Influence of corporate social responsibility and brand attitude on purchase intention

H.A. Dimuthu Maduranga Arachchi
Ministry of Finance, Colombo, Sri Lanka, and
G.D. Samarasinghe
University of Moratuwa, Moratuwa, Sri Lanka

Abstract

Purpose – This study aims to analyse the influence of perceived corporate social responsibility (CSR) on purchase intention; this study also examines the mediating effect of generation Y’s attitude towards the brand and the moderating effect of their attitude towards CSR.

Design/methodology/approach – This study tested the model with a sample of 392 generation Y consumers using Smart partial least squares (PLS)-structural equation modelling.

Findings – Brand attitude partially mediates the positive influence of perceived CSR (PCSR) on purchase intention. Gen Y’s attitude towards CSR increases the impact of PCSR on brand attitude and purchase intention.

Practical implications – To multiply the effects of CSR and brand attitude, retail marketing managers can develop strategies that strengthen the links between awareness, knowledge, brand affection and purchase intent by encouraging Gen Y consumers to engage with the brand’s CSR strategy.

Originality/value – This study advances the literature on CSR and consumer behaviour by providing an integrated view of the hierarchy of effects model and a generational cohort perspective in predicting purchase intention.

Keywords Corporate social responsibility, Brand attitude, Purchase intention, Generation Y attitude, Hierarchy of effects model, Generational cohort perspective

Paper type Research paper

Influencia de la responsabilidad social corporativa y la actitud hacia la marca en la intención de compra

Resumen

Propósito – el estudio analiza la influencia de la responsabilidad social corporativa (RSC) percibida sobre la intención de compra. De igual forma, se analizan el efecto mediador de la actitud hacia la marca y el efecto moderador de la actitud hacia la RSC de la Generación Y.

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1. Introduction

To respond to the current critical challenges, organizations have been continuously adopting corporate social responsibility (CSR) initiatives as a strategy. In this context, much recent research has paid keen attention to how firms, especially in the retail sector, have pursued this aim (Lee et al., 2020), given the retail industry’s significant effect on consumer behaviour in almost every society. Furthermore, according to Carroll (2021), studies are much needed at present to investigate how business organizations fulfil their sense of CSR as an obligation in a consumer society. Recently, business scholars have become more interested in re-examining the strategic role of CSR (Luger et al., 2022) in response to global environmental turbulence. A number of recent empirical studies examining the impact of CSR on business outcomes have discovered that consumers reward companies with positive purchase intention if they invest in CSR (Arachchi and Samarasinghe, 2022); however, some empirical findings confirm that the impact of CSR initiatives on purchase intention is negligible (Wongpitch et al., 2016). Thus, there is mixed evidence on how perceived CSR (PCSR) efforts affect customers’ purchase intention. These differences in findings in extant empirical literature signal that there are unexplained gaps in CSR-related consumer behaviour research.

In our quest to explain the link between PCSR and purchase intention, this research identifies brand attitude as a facilitator in this connection. Clarifying the link between CSR and customer–brand interactions is essential for understanding brand attitudes and their influence on consumer reactions (Kumar and Reinartz, 2016). A company’s CSR behaviour has a significant impact on how customers feel about the brand. Hence, CSR may be used to...
foster positive brand sentiments (Ferrell et al., 2019). Although Rivera et al. (2019) concluded that CSR and brand attitude have no significant relationship, divergent results point to inconclusive evidence in extant literature. To explain these inconsistencies, numerous theoretical frameworks have been deployed to analyse the link between PCSR and purchase intention. In particular, the hierarchy of effects (HOE) model has been recommended for use in CSR contexts, as it is argued to offer a better assessment of CSR’s behavioural outcomes in light of its increasingly appealing advantages for both firms and their stakeholders (Murray, 2018). Accordingly, we adopt the HOE framework, which helps to measure and emphasize CSR activities and purchase intention by identifying three stages: cognitive, affective and conative (Jung and Seock, 2016).

In addition, we find that many studies have investigated age groups demographically as a contextual variable without further exploring the effect of different age groups’ attitudes of consumers. This highlights a need to examine the possible effects of consumer generation cohorts in predicting purchase intention, by incorporating generation-specific attitudes into existing models. Consequently, we find that extant studies have not made a significant theoretical contribution in explaining the interaction between the HOE model and generational attitudes, while there is little evidence on how generational cohorts’ attitudes shape different patterns, attitudes and intentions in retail consumption contexts (Nash, 2019).

Specifically, we chose to examine generation Y’s CSR attitudes. The population cohort born between 1980 and 1999 (Lissitsa and Kol, 2016) are broadly classified as generation Y (Gen Y) – irrespective of the circumstances such as geographical area, ethnicity, socio-economic criteria etc. (Prasad et al., 2019). Our motivation to study Gen Y’s CSR attitudes is justified as they have a higher consciousness of socially responsible and ethical consumption (Hwang et al., 2015; Luger et al., 2022), and they represent a critical mass in current and future markets in the Asia Pacific region in terms of size and purchasing power (Arachchi and Samarasinghe, 2022). It is found that Gen Y are more socially conscious and loyal to firms that undertake cause-related marketing. For instance, a study by Hwang et al. (2015) also found that Gen Y appreciate organizations that practise more ethical values in CSR initiatives. Accordingly, the study aims to address these voids in the literature by firstly examining the effect of PCSR on purchase intention; secondly, explaining the impact of brand attitudes on the relationship between PCSR and purchase intention; and finally, elucidating the effect of Gen Y’s CSR attitude on the causal links between PCSR, brand attitude and purchase intention in the retail sector.

This study contributes to the literature by providing a theoretically innovative analysis that integrates the HOE model with a generation cohort perspective in CSR contexts. Thus, it introduces Gen Y’s CSR attitude as an influential contextual variable that interacts with the causal linkages between PCSR, brand attitude and purchase intention in retail markets. In the remainder of this article, we first present a review of the key literature, leading to the development of hypotheses and the empirical model of the study. Then, we explain the methodology, data analysis and present the results, conclusions, implications and suggestions for future research.

2. Literature review, hypothesis development and empirical model

2.1 Corporate social responsibility and the retail sector

Despite the accelerating usage of the phrase “corporate social responsibility” among academics and professionals (Ajina et al., 2020), not all users perceive it in the same way. Carroll’s pyramid is one of the most often quoted and preferred CSR models; it contains four roles: economic (offering desirable products and services), legal (following rules), ethical
(following codes of conduct and ethical standards) and philanthropic (giving and volunteering) (Carroll, 2016). In addition, Dahlsrud modelled the four-dimensional framework of CSR (Dahlsrud, 2008). Moreover, CSR’s temporal and spatial flexibility allows it to complement other dimensions. Currently, the global environment provides significant opportunities for the retail industry to actively participate in various corporate social responsibility endeavours. CSR projects enhance stakeholders’ trust, social capital organizational identification and improves stakeholders’ attitude towards retailers’ brands (Arachchi and Samarasinghe, 2022). Thus, CSR has become strategically important for targeting consumers in recent years, as more retailers have been launching their own private brands (Alić et al., 2017). Retail is not only the most vibrant sector, but it is also complicated and fast-moving, with immense opportunities created based on consumer intention. When implementing CSR strategies, retailers need to understand how consumers perceive CSR actions and react to them (Du et al., 2007). This situation requires more empirical research on CSR and associated consumer responses.

2.2 Hierarchy of effects model and the generational cohort perspective
This study adopts McGuire’s HOE model as an appropriate theoretical framework. We draw on the HOE model to expand the existing theoretical understanding of the relationship between perceived CSR (PCSR) and purchase intention. The HOE model has provided a basis for measuring advertising and marketing campaigns’ effectiveness; it describes the stages that consumers experience when forming brand attitudes, behavioural intentions and behaviours (Casidy et al., 2015). While different authors include different steps, HOE models have been generalized as always predicting a sequence of cognition → affect → intentions (Lee et al., 2013). Murray (2018) presented three dependent stages as cognitive → affective → behaviour (or “conative”, which refers to behavioural intention). This study adopts the stages proposed by Murray (2018), as this is still the best approach to managing and optimizing the impact of corporate social responsibility strategies, as argued by Jung and Seock (2016) and Murray (2018). Accordingly, we find that the HOE model operates as a causal chain that best explains the order and effects of each variable in CSR and marketing communication campaigns (Bauman et al., 2008).

Most importantly, Ajzen (1991) has argued the need to incorporate additional predictors of attitudes and behavioural intentions into traditional theoretical frameworks (cited in Hwang et al., 2015). Among the possible predictors, scholars have advised introducing predictors associated with ethical concerns, as argued by Hwang et al. (2015). Accordingly, we propose Gen Y CSR’s attitude as an influential predictor, having both ethical and demographic-specific qualities that can strengthen the causal chain of cognitive, affective and conative stages. Applying Inglehart’s (1977) generational cohort perspective, we rationalize incorporating Y’s attitude as an effective dimension for predicting consumer behaviour in a CSR context (Ivanova et al., 2019). More specifically, Gen Y and their global attitude tend to support ethical consumption decisions, including CSR-supportive values, in the fashion retail sector (Luger et al., 2022). In addition, compared to other generations, Gen Y generally displays a higher degree of acceptance and tolerance of differences in cultures, lifestyles and behaviours (Cham et al., 2017).

2.3 Hypothesis development
2.3.1 Perceived corporate social responsibility and purchase intention. Studies have found a positive effect of CSR on consumers’ purchase intention (Liu and Xu, 2021; Arachchi and Samarasinghe, 2022). Sen and Bhattacharya (2001) confirmed the positive and direct impact of CSR. It is also evident that consumers have a higher propensity to pay high prices for
brands with CSR (Mohr and Webb, 2005). As a result, PCSR creates positive thoughts regarding favourable purchase behaviours through processing CSR-based information, leading to an intention to purchase from a brand in the retail sector, which is a highly consumer-oriented industry (Uhlig et al., 2019; Arachchi and Samarasinghe, 2022). These findings support the positive direct effect of PCSR on purchase intention, which will be greater for retail brands with CSR. Thus, we propose the following hypothesis.

**H1.** Perceived corporate social responsibility has a positive impact on retail consumers’ purchase intention.

### 2.3.2 Perceived corporate social responsibility and brand attitude

Extant literature supports the direct contribution of PCSR in improving positive attitudes towards a brand (Aydn, 2019). Brand attitude can be recognized as a customer’s reaction towards a brand and his/her liking of a brand (Ramesh et al., 2018). PCSR activities enhance the customer’s cognitive elaboration of brand attitude (Vera-Martínez et al., 2022). Therefore, PCSR can generate positive affect in consumers because of favourable attributes associated with firms’ CSR initiatives. Firms engaging in CSR initiatives create an identification, resulting in a direct and positive emotional influence on consumer attitudes to the brand. Furthermore, consumer perception of firms’ CSR activities can result in and activate consumers’ attitude towards brands in a modern competitive market (Schnittka et al., 2022). These findings support our argument that in a retail context, CSR initiatives lead to more favourable brand-related attitudinal outcomes, as retail consumers have more frequent relationships and interactions with brands. Accordingly, we derive the following hypothesis:

**H2.** Perceived corporate social responsibility has a positive effect on the brand attitude of retail consumers.

### 2.3.3 Brand attitude and purchase intention

Brand attitude is a summary of customers’ positive or negative evaluations of a certain product, service or brand, leading to a certain psychological tendency (Manosuthi et al., 2020). Consumers’ brand attitudes have a significant influence in forming and predicting their positive purchase intentions (Teng and Laroche, 2007; Park et al., 2015). Purchase intention is the behavioural attitude of customers; it is not same feeling that they have towards a brand, but the motivation or conscious plan for an action they will perform (Ramesh et al., 2018). Brand attitude is a key element in the formation of consumers’ decisions and behaviours related to brand choices; hence, as part of a marketing strategy in a CSR context, it can have a strongly favourable influence on purchase decision-making and behavioural intention (Lee et al., 2020). Thus, in a CSR-related retail context, we propose the following hypothesis:

**H3.** Brand attitude has a positive impact on retail consumers’ purchase intention.

### 2.3.4 Brand attitude as a mediator

There are strong interconnections among attitudes, intentions and behaviour (Ajzen, 1985, 1991). CSR awareness can generate cognitive outcomes such as constructive knowledge, which in turn generates favourable attitudes towards a brand; this finally results in positive purchase intentions (Vera-Martínez et al., 2022). Furthermore, there is a causal chain that has an order and effect as the HOE model operates (Bauman et al., 2008). Studies indicate that consumers’ PCSR influences their beliefs, attitude and purchase intention towards a brand, in an order and effect sequence (Becker-Olsen et al., 2006). Moreover, when customers are aware of the CSR activities in a critical moment, the brand’s recognition level and favourable opinions rise, which in turn affects the purchase intention positively (Ramesh et al., 2018). The literature indicates both a
direct and indirect relationship between PCSR and purchase intention. Hence, we propose the intervening role of brand attitude and hypothesize that:

\[ H4. \] Brand attitude positively mediates the relationship between perceived CSR and purchase intention of retail consumers.

2.3.5 Gen Y’s corporate social responsibility attitude as a moderator of brand attitude. Gen Y individuals are more concerned and community service-oriented/civic-minded than other generations; they are described as the most socially conscious cohort (Zainee and Puteh, 2020). Gen Y consumers are highly aware of socially conscious brands that give back to society (Chatzopoulou and Kiewiet, 2020). Findings support that Gen Y is increasingly concerned with CSR activities; in turn, they scrutinize the purposes of CSR, which implies the formation of positive brand attitude (Luger et al., 2022). Research has found that consumers with increased awareness of CSR and trust in brands’ CSR are inclined to evaluate brands more favourably (Tian et al., 2011). Accordingly, Gen Y consumers with increased awareness of brands’ CSR are more likely to support CSR initiatives and thus form unique generational beliefs and specific attitudes that can positively moderate their responses to brands with true CSR (Luger et al., 2022). This evidence establishes Gen Y’s CSR-supportive attitudes as a condition that strengthens the relationship between PCSR and brand attitude. Thus, we propose the following hypothesis:

\[ H5. \] Gen Y retail consumers’ CSR attitude positively moderates the relationship between CSR and brand attitude.

2.3.6 Gen Y’s corporate social responsibility attitude as a moderator of purchase intention. The literature provides strong evidence for the effect of CSR awareness on consumer attitude towards a brand (Vera-Martínez et al., 2022); this operates as a chain of cognition (beliefs) and affect (feelings), leading to Gen Y’s purchase intention (Ocass and Choy, 2008). However, CSR awareness of consumers does not necessarily guarantee a positive purchase decision simply because a brand is involved in CSR initiatives; a brand must be genuinely committed to CSR. Its target customers take notice of CSR initiatives in their everyday life as active consumers (Luger et al., 2022). Gen Y has a higher level of involvement in evaluating products in their decision-making, compared to earlier generations (Parment, 2012). This implies that Gen Y, as a unique cohort, differs from other generations in their increased responsiveness to and scrutiny of brands’ CSR (Ahmad, 2019; Anderson et al., 2018). According to Luger et al. (2022), Gen Y consumers’ high awareness and supportive attitudes towards CSR are likely to make their brand evaluations more favourable, resulting in positive purchase intentions. Hence, we devise the following hypothesis:

\[ H6. \] Gen Y retail consumers’ CSR attitude positively moderates the relationship between brand attitude and purchase intention.

Subsequently, we present the conceptual model as depicted in Figure 1, which illustrates the above hypothesized relationships.

3. Research methodology
A survey was undertaken, using a structured self-administered questionnaire, from June to July 2021. The target population was the Gen Y consumers (born 1980–1999) of national fast-moving consumable goods (FMCG) and textile brands from modern trade retail chains in Sri Lanka. For empirical analysis, since the data did not fulfil the parametric assumptions, Smart PLS was used, which does not require the normal distribution of data.
According to Hair et al. (2019), for predictive purposes, variance-based structural equation model (SEM) techniques such as Smart partial least squares (PLS) are more appropriate than covariance-based SEM techniques.

### 3.1 Measurements
All measurement scales were adopted from well-established and validated studies in the literature and adapted with minor modifications in the questionnaire. Table 2 provides a summary of the measurement items with their sources. All item statements of Gen Y’s CSR attitude, PCSR and purchase intention were measured on a seven-point Likert type scale, with 1 = “strongly disagree” and 7 = “strongly agree” at the endpoints. The brand attitude items were also measured on a seven-point bipolar scale, similarly ranging from 1 to 7.

### 3.2 Sampling strategy and profile
Because of the unavailability of representative sample frameworks, we used quota sampling and attempted an approximation of “stratified random sampling” by assuring highly restrictive and representative quotas in terms of gender, occupation and education (Gschwend, 2005). Accordingly, we deployed an online survey strategy with a structured questionnaire, which was distributed to a targeted sample of 500 Gen Y retail consumers reachable via WhatsApp, Facebook and email contacts available from various online sources (Arachchi and Samarasinghe, 2022). However, we assured to maintain a minimum number of sub groups representing gender, occupation and education in the sample. Out of the 500 questionnaires distributed, 445 retail consumers completed the survey. After discarding disqualified questionnaires, 430 responses were taken as the final valid sample size, reaching an effective response rate of 86% (Saunders et al., 2011). However, following the removal of outliers, 392 questionnaires were used for the final analysis. This sample size of 392 is technically acceptable and sufficiently large, as it fulfils the threshold of minimum sample size in relation to population size, with a confidence level of 95% and 5%
margin of error, in accordance with a sample's technical specifications, as recommended by Krejcie and Morgan (1970).

The demographic information of respondents shows that 53% were male and 47% female. In total, 95% of participants were employed and 5% unemployed. Furthermore, 68% of the respondents possessed tertiary education, 31% had secondary education, whilst 1% had only primary education. In terms of employment, 22% of the respondents worked in a managerial capacity, 19% were professionals, 26% were technicians and associate professionals and 22% were clerical, sales, service and support workers, as summarized in Table 1.

4. Results
This section presents the results and discussion. The hypotheses were tested with the SEM procedure, using Smart PLS (Hair et al., 2022). As all the latent constructs had reflective measurement scales, we used the consistent-PLS algorithm in estimating model parameters. According to Dijkstra and Henseler (2015), the consistent-PLS algorithm is less subject to inflated errors in predictive models and offers an increased predictive power, reflecting the qualities of covariance-based structural equation modelling techniques (Hair et al., 2022).

4.1 Measurement model
As shown in Table 2, all constructs received a Cronbach’s alpha and composite reliability value of greater than 0.6; hence, the constructs’ reliability was satisfactory (Nunnally, 1978). The factor loadings were greater than 0.5 for all elements. In addition, all constructs showed an average variance extracted (AVE) above 0.5 and can thus be considered valid (Churchill, 1979). The Fornell–Larcker criterion is traditionally used to measure discriminant validity but has some weaknesses; therefore, the analysis adopted the heterotrait–monotrait ratio of correlations (HTMT) as an estimator of deattenuated construct correlations. Furthermore, Henseler et al. (2015) proposed the HTMT as a more comprehensive and less constrained approach to

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cases (%)</th>
</tr>
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<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>209 (53%)</td>
</tr>
<tr>
<td>Female</td>
<td>183 (47%)</td>
</tr>
<tr>
<td><strong>Employment status</strong></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>371 (95%)</td>
</tr>
<tr>
<td>Unemployed</td>
<td>21 (5%)</td>
</tr>
<tr>
<td><strong>Last level of educational attainment</strong></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>Secondary</td>
<td>123 (31%)</td>
</tr>
<tr>
<td>Tertiary</td>
<td>267 (68%)</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
</tr>
<tr>
<td>Managerial</td>
<td>87 (22%)</td>
</tr>
<tr>
<td>Professional</td>
<td>75 (19%)</td>
</tr>
<tr>
<td>Technicians and associate professional</td>
<td>101 (26%)</td>
</tr>
<tr>
<td>Clerical, sales, service and support worker</td>
<td>88 (22%)</td>
</tr>
<tr>
<td>Other</td>
<td>41 (10%)</td>
</tr>
</tbody>
</table>

Table 1. Demographics of respondents
discriminant validity assessment in using PLS-SEM. Accordingly, the study established
discriminant validity by observing the HTMT ratio of correlations, as recommended by
Ahrholdt et al. (2017) and Henseler et al. (2015). The results in Table 3 show that all HTMT
values of the latent variables were below the critical and conservative value of 0.85.
4.2 Structural model and hypothesis testing

The standardized root mean values squared residuals values were lower than 0.10 (Byrne and Hilbert, 2008). This ensured that the structural model was of sufficient quality to move to the next step. We used Harman’s single-factor test (Podsakoff et al., 2003) and ensured no existence of a common method bias, as the first single-factor’s explanation of variance accounted for just 21.61% of the total variation. In assessing the goodness of fit of the model, PCSR had an $f^2$ (effect size) of 0.24, brand attitude, $f^2 = 0.21$; and Gen Y CSR attitude, $f^2 = 0.15$. Brand attitude and purchase intention had an $R^2$ (explanatory power) of 0.438 and 0.62; and a $Q^2$ (predictive relevance) of 0.185 and 0.34, respectively. The findings of $R^2$, $Q^2$ and $f^2$ suggest that the model has an acceptable level of explanatory power, predictive relevance and effect sizes (Hair et al., 2014). Table 4 and Figure 2 show the path models. Accordingly, the hypotheses can be tested by assessing the significance of paths in the structural model.

As shown in Table 4 and Figure 2, $H_1$–$H_3$ are accepted, as they have positive path values with p-values less than 0.05. Therefore, $H_1$–$H_3$ are accepted. Furthermore, the moderating $H_5$ and $H_6$ are also accepted, as the path values of interaction coefficients are positive and have $p$-values of less than 0.05. In addition, the mediating hypothesis of $H_4$ was analysed through hierarchical linear regression outputs, as per the guidelines recommended by Baron and Kenny (1986). The path analysis is reported in Table 5.

Based on the findings in Table 5, PCSR has a significant and direct positive effect on purchase intention, as well as an indirect significant effect on purchase intention via brand attitude. Thus, $H_4$ is accepted, implying that brand attitude partially mediates to enhance the relationship between PCSR and purchase intention. Furthermore, this mediating impact is examined by using the “decision tree” approach of Zhao et al. (2010). A mediating effect or indirect effect ($a \times b = 0.378$) and direct effect ($c = 0.234$) both exist and are significant.
Consequently, this model shows a “complementary partial mediational” relationship between PCSR and purchase intention.

5. Discussion
As confirmed by the result of $H1$, there is a significant positive relationship between PCSR and purchase intention in the Sri Lankan retail industry. This result is consistent with the study by Arachchi and Samarasinghe (2022), which found that PCSR has a positive relationship with purchase intention. Furthermore, Sen Gupta and Wadera (2020) found similar results, confirming that CSR positively affects purchase intention in FMCG sectors. Moreover, the result of $H2$ revealed that PCSR has a significant and positive impact on developing brand attitudes in the retail industry; this supports the previous results of Aydin (2019). Additionally, a study by Vera-Martínez et al. (2022) found that both economic and social CSR have a positive effect on attitude towards brands in the retail industry. According to Liu et al. (2020), CSR and brand attitude have a positive relationship in the media industry. We also found that the result of $H3$ aligns with past studies confirming that brand attitude positively and significantly influences purchase intention in the retail context (Teng and Laroche, 2007; Park et al., 2015). This highlights that consumers’ brand attitudes

![Figure 2. Direct effect of PCSR on PI and moderating effect of Gen-Y’s CSR attitude](image)

| Relationship | Original sample (O) | SD | $T$-statistics ($|O/STDEV|$) | $p$-values |
|--------------|---------------------|----|---------------------------|-----------|
| PCSR → INT (Step-I (total effect)) | 0.612 | 0.039 | 15.942 | 0.000* |
| PCSR → BA (Step-II) | 0.786 | 0.024 | 32.59 | 0.000* |
| BA → INT (Step-III) | 0.668 | 0.034 | 19.468 | 0.000* |

(Step-IV)
| BA → INT | 0.481 | 0.069 | 6.905 | 0.000* |
| PCSR → BA | 0.787 | 0.023 | 34.073 | 0.000* |
| PCSR → INT (Direct effect) | 0.234 | 0.073 | 3.255 | 0.001* |

Indirect effect of $BA = BA → INT \times PCSR → BA = 0.481 \times 0.787 = 0.378$

Notes: PCSR = perceived corporate social responsibility; BA = brand attitude; PI = purchase intention, *$p < 0.05$
are a competing influence on consumer purchase intention and source of predicting Gen Y consumer’s purchase intention. This is also congruent with the study of Karamchandani et al. (2021), which found a positive relationship between brand attitude and purchase intention. Furthermore, the results of H4 revealed that brand attitude partially mediates the relationship between PCSR and purchase intention. This finding is congruent with past studies in the FMCG sector (Ramesh et al., 2018). Becker-Olsen et al. (2006) also confirmed that consumers perceive CSR as an influencing criterion for their beliefs, attitudes and purchase intention. However, our study found a partial mediating effect of brand attitude in bridging the gap between Gen Y’s PCSR and purchase intention in the retail sector. This might be because of various other multiple mediation factors operating in that sector.

Most importantly, H5 and H6 revealed that Gen Y’s CSR attitude significantly acts as a moderator that strengthens the relationships among PCSR, brand attitudes and purchase intention. Although this finding is novel, this effect is justifiable in light of extant literature. We establish the consistency of CSR attitude’s positive moderating effect on brand attitude, as Gen Y individuals are described as more socially conscious than other generations (Zainee and Puteh, 2020). Hence, this age cohort may respond more favourably to brands with CSR presence and form positive emotions towards such brands. Additionally, empirical research shows that Gen Y is increasingly involved with CSR activities and scrutinizes the brands’ CSR intentions, leading them to develop brand perceptions (Luger et al., 2022) and brand attitude. Moreover, consistent with our findings, previous studies have found that Gen Y consumers show high involvement with fashion retail brands, resulting in more positive brand-related attitudinal outcomes, including intention to pay a premium price (Ocass and Choy, 2008).

6. Conclusions and implications

6.1 Conclusions

To summarize the findings, firstly, the study confirmed the partial and complementary mediating role of brand attitudes in linking Gen Y consumers’ PCSR and purchase intention in the retail sector. Secondly, as a novel contribution, the findings revealed that Gen Y’s increased level of CSR consciousness (labelled as “Gen Y CSR attitude”) in the retail sector positively interacts with the chain relationship between PCSR, brand attitudes and purchase intention. Thirdly, from a theoretical perspective, these findings reflect that integrating the HOE model with the generational cohort perspective – with specific reference to Gen Y’s CSR attitudes – is possible and enhances the robustness of the HOE model’s causal chain in predicting behavioural outcomes.

6.2 Theoretical implications

This is the one of the very first studies to make a theoretical contribution to the area of CSR and consumer behaviour, by integrating McGuire’s HOE model and the generational cohort perspective. The present study adopted the three dependent stages approach of the HOE theoretical framework proposed by Murray (2018). To enhance predictability, traditional attitude and behaviour theories need be updated by incorporating sound predictors depending on various social-cultural circumstances (Ajzen, 1991). Accordingly, we amalgamate HOE models with the generational cohort perspective, which proposes that individuals’ generational attitudes significantly impact on their responsiveness to behavioural patterns in the presence of various circumstances. In particular, compared to other generations, Gen Y has a more favourable global attitude concerning firms’ positive CSR behaviour in terms of philanthropic and environmental dimensions (Anderson et al., 2018). This global CSR attitude makes Gen Y primary stakeholders who evaluate the positive CSR behaviour
of firms and their brands more favourably and develop brand attitudes and positive behavioural intention. Irrespective of circumstances, this supports Gen Y’s increased involvement in making decision on CSR-driven brands. Thus, the study contributes to advancing theory by integrating Gen Y’s CSR attitude with the theory of HOE.

Furthermore, the generational cohort perspective suggests that Gen Y’s moral attitudes promote the causal chain of cognitive, affective and conative, as per the sequence in the HOE model. This further enriches the robustness of the established attitudinal–behavioural models, as the findings indicate the need to incorporate generation-specific attitudes (such as ethical values in CSR, perceived by Gen Y), which can better predict the outcomes of socially responsible business movements (Ferrell et al., 2019). This implies that brand attitudes cannot develop and be transformed into behavioural outcomes in isolation, but rather, interactively, through primary stakeholders adopting more generation-driven ethical and socially conscious attitudes.

6.3 Managerial implications
For effective planning of CSR programmes, it is noteworthy that the awareness of PCSR influences beholders’ knowledge of a retail brand’s CSR commitment; this in turn leads to the formation of favourable brand attitude, resulting in positive behavioural outcomes such as Gen Y’s purchase intention in the retail markets. As a critical mass in the retail industry, Gen Y is more sensitive to CSR but scrutinizes the specific corporate intention behind such programmes. Hence, retail marketers need to demonstrate a genuine commitment to CSR and develop specific and innovative programmes that attract Gen Y’s attention, while building emotional bonds and trustworthiness, to activate a behavioural outcome. In a creative approach, retail marketers should allocate resources to boost all five CSR dimensions and monitor their progress, to stimulate brand attitude – given that such novel attributes enhance consumers’ secure brand attitude and trust in retail brands to meet their needs.

Additionally, CSR-sensitive attitudes encourage Gen Y’s high involvement with brands, giving rise to intense emotions that boost positive brand attitudes and purchase intentions. Given the global CSR attitude of Gen Y consumers, PCSR needs to be an integral part of marketing strategies aimed at millennial markets. Therefore, retail strategists should assign a distinct role to marketing communication plans, as a key performance indicator of persuasion as well as generating sales. This further provides insights for measuring both the communication and sales impacts of CSR investment in Gen Y markets. For instance, retail marketers can view CSR as a supportive public relations tool in millennial target markets; they can also share the campaigns’ true social impact via their integrated marketing communication (IMC) programmes targeted at Gen Y individuals. IMC strategies need to help Gen Y celebrate CSR and branding, together with providing more self-expressive benefits, via digital and social media campaigns. Table 6 summarizes the research conclusions and their implications.

7. Limitations and further research
There are several limitations of this study:

- The sample size was limited to Colombo and suburban areas in Sri Lanka, representing the South Asian context.
- This study recruited Gen Y respondents selected through non-random, quota sampling methods; this may hinder the generalization of findings to the whole Gen Y in Sri Lanka.
The sample is based on millennial customers who were consumers of a limited range of retail products.

Future researchers could expand the study’s geographical domain to a comparative analysis of multiple countries and regions. Secondly, future researchers can study the same relationships by drawing samples from multiple generations, such as Gen X and Z, in a multi-group analysis. Thirdly, researchers will be able to enrich the conceptual model with other potential mediators and moderators, to improve its conclusiveness and robustness. It would be possible to introduce some country-specific cultural variables that influence ethical consumption decisions: for example, the guilt vs shame culture in Asian counties and moral self-identity, as moderators to test their specific impact on brand attitude formation and purchase intention. It would also be interesting to test how CSR together with personal branding impacts purchase decision (Alić et al., 2017) in the retail sector. Fourthly, it is possible to undertake a dimensional-level analysis of PCSR to explain how each of its components (for example, philanthropic CSR) can influence attitudes and behaviour. Fifthly, researchers have an opportunity to study the impact of consumer social responsibility as a novel construct in the retail sector (Caruana and Chatzidakis, 2013). Finally, future research can examine how CSR together with brand activism affects consumer behaviour as a cross-cultural analysis of multiple regions.

References


**Corresponding authors**

H.A. Dimuthu Maduranga Arachchi can be contacted at: slarachchi1@yahoo.com and G.D. Samarasinghe can be contacted at: dineshs@uom.lk

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