez (2010) studied two types of brand-cause fit, both functional and image fits, using a six-item measure: congruent, compatible, meaningful, complementary, go together, and logical. Work in advertising message testing referred to congruence as the degree to which advertising material thematically fit with the content of the media vehicle in terms of having a good fit, being consistent, belonging together, having a lot in common, being credible, and being beneficial (Segev, Wang and Fernandes, 2014). Therefore, the term "congruence" has been found to be interchangeably used with the term "fit," which can be described in other words such as compatibility, relevance or relatedness, association, and similarity. Another study that focused on perceived consumer fit in CSR-related issues extended the term "perceived consumer fit" to "the extent to which the CSR activity is seen as being congruent with the lifestyles and values of the consumer" (Lee et

al., 2012: 1560). Moreover, the results of Lee et al. (2012) indicated that the fit between consumers' values and lifestyles and CSR activities has a positive relationship with consumer perception toward a firm's CSR activities, which led to the first two hypotheses proposed here. It is important to remark that in this study the term "perceived fit of consumers' values" is defined as the consumers' perceived fit between their values and CSR activities, and the term "perceived fit of consumers' lifestyle" is defined as the consumers' perceived fit between their lifestyle and CSR activities.

## **2.2 Corporate Social Responsibility and Consumers' Perceptual and Behavioral Response**

The notion of corporate social responsibility refers to a business's commitment to improve the well-being of different groups of people, the community and the society in light of sustainability (Kotler and Lee, 2005). Instead of focusing on the financial aspects alone, today's businesses and corporations put weight on social and environmental aspects following the sustainable development concept (Hidayati, 2011). Corporate Social Responsibility (CSR) has been studied in different perspectives and components. Carroll (1991) proposed that corporations have four responsibilities in terms of corporate citizenship: economic, legal, ethical and philanthropic. Carroll's four components of CSR have been widely adopted in related CSR studies (e.g. Palihawadana, Oghazi and Liu, 2016; Swaen and Chumpitaz, 2008). Others were based on multi-stakeholder perspectives (e.g. Fatma, Rahman and Khan, 2014; Maden et al., 2012), and three dimensions of sustainability, namely economic, social and environmental (e.g. Fatma, Rahman and Khan, 2016; Hillman and Keim, 2001). Thus, the concept of CSR has been used along with the concept of sustainability and the triple bottom line to enhance corporate sustainability and values (Branco and Rodrigues, 2006). Having a

beneficial effect on consumer perception and buying behavior is regarded as one of the motivations underlying the CSR initiatives of businesses (Falck and Heblich, 2007).

A number of empirical studies have indicated the link between the practice of CSR and consumers' perceptual and behavioral response towards the product, the brand, and the firm. Maden et al. (2012) confirmed the positive impacts of perceived corporate social responsibility upon corporate reputation in the view of customers. Hur, Kim, and Woo (2014) have studied CSR and its outcomes, indicating that CSR is positively related to corporate reputation. A study by Arslanagic-Kalajdzic and Zabkar (2017) also confirms the positive impacts of perceived corporate social responsibility on the corporate reputation recognised by business clients. Moreover, there is also a positive relationship between consumers' awareness of CSR activities and consumers' purchase intentions (Lee and Shin, 2010). Another study by Chaudary et al. (2016) found a positive relationship between customer perception of CSR activities and customer intentions to repurchase. Thus, this study proposes the testing of the third and fourth hypotheses as discussed later.

Corporate reputation is developed over time from corporate images and it represents the extent of a business's success (Fombrun, 1996). Perez (2015) pointed out that corporate reputation consists of stakeholders' perceptions towards the company's behavior and information, partly related to CSR aspects. In addition, there have been a number of instruments used in measuring corporate reputation, but the two instruments that are widely adopted are the reputation quotient (RQ) and RepTrak (Van Riel and Fombrun, 2007). These two instruments measure CR using similar attributes based on the stakeholders' perspectives. However, the consumer is considered to be the main stakeholder, whose perceptions and behaviors affect the firm's corporate reputation the most (Barnett, Jermier, and Lafferty, 2006; Bennett and Kottasz, 2000). Thus, a company's CSR reputation involves consumers' evaluations of

the company's social performance, which in turn results in certain perceptions and behaviors. Recently, a study of a Serbian mobile operator's customers confirmed the positive effect of corporate reputation on customer behavioral intentions (Vladimir and Veliko, 2016). Similarly, a study by Ozdemir and Gulay (2014) investigated a company in the energy and petrochemical sector, determining that the buying behaviors of customers are affected by a firm's positive corporate reputation. There have also been empirical studies that confirm the direct impact of corporate reputation on consumer behavioral intentions, specifically their purchase intentions toward the firm's products or services (Boateng and Okoe, 2015; Maden et al., 2012; Hansen et al., 2008). Therefore, the relationship of the two variables is also investigated as the fifth hypothesis in this study.

Following the literature review and assumed relationships mentioned above (2.1. and 2.2), five hypotheses are proposed for investigation of the direct effects.

H1 The perceived fit of the consumer's values (PFCV) affects the consumer's perception of corporate social responsibility (PCSR).

H2 The perceived fit of the consumer's lifestyle (PFCL) affects the consumer's perception of corporate social responsibility (PCSR).

H3 The perceived corporate social responsibility (PCSR) affects the consumer's perception of corporate reputation (PCR).

H4 The perceived corporate social responsibility (PCSR) affects the consumer's behavioral intentions (CBI).

H5 The perceived corporate reputation (PCR) affects the consumer's behavioral intentions (CBI).

### **2.3 The Mediating Role of Perceived Corporate Social Responsibility**

Previous studies have examined the mediating role of consumer perception in relation to a firm's corporate social

responsibility. Palihawadana et al. (2016) confirmed the mediating role of perceived CSR between ethical ideologies and consumer behavior. Another study by Chaudary et al. (2016) found that customer perception of CSR activities mediates the positive relationship between green image and perceived corporate performance. Lee et al. (2012) concluded that perceived CSR plays an important role in mediating the relationships between a company's activities and both customer-company identification and consumer loyalty. As we have seen, the positive relationships between consumers' perceived fit of values and lifestyles, and perceived CSR has been suggested together with the relationships between perceived CSR and corporate reputation; perceived CSR and behavioral intentions; and corporate reputation and behavioral or purchase intentions. Therefore, in conjunction with the other variables, perceived CSR acts as both a dependent and independent variable in these relationships as it is positively affected by the consumer's perceived fit of values and lifestyles. On the other hand, it may positively affect consumers' perceptions of corporate reputation as well as their behavioral intentions.

In accordance with the assumed relationships detailed in H1 –H 5, the following hypotheses are proposed in order to test the indirect effects. The conceptualized research model is shown in Figure 1.

H6a: Perceived corporate social responsibility (PCSR) mediates the positive relationship between the perceived fit of consumer values (PFCV) and their perception of corporate reputation (PCR).

H6b: Perceived corporate social responsibility (PCSR) mediates the positive relationship between the perceived fit of consumer values (PFCV) and their behavioral intentions (CBI).

H7a: Perceived corporate social responsibility (PCSR) mediates the positive relationship between the perceived fit of consumer lifestyles (PFCL) and their perception of corporate reputation (PCR).

H7b: Perceived corporate social responsibility (PCSR) mediates the positive relationship between the perceived fit of consumer lifestyle (PFCL) and their behavioral intentions (CBI)

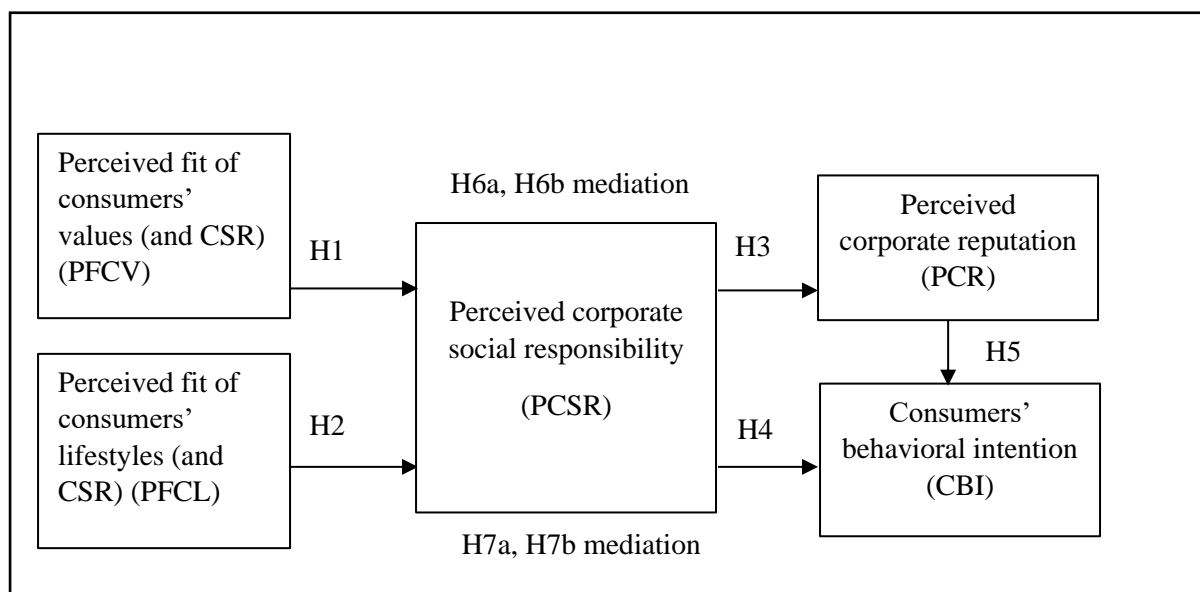


Figure 1: Conceptual Framework

### 3. METHODOLOGY

#### 3.1 Sample and Corporations for the Study

A sample of 400 consumers of Thai Generation Y, born between 1981 and 2000, who live in various districts in the Bangkok metropolitan area were surveyed using a questionnaire. Screening questions in the questionnaire were designed to ensure that all respondents knew the corporations in question and were aware of their CSR activities as a result of the respective companies' consistent corporate communications regarding CSR practices.

Taking the importance of the company's corporate communication into account, criteria were set in order to select particular corporations for the study. This was necessary to ensure that the companies selected as case studies had been pursuing CSR communications for a certain period of time and were well-recognized for their CSR practices. Two criteria were used. Firstly, the firms' CSR or sustainability practices had received awards at a national level by the Stock Exchange of Thailand (SET), within the past five years. Secondly, their CSR practices and causes had been consistently communicated to the public for at least three consecutive years. This was ascertained through scrutiny of the SET's and the corporations' websites; companies which did not pass these two criteria were omitted from the study. Ultimately, two firms, one from the construction materials industry and one from the petroleum refining industry, met the criteria. The various CSR activities and projects communicated by both companies via company documents and media, including their corporate websites were studied. The various CSR projects of the companies were categorized into three main groups of CSR activities, consisting of human resource development activities, social and community development activities, and preservation of natural resources and the environment. For the construction materials firm, the project which was communicated extensively via the company's corporate communications

involved water and forest preservation. While the CSR activities which had been communicated to the public by the petroleum refining firm related to its forest restoration projects. Interestingly, these two projects, which are regarded as activities for the preservation of natural resources and the environment, had been implemented and communicated to the public for more than 10 years.

#### 3.2 Measures

All five measures in this study were adopted from relevant studies. The measures of "perceived fit of consumer values" (PFCV) and "perceived fit of consumer lifestyles" (PFCL) were adopted and expanded from the five items used by Lee et al. (2012). Each of the two measures consists of six items. In terms of the measures of "perceived corporate social responsibility" (PCSR), the measure in this study was customized to the areas in which the target samples were accustomed, able, and competent enough to answer using three items adopted from Hur, Kim and Woo (2014). With regards to the "perceived corporate reputation" (PCR) measure, even though the standard instruments such as the Fortune reputation index, the RQ, and RepTrak have been widely adopted for the reflection of multiple stakeholder perception of a company's performance, this study chose to pay specific attention to the consumer viewpoint. Therefore, nine items were used in measuring the perceived corporate reputation which represented the overall perceptions of consumers towards the firms in various aspects. They were adapted from Hur, Kim and Woo (2014), with some parts taken from Fombrun, Gadberg and Sever (2000). Items related to the four measures were answered on a 5-point Likert-type scale ranging from "strongly agree" to "strongly disagree." Lastly, the measure of consumers' behavioral intentions (CBI) was operationalized as the degree to which the consumer would be likely to purchase and support the firms' products and services, using a 4-item set of questions incorporating bipolar five-point scales

adapted from Segev, Wang and Fernandez (2014) and Maden et al. (2012). Details of the variables and questionnaire items are given in appendix 1.

However, since the items of each measure detailed above were presented in English, they were translated into Thai and adjusted and refined to avoid meaning redundancy. Prior to the fieldwork, the questionnaire was assessed by three communication scholars for its content validity and was pre-tested for reliability on a group of 50 consumers in Generation Y. The Cronbach's alpha values for the five measures firmly proved to the reliability of the scale. The Cronbach's alpha values for the five measures were 0.94 (PFCV), 0.97 (PFCL), 0.75 (PSCR), 0.78 (PCR) and 0.92 (BI), respectively, which firmly confirmed the scale's reliability.

### 3.3 Analysis

This research used SPSS and the LISREL program for data analysis. In order to

find the goodness of fit index of the model, path analysis was used. Indeed, the model modification step of LISREL was run as a procedure for the model to meet standard of fit indices (Prasithrattasin, 2013). In fact, there are a number of fit indices which can be used to determine how well a model fits the data. However, Awang (2012) and Hair et.al. (2010) recommend the use of at least one fitness index from each of the three categories of model fit, namely Absolute Fit, Incremental Fit, and Parsimonious Fit. In this case GFI and RMSEA were recommended for Absolute Fit, CFI for Incremental Fit, and Chisq/df for Parsimonious Fit due to their wide acceptance in related literature (Awang, 2012). In addition to the aforementioned indices, the research also employed other indices like SMCR and NFI. The indices' statistical ranges and cut-off values suggested by Awang (2012), Brown (2015), and Hooper, Coughlan and Mullen, (2008) were employed as shown in Table 1.

Table 1: Fit Indices of the Model

Name of Index	Statistical Ranges	Cut-off values
Chisq/df	0.0 – 5.0	Chisq/df < 3.0
Goodness-of-fit index (GFI)	0.0 – 1.0	GFI > 0.9
Root mean square error of approximation (RMSEA)	0.0 – 0.10	RMSEA < 0.08
Standardised root mean square residual (SRMR)	0.0 – 1.0	SRMR < 0.05
Comparative fit index (CFI)	0.0 – 1.0	CFI > 0.9
Normed-fit index (NFI)	0.0 – 1.0	NFI > 0.9

The research fit indices were reported as  $\chi^2/df = 1.0$ ,  $GFI = 1.00$ ,  $RMSEA = 0.00$ ,  $SRMR = 0.0025$ ,  $CFI = 1.00$ , and  $NFI = 1.0$ . They all passed the minimum cut-off values and lied within the acceptable range. For particular cases, the model might be viewed as overly fitted, the condition which occurs when a model contains too many relationships between variables to be justified. However, for research with a solid theoretical ground, it is also acceptable (Claeskens and Hjort, 2008). In summary, in addition to the conceptual framework including the tested relationships of the five studied variables and the mediating effect of perceived corporate social responsibility, the structural analysis suggested three additional direct effects between PFCV and CBI, PFCL and CBI, and PFCL and PCR as shown in Figure 2 (dashed lines).

#### 4. RESULTS AND DISCUSSION

The sample consisted of 400 respondents who met the criteria of the screening questions. All respondents knew both companies and were able to recall the companies' CSR practices. In terms of the demographics, almost 60% of the respondents were female, and around half of them were high school graduates. One-third of the sample work in for-profit organizations while another third work as freelancers or have their own business. The remaining respondents were made up of university students, governmental employees and housewives. Forty percent of them reported a monthly income of around 10,000 - 19,999 Thai Baht, which is the average income bracket for Thai nationals holding their first job.

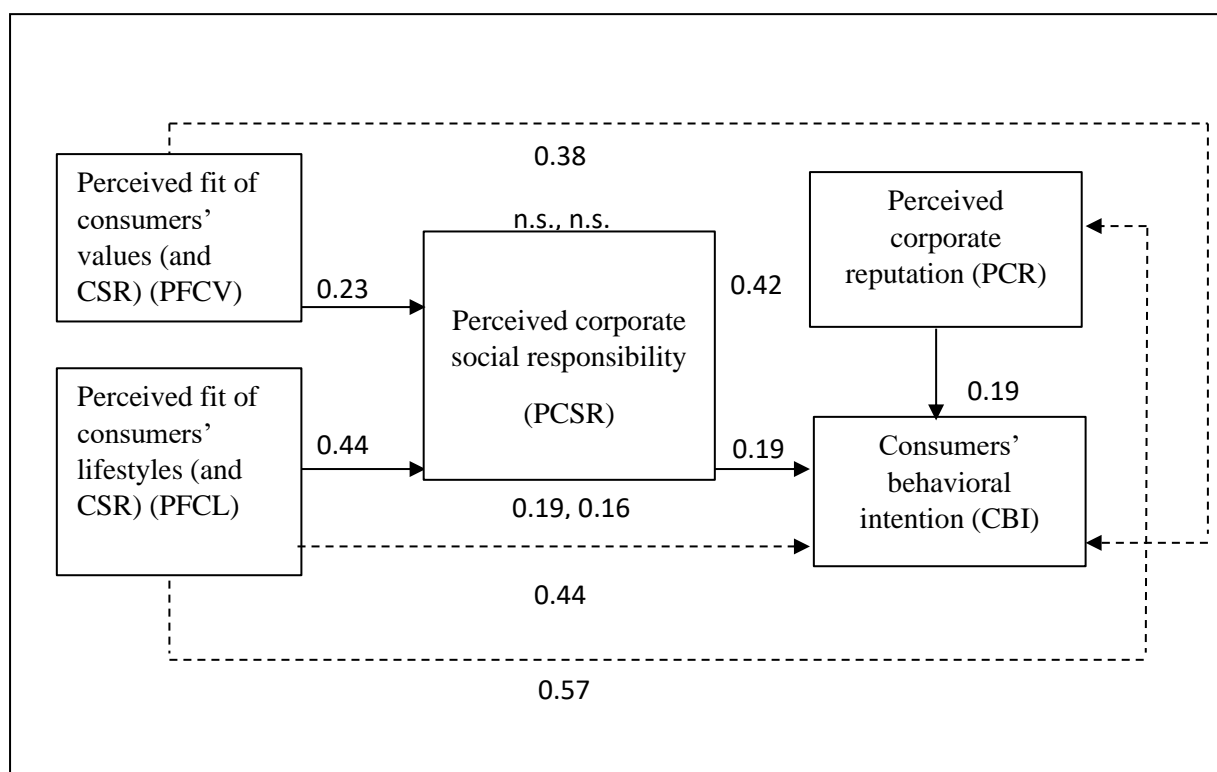


Figure 2: Findings and Structural Model



Concerning the results of the respondents' familiarity with both companies' CSR activities, almost 60% of the sample mentioned the construction company's natural resources and environmentally-related activities, specifically the firm's famous water-and-forest projects, while almost 40% referred to the company's human resource development activities, with details about its renowned sport sponsorships and science projects for young people. However, few respondents were familiar with its social and community development projects. With regards to the petroleum refining-related firm and its CSR, 78.5% of the sample recognized its natural resources and environmentally-related activities which mainly involve forest restoration projects, while other activities related to human resource development and community development were also mentioned.

Regarding the structural model analysis, the estimation of the path coefficients is shown in Table 2. The results showed that both the perceived fit of consumers' lifestyles (PFCL) and the perceived fit of consumers' values (PFCV) had direct effects on the perceived corporate social responsibility (PCSR). Therefore, in terms of testing the antecedents of the mediator, the results lent full support to H1 and H2. The study of perceived corporate social responsibility (PCSR) as an independent variable and its effects on consumers' perceptions of corporate reputation (PCR) and consumers' behavioral intention (CBI) revealed that PCSR is significantly related to both variables. These results confirmed H3 and H4. Moreover, the results suggested that, as an independent variable, perceived corporate reputation (PCR) also has a direct effect on consumers' behavioral intentions (CBI). Therefore, H5 was also confirmed. The confirmed hypotheses (H1-H5) and their values are shown in Table 2 and Figure 2 (solid lines).

Table 2: Path Coefficients and Effects for the Model

Hypothesis	Path	Direct Effects (DE)	Indirect Effects (IE)
H1	PFCV → PCSR	0.23*	-
H2	PFCL → PCSR	0.44*	-
H3	PCSR → PCR	0.42*	-
H4	PCSR → CBI	0.19*	-
H5	PCR → CBI	0.19*	-
H6a	PFCV → PCSR → PCR	-	0.10
H6b	PFCV → PCSR → CBI	0.34	0.04
H7a	PFCL → PCSR → PCR	0.38	0.19*
H7b	PFCL → PCSR → CBI	0.18	0.16*
additional	PFCV → CBI	0.38*	-
additional	PFCL → CBI	0.44*	-
additional	PFCL → PCR	0.57*	-

\*  $p < 0.05$

The results of testing the mediation hypotheses (H6 and H7) for the estimation of the path coefficients are shown in Table 2. Perceived corporate social responsibility (PCSR) is not significantly related to perceived corporate reputation (PCR) or consumers' behavioral intentions (CBI) when perceived fit of the consumer's values (PFCV) is included as an independent variable (IE=0.10,  $p > 0.05$ ; DE=0.34,  $p > 0.05$ , IE=0.04,  $p > 0.05$ , respectively). On the other hand, perceived corporate social responsibility (PCSR) is significantly related to both perceived corporate reputation (PCR) and consumers' behavioral intentions (CBI) when perceived fit of the consumer's lifestyles (PFCL) is included as an independent variable (DE=0.38,  $p > 0.05$ , IE=0.19\*,  $p < 0.05$ ; DE=0.18,  $p > 0.05$ , IE=0.16\*,  $p < 0.05$ ). Therefore, the results confirmed H7 but not H6. This indicates that PCSR does not mediate the relationships between PFCV and PCR, or PFCV and CBI, but it does mediate the relationships between PFCL and PCR, and PFCL and CBI. However, the values revealed a weak indirect effect (0.19 and 0.16 respectively). Therefore, the moderation effect of PCSR exists only between PFCL and the other two dependent variables, and the effect is not substantial.

As seen in figure 2 (dashed lines), the adjusted structural model suggests three additional interactions of the study's theoretical constructs, all of which show direct effects. Even though they were not initially intended to be tested, the effects found are, to a certain extent, quite interesting. The three additional interactions are positive relationships between the perceived fit of consumers' values and consumers' behavioral intentions; the perceived fit of consumers' lifestyles and consumers' behavioral intentions; and the perceived fit of consumers' lifestyles and their perceptions of corporate reputation. The values of the direct effects between each of the relationships are statistically significant at 0.38, 0.44 and 0.57 respectively. However, the positive relationship of the perceived fit of

consumers' values and their perceptions of corporate reputation was not suggested by the model. These additional results help to confirm the importance of the perceived fit of consumers' lifestyles as a variable, influencing not only consumer perceptions of companies' CSR, but also their perceptions of corporate reputation and their behavioral intentions, with regards to consumers in Thailand's Generation Y.

Based on the research results, four important findings are discussed accordingly. Firstly, the findings from H1 and H2 show that the perceived fit of consumer values and lifestyles for consumers in Generation Y has a direct impact on their perceptions of CSR. The results are in line with the results of Lee et al. (2012), which suggested that perceived consumer fit directly influences consumer perception of companies' CSR activities. Even though members of Thailand's Gen Y seem to have fewer environmental concerns than their western counterparts (Economic Intelligence Center, 2014), the research results confirm that if corporations' offerings of CSR projects or activities fit with consumers' values and lifestyles, they will lead to positive consumer perceptions toward the company's CSR practice. In this case the CSR activities of the two companies which most of the Generation Y respondents recalled, were the water-and-forest projects carried out by the construction materials company, and the forest restoration projects run by the petroleum-related firm. These results correspond to the findings of documentary studies of both companies' past corporate communications.

According to the testing of H3 and H4, in which perceived CSR was investigated as an independent variable, the second important finding confirmed that the perceptions of Generation Y regarding CSR has a direct impact on the perceived corporate reputation (PCR) as shown in studies by Arslanagic-Kalajdzic and Zabkar (2017); Hur, Kim, and Woo (2014); Park, Lee and Kim, (2013); and Maden et al. (2012). With CSR becoming an important strategic tool for corporations alongside local and global business practices,

positive corporate reputation was indicated as one of the outcomes of firms' engagements in CSR activities (Gardberg and Fombrun, 2006). The H4 result supports the idea that positively perceived CSR leads to positive behavioral intentions, specified as purchase intention in this study, and is in line with the results of Chaudary et.al. (2016); Ozdemir and Gulay (2014); Maden et al. (2012); and Lee and Shin, (2010). These studies all found relationships confirming the notion that companies' efforts to foster CSR in order to improve society's well-being will result in the enhancement of their reputation (Sen and Bhattacharya, 2001) and will, therefore, help to influence consumers' behavioral responses towards the firm, including buying behavior (Falck and Heblich, 2007). In addition, the testing of H5, which confirms the positive relationship between consumers' perceptions of corporate reputation and their behavioral intentions is in line with the results of Maden (2012) that proved the positive effect of CSR on corporate reputation and the positive effect of corporate reputation on the behavioral intention of customers. These findings correspond with prior research on the benefits of CSR in terms of enhancing corporate reputation and increasing market share (Kotler and Lee, 2005) and the effect of corporate reputation on the positive responses of stakeholders (Dowling, 2001; Fombrun and van Riel, 1997).

In addition, the investigation of the moderating effect of Generation Y's perception of CSR has shown that CSR perception only mediates the influence of the perceived fit of lifestyle on corporate reputation and behavioral intentions and does not mediate the influence of the perceived fit of values. This confirms the importance of CSR as a corporate strategy which leads to positive consumer perceptions and behavior (Dowling, 2001). However, this applies only to the mediating effect of CSR perception between the perceived fit of lifestyle with corporate reputation and behavioral intentions. Finally, the additional results of the adjusted model suggest three additional interactions which emphasize the direct effect

of the perceived fit of lifestyles on corporate reputation and on behavioral intentions, as well as the direct effect of the perceived fit of values on behavioral intentions. These lend support to the importance of the perceived fit of consumers' lifestyles as a variable directly influencing, not only the CSR perception of consumers in Thailand's Generation Y, but also their perceptions of corporate reputation and their behavioral intentions. Contrastingly, the research yielded different results concerning the perceived fit of consumers' values, which were found to have a direct effect only on behavioral intentions. This may be because theoretically both values and lifestyles could lead to consumption behavior of individuals as consumers (Neal, Quester and Hawkins, 2004). Values are important existing and enduring beliefs which are hard to change (Rokeach, 1973), while lifestyles are reflected through an individual's behavior (Spaargaren and van Vliet, 2000). It is an individual's choice of activities which shows how individuals live their lives (Honkanen et al, 2004). Therefore, designing CSR activities which are perceived to "fit" with the lifestyles of individuals in Generation Y would positively moderate their perceptual and behavioral responses toward the corporations involved.

## **5. CONCLUSION AND RECOMMENDATIONS**

In conclusion, the research results confirm the direct relationships between the perceived fit of values and consumer perceptions of corporate social responsibility; between the perceived fit of lifestyles and consumer perceptions of corporate social responsibility; and between the perceived corporate social responsibility and corporate reputation, as well as between the perceived corporate social responsibility and consumers' behavioral intentions. In terms of mediation, perceived corporate social responsibility only mediates the relationships between the perceived fit of lifestyles and both the perceived corporate reputation and consumers' behavioral intentions. The

mediating role of perceived corporate social responsibility doesn't apply to the investigation of the consumers' perceived fit of values. It is important to take into account that the results of this study were generated from Generation Y respondents who live in the Bangkok metropolitan area, and so they are all urban dwellers. Therefore, it opens up the question of whether similar findings would be generated if the samples were expanded to cover other regions or other stakeholder groups in Thailand, consumers in other countries, or people from different socio-economic and cultural backgrounds. It is also important to note that the study's results exist under conditions in which the Generation Y consumers surveyed were well aware of the firms' CSR practices as an outcome of the firms' consistent communication programs.

In terms of implications, this study offers theoretical implications for businesses' CSR practices and the effect of CSR on Generation Y which is a significant group of consumers who wield the biggest consumption power, both in Thailand and around the world. With the path analysis and the adjusted structural model, the findings add to the body of knowledge regarding the direct and indirect impact of the variables investigated. Moreover, the additional results pointed to the fact that the perceived fit of consumers' lifestyles could have an effect upon consumers' perceptions of corporate reputation and their behavioral intentions, under two conditions; firstly, through perceived CSR as a mediator, and secondly, without a mediator. However, as it appears that perceived CSR does not have a similar relationship with consumer values, more research needs to be conducted in this area. This study also suggests practical implications for firms or businesses regarding their corporate communication and CSR strategies which should be related to, and congruent with the values and lifestyles of Generation Y in order to attract and engage them. A more positive perception of CSR activities would lead to a more positive corporate reputation and an increase in

purchase intentions towards the firms' products and services. Even though this research focuses on the CSR of two large for-profit-corporations from Thailand, all types of organizations nowadays need public support as a license to operate. Therefore, the implications of this research could be applied to other corporations with prominent implementation of CSR communication campaigns.

For further studies of Generation Y, corporate communication, and CSR, more psychological factors could be used as antecedents (e.g. beliefs, personal values, preferences, or self-identity) at the individual level, and could be investigated along with their social media uses (Bolton et al., 2013). Moreover, more studies are needed to extend the conceptualized terms of behavioral intentions, which could cover not only purchase intention but also intentions relating to environmental matters, such as ecologically-related behaviors (Fraj and Martinez, 2006), or pro-environmental behaviors (Ertz, Karakas and Sarigollu, 2016). In addition, this may include other behavioral intentions held by various stakeholders such as employment-seeking, investing intentions and donation behavior, so as reputable organizations can attract more prospective employees, investors, and donators (Dowling, 2001). Further studies may also explore and compare the perceived fit of values and lifestyles among different generations. All of these would help to expand theoretical knowledge and understanding of the implications of CSR and the effect of corporate communication on the perceptual and behavioral responses of consumers in a wider variety of contexts.

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**Appendix 1: Details of Variables and Questionnaire items**

Variables	Items	References
Perceived fit of consumers' values (PFCV) (six-items)	<ul style="list-style-type: none"> <li>- This company's CSR activities reflect my values.</li> <li>- This company's CSR activities are congruent with my values.</li> <li>- This company's CSR activities are relevant to my values.</li> <li>- This company's CSR activities are associated with my values.</li> <li>- This company's CSR activities are similar to my values.</li> <li>- This company's CSR activities are compatible with my values.</li> </ul>	Lee et al., 2012
Perceived fit of consumers' lifestyles (PFCL) (six-items)	<ul style="list-style-type: none"> <li>- This company's CSR activities reflect my lifestyle</li> <li>- This company's CSR activities are congruent with my lifestyle</li> <li>- This company's CSR activities are relevant to my lifestyle</li> <li>- This company's CSR activities are associated with my lifestyle</li> <li>- This company's CSR activities are similar to my lifestyle</li> <li>- This company's CSR activities are compatible with my lifestyle</li> </ul>	Lee et al., 2012



<p>Perceived corporate social responsibility (PCSR) (three-items)</p>	<ul style="list-style-type: none"> <li>- This company is a socially responsible company.</li> <li>- This company is concerned with improving the well-being of communities and society.</li> <li>- This company behaves responsibly regarding the environment.</li> </ul>	<p>Hur, Kim and Woo, 2014</p>
<p>Perceived corporate reputation (PCR) (nine-items)</p>	<ul style="list-style-type: none"> <li>- This company's products and services have good quality.</li> <li>- This company is a leader in innovation.</li> <li>- This company provides good care for their employees. (e.g. remunerations, benefits, career advancement)</li> <li>- This company operates its business transparently and ethically.</li> <li>- This company acts as a good citizen of society.</li> <li>- This company is very strong and outstanding in management.</li> <li>- This company has grown continuously and substantially.</li> <li>- This company is a well-respected and admired company.</li> <li>- Overall, this company has a good reputation.</li> </ul>	<p>Hur, Kim and Woo, 2014; Fombrun, Gardberg, and Sever, 2000</p>
<p>Consumers' behavioral intentions (CBI) (Four-items)</p>	<ul style="list-style-type: none"> <li>- I will (definitely not/definitely) purchase the products/services of this company.</li> <li>- It is (unlikely/ likely) that I will purchase the products/services of this company in the future.</li> <li>- I am (unwilling/ willing) to pay more for this company's products/services.</li> <li>- I would (definitely not/definitely) recommend this company's products/services to others</li> </ul>	<p>Segev, Wang and Fernandes, 2014; Maden et al.,2012</p>