CSR AND PURCHASE INTENTIONS
(A STUDY OF CENTRAL JAVA EARTHQUAKE)

Kresno Agus Hendarto
Balai Penelitian Teknologi Hasil Hutan Bukan Kayu Mataram, Nusa Tenggara Barat
E-mail: kresnoah@yahoo.com
Dharma Bhakti Street 7, Ds. Langko, Lingsar, Lombok Barat, Mataram 83371, Nusa Tenggara Barat, Indonesia

ABSTRACT
In Indonesia, the debate on CSR concerning its implementation to be obligatory or not is still going on even though the Constitution Court had decided, on April 2009, requesting that it should be reviewed, especially the article 74 of the Laws no 40, 2007, that regulates such matter. This study is aimed to analyze the belief, attitude, and intention to purchase the products from the companies that have implemented CSR. The analysis was conducted in the regencies of Bantul, Sleman, Klaten, and Yogyakarta which exactly on May 27, 2006, these regions were affected by the earthquake. This study was done by combining both qualitative and quantitative methods. In the first phase, the data were collected by means of focused group discussion in the radio of RRI program 1 Yogyakarta. After this, the data were analyzed qualitatively. The results of this were used as the basis to to a survey on 100 consumers. This was analyzed using partial least square. It showed that the consumers have awareness towards CRS that was implemented by the companies, and therefore, they mediated their relationship by showing their belief and intention to purchase the products.

Key words: Corporate social responsibility, beliefs, attitudes, purchases intentions, mixed methods.

CSR DAN NIAT MEMBELI
(SEBUAH STUDI DAMPAK GEMPA BUMI JAWA TENGAH)

ABSTRAK

Kata Kunci: Corporate social responsibility, kepercayaan, sikap, niat beli, metode gabungan.
INTRODUCTION
Kompas Daily on Saturday November 29, 2008 put news that the Indonesian Chamber of Commerce and Industry (KADIN), Young Indonesian Entrepreneur Association, Women Indonesian Entrepreneur Association, Lili Panma Ltd., Apac Centra Centertex Ltd., and Kreasi Tiga Pilar Ltd., requested judicial review to the Constitution Court about article 74 of the Laws of 40/2007 on Limited Corporation that requires the implementation of corporate social responsibility for companies having the business on natural resource exploitation (Indonesian resource-based firm).

One of the reasons of the request for judicial review was the suspecting of the disharmony between the type and material. The Laws of 40/2007 is the laws that regulate the mechanism of establishment of Limited Corporations. Article 74 is a material law that regulates the obligation of corporation and arranges the punishment for the violation. However, Bisnis Indonesia Daily on Thursday 16 April 2009 wrote that the Constitution Court rejected the application of material review. The Constitution Court considered that the legal obligation of CSR has more legal certainty than its being implemented voluntarily.

Although the decision of Constitution Court is binding and final, the debate on whether CSR is mandatory or voluntary is going on until now. This is in part due to the existence of two schools of thought about CSR; they are classic and stakeholder (Lantos, 2002). Classic is based on neo-classic economy theory, where corporate responsibility is merely focused on the interest of the shareholder. Milton Friedman, in Abidin, Prihatna, Saidi, Suprapto, Supomo, and Kurniawati (2003) stated that social responsibility is fundamentally subservive to free market system. According to Friedman, the only corporate responsibility is generating profit in the appropriate rules of the game and the profit is fully dedicated for the interest of the shareholder. On the other hand, based on the theory of stakeholder, Freeman (1984) defines stakeholder as “individuals and groups influenced by the achievement of organizational objectives and in turn can influence the achievement of the objectives”.

The study attempts to test the model of belief, attitude, and purchase intention of middle-to-upper stratum consumers to the products of the companies that implement CSR. Previous studies were performed in the USA and South Korea while this study was held in Indonesia, specifically in the Province of Yogyakarta Special Region and Klaten regency which were destroyed by an earthquake that took the lives of 5000 people. Hofstede (2009) mentioned that “Indonesia is one of the lowest world rankings for Individualism with a 14, compared to the greater Asian rank of 23, and world rank of 43. The score on this dimension indicates the Indonesian society is Collectivist as compared to Individualist...”

As such above, the stability and applicability of the previous studies have to be tested for different places and cultures. In doing so, mix method is used. This method is done in two phases. At the first phase, the data was collected through Focused Group Discussion (FGD) on Radio Republik Indonesia (RRI) Yogyakarta and analyzed using qualitative content analysis. The results from the first phase were used to construct items of questions at the second phase. In the second phase, data is analyzed qualitatively by partial least square.

THEORETICAL FRAMEWORK
In this section, there are two phases in connection with theoretical framework. Therefore, this section can be finally be taken into account for the formulation of research problems as well.

The First Phase
In the fist phase, the theories are derived as the following. Theory of Correspondent Inference (CI) is a model of attribution theory (Faturochman, 2006). Roediger, Rushto, Capaldi, and Paris (1984), Hervey, Ickes, and Kidd (1976) mentioned that the attribu-
tion theory was initially introduced by Fritz Heider in 1958. He assumed that everybody is a “naive scientist”, meaning when they are faced up to a particular situation or incidence, they tend to analyze the causes, although their knowledge on the incidence is limited. Sears, Freedman, and Peplau (1985) also mentioned that according to Heider, everybody, and not only the psychologists, seeks explanation of other people’s behavior. They named it “naive psychology”, which is a general theory about human behavior as practiced by common people.

Jones and Davis developed CI theory by investigating the factors influence the attributes in the attribution of intention and disposition to other people, and how personal attribution is formed. Personal attribution through CI theory is made by seeing the concrete behavior of person’s stimulus in inverted way, that is by seeing the result of behavior to the action, to the intention, and finally to the disposition.

If the effect of action does not give any information about the disposition of person’s stimulus (the person who acts) the perceiver cannot make any conclusion about the person’s stimulus accurately. Brehm and Kassin (1993) mentioned that in CI theory people make conclusion on the basis of three factors: (1) a person’s degree of choice; (2) the expectedness of behavior; and (3) people consider the intended effects or consequences of someone’s behavior. Franzoi (2009) informed that people are most likely to conclude that other people’s actions reflect underlying dispositional traits when the actions are perceived to (1) be low in social desirability; (2) be freely chosen; and (3) result in unique, non common effects. Sarwono (2006) added that basically the theory attempts to explain the conclusion drawn by a person from his observation of other people’s particular behavior. In other words, the observer makes inference about the intention of other people from their behavior.

In the above theory, a person considers the effect of other people’s behavior when seeking the antecedents of behavior. When someone’s behavior results in much outcome or many consequences, it is difficult to identify the actual motives of the person. However, when the behavior results in unique outcome, then people will more certainly infer the motives of the action (Taylor, Peplau, and Sears, 2009). For example, in the book entitled “9 Summers 10 Autumns”, Iwan Setyawan, an Indonesian citizen who has been the Director of Internal Client Management Data Analysis and Consulting Consumer Research in New York, USA, resigned and returned to Indonesia to become a motivator. The reason is that he loves Indonesia. When this is known by public, people will think that Iwan Setyawan is honest. It will be different when a suspected corruptor goes abroad for seeking medical treatment (it is not easy to determine whether the person says honestly or not).

Based on the description above, the general objective of this study at this phase is to explore consumers’ perception on CSR activities by firms after the earthquake in Jogjakarta and Central Java. Specifically, the objective will be answered by the following questions: (1) how good is the image of the firms performing CSR activities? (2) is CSR mandatory performed by all firms? (3) Are they happy with the firms performing CSR? (4) What kinds of activity do they expect? (5) Is CSR a corporate strategy?; and (6) what is their attitude towards the products of the firms performing CSR? The results of the study at this phase will be used to develop (add or reduce) the items of questionnaires at phase 2. The addition or reduction of the items of questionnaires is intended to adjust with the previous studies conducted beyond Indonesia.

RESEARCH METHOD
At this phase, qualitative approach is employed. Data was collected by FGD. Malhotra (2004) said that FGD is an interview led by a trained moderator in natural and unstructured situation to a small group of respondent. Churchill Jr (2006) mentioned that in marketing research, FGD is proven
productive to: (1) produce hypotheses that can have further qualitative analysis; (2) produce information useful for composing the questionnaires; (3) give any fundamental information about product category; and (4) secure images of new product concept. Steward, Shamdasani, and Rook (2007) mentioned that FGD provides data close to emic side of the continuum. Krueger and Casey (2000) mentioned that FGD is a useful procedure when we want to identify the perception of people to any experience, idea, thought, and event. FGD is natural because the informants are both influence and influenced, just like in real life.

**Population and Sample**

Although it is not intended for generalization, the population of this study is the people that have access and listen the program of “KOPI Anda” (*Kontak dan Opini Anda*), a program broadcast by RRI Programa 1, Yogyakarta. Churchill Jr (2006) mentioned that the main focus of exploratory study is the exploration of ideas and inputs. Further, it is said that exploratory study seldom uses probability sampling plan. Therefore the sample for this study (informants) was collected by convenience sampling technique. Thus, the sample of this study includes the people who (1) call/contact the program of “KOPI Anda” broadcast by RRI programa 1 Yogyakarta; and (2) voluntarily give opinion about the theme and questions.

The primary data collected in this study is the recording of dialogue of the informants and the broadcaster in the program of “KOPI Anda”. Data in the study is collected by asking questions and requesting inputs (opinion) from the informants.

**DATA ANALYSIS AND DISCUSSION**

The recorded of dialogue is then transcribed and analyzed using qualitative content analysis. Berelson (1952) reported that in most cases, validity does not seem to be a major problem in the content analysis. With a careful operational definition and good and correct chosing of indicators, the coding sheet is assumed to measure what it should be measured. Meanwhile Kassarjian (1977) informed that in the content analysis it is enough to use content validity or face validity. Thus, to test the validity this study use face validity. Face validity here is a judgment by scientific community that the indicator in coding sheet really measures the construct.

Malhotra (2004) mentioned that one of the weaknesses of FGD is misjudge, because FGD is vulnerable to client and researcher bias. Therefore, this study used reliability analysis. The reliability in this study is tested by inter coder reliability. Neuman (2000) informed that inter-coder reliability is a common type of reliability reported in content analysis. Inter-coder reliability arises when there are several observers, raters, or coders of information. In this study reliability is tested by Holsti’s coefficient of reliability (1963).

\[
R = \frac{2(C_{1,2})}{C_1 + C_2},
\]

where: \( C_{1,2} \) = The number of category assignments on which all coder agree; and \( C_1, C_2 \) = The sum of all category assignments by all coder. After face validity and inter-coder reliability testing, the recorded of dialogue was descriptively analyzed. Descriptive analysis was performed by contextualizing the transcribed data. Contextualization was performed by coding the consensus and difference among the informants and presented the statements of the informants involved in FGD to strengthen arguments.

**Results**

The making of coding sheet is consulted in advance to a researcher at the Center for Culture and Popular Media Research. The objective of the consultation was to have face validity test in the coding sheet. In order to assess this validity, I submitted the coding sheet and a letter introducing my study objectives to researchers at Center for Culture and Popular Media Research. These respondents provided feedback and qualita-
tive comments about coding sheet in general. As a result of this procedure, I reworded some operational definition and indicator to integrate terminologies currently used by professionals (see Appendix 1). After that, with the assistance of a researcher at the Institute for Research and Community Services, Gadjah Mada University, the coefficient of reliability was tested.

There was a difference in determining the cut off of reliability coefficient acceptance. Krippendorf (2003) reported that the lower limit of acceptance of reliability coefficient is 0.8; Scott in Hasrullah (2001) put it over 0.75; while Berelson (1952) mentioned that the coefficient should be between 0.79 and 0.96. The reliability at this phase is 0.882 or above the score proposed by Krippendorff and Scott, and between the ranges suggested by Barelson (see Appendix 2).

Wicaksono (2005) mentioned that there are 2 models of FGD: partial and confrontative. In partial model, participants of FGD are the people with relatively similar thoughts, ideas, and interests. In this study, because the media used is RRI, it is likely that confrontative model of FGD is more suitable. In about 45 minutes, there were 5 callers participating and giving opinions. The results of the FGD are presented in the form of citations of respondents. They contain similarity (consensus) and difference of opinion.

Does CSR give any impact on corporate image?

“Of course it does, miss. As long as it is honestly and sincerely carried out. First of all, it is a form of a religious merit, as long as they do not display or broadcast at TV or they tell everybody that they have helped.”

“God’s willing, when they do it sincere without any self-interest, their products will sell well. That’s the reward from Allah.”

“Of course, it will promote the corporate image.”

“At the end, the corporate image will be good”

Do companies have to have CSR?

“That’s it. They have to do that. Just like in religious teaching. It is a kind of charity. When we have got some amount of wealth, we have to share some of it.”

“When necessary, well, yes I think it is necessary. In previous administration of new order (1966-1998) some of the profit had to be allocated as interest-free loan for small-scale enterprises. But I am wondering if such policy still exists, or was it only ad hoc for that time, I don’t know.”

Do you like the companies carrying out CSR?

“Yes. Thank God. They don’t have any self-interest in us. It is clear that the business people have participated in helping the casualties of natural disaster in Bantul, first”

“Yes. Although perhaps the donation doesn’t come from the companies, for example the fund collected by mass media. The media just collected fund from donator and then managed and distributed it. The companies are apparently benefited although they merely served as brokers”.

What kind of CSR do you expect to have at present time?

“Depend on the need. Give working capital for those who need it. Charity has to be flexible.”

“At that time, after the earthquake, some people got cookers some others got money. Just to let you know, I got Rp. 4 million. For environment, what we need now is perhaps road reconstruction, water channel reconstruction. Tree planting is not urgent I think. We still need working capital, automatically we can move farther.”

“For now, I don’t know what people need. Maybe we have to ask them directly. What is clear is that monetary charity, such as Ban-tuan Langsung Tunai, is not educative.”

Is CSR a form of corporate strategy?

“While the previous caller said that there was no relation between CSR and corporate strategy, I have a different viewpoint. For example, why should the roof of an elementary school building donated by a private company use a particular brand of aluminum frame? Why the patients at Bethesda
Hospital should in a week be given instant meal (noodle) of particular brand? The effect is that the donated products will be popular, wow, it is nice, how caring the company is, and so on, that finally the people will buy the products.”

Will you buy or suggest buying the products of the company implementing CSR?

“Well, it depends, it’s not easy to answer. Social donation with products is a different matter. The people don’t know which company gives and which others don’t”

“Yes, of course. For example (CSR of) RRI, I always stay tune (listening RRI)”.

“It depends on the individuals. But for me if the product is good, why not? You see, it is a matter of “take and give”.”

From what the informants dialogue above, there are some important things: (1) consumers have and will always identify the motive that underlie the corporate philanthropy; (2) CSR activity does not automatically make consumers buy the products of the company giving charity. In other words phases and process are the contributing factors to build a belief in the motive of the company that implements CSR and to encourage people to buy the products.

The Second Phase

Now that the first phase has been elaborated as the above arguments, here is the second phase concerning the theories to be asserted. The relation of thinking, feeling, and action has become the subject of study since Aristotle, Descrates and Plato until now (Copley, 1988). Each researcher proposed a different model to explain why people behave in a particular way and what they will do. One of the dominant models is Fishbein and Ajzen’s model. Fishbein and Ajzen (1980) proposed a "value expectancy model" of attitude formation postulating that the sum strength of our beliefs and their concurrent, affective evaluation of the beliefs, combine to determine attitudes toward performance of an action. The attitude then influences our intentions to perform the act and that the intention has a direct influence upon our behavior.

Sears et al. (1985) mentioned that in this theory, the decision is made on the basis of (1) the value of possibly made decisions; and (2) the degree of expectation about the result of the decision. This theory is frequently used to examine persuasion. Persuasion is defined as the explicit attempt to influence belief, attitude, and behavior (Mowen and Minor, 2001). Taylor et al. (2009) added that according to this theory, the formation and transformation of the attitude are derived from the loss and benefit calculation, of which people will choose the best one. For example, we have to decide whether we have to take the scholarship from X University (abroad) or Y University (domestic). Then we will consider the expectation and value of your choices to study at university. X (meeting more new people, having to adapt to a new culture, etc.). Likewise, we choose Y University (meeting fewer new people, not having to adapt to a new culture, etc.). When the decision is accepting the scholarship from X University, then we think that adaptation difficulties to the new culture is not equivalent to the great pleasure to meet more new people. On the other hand, when we choose to accept the scholarship from Y University, then meeting more people will not be equivalent to the little problem to adapt to the new cultures. In other words, this theory assumes that people are very calculative, active, and rational. It can be said that although reference groups influence the decision of purchasing or not purchasing a product, people will make a rational calculation before making a decision.

Value expectancy theory is frequently used to examine persuasion. Persuasion is defined as the explicit attempt to influence belief, attitude, and behavior (Mowen and Minor, 2001). Peter and Olson (2009) suggested that persuasion is the change of belief, attitude, and behavior resulting from a marketing communication. The concept of belief, attitude, and behavior is closely related with the general sentence about con-
Consumer attitude formation which is usually used to define the study of relation between belief, attitude, and behavior (Mowen and Minor, 2001). The Hierarchy of Effect model (HOE) was popularized in 1961 by Lavidge and Steiner although according to Barry (1987) this theory had existed since the beginning of the 20th century.

According to Barry (1987) the history of HOE model development can be classified into 3 phases: (1) Early Development. This phase started from the latest years before the 20th century to the year of 1960s; (2) Modern Development. This phase started from 1960 until the middle of 1970s; and (3) Challenges and Defenses. This phase started from the middle of 1970s until present time and is characterized by the development of involvement concept. This model suggests that someone’s behavior since he receives a marketing communication (advertisement) until he makes a purchase decision and consumes a product undergoes processes or phases. Shimp (2000) mentioned that in order for marketing information to be successful, he has to move the consumers from one goal to another goal, just like stepping up the staircases step by step towards the top. Barry (1987) mentioned that there are some models of HOE that have been formulated. All of them are based on the idea that marketing communication moves people from the phase in which people are not aware of a particular brand to the phase in which they buy the brand.

Previous studies have indicated that consumers’ negative perception to companies will affect consumers’ attitude to CSR activities. Shimp (2000) quoted the study of Cone/ Roper Cause-Related Marketing Report in 1999, suggested that 83% of Americans have more positive attitude to the companies that support activities that they are concerned about. On the other hand, almost half of the sample of study carried out by Webb and Mohr (1998) revealed a negative attitude to the companies which is mostly caused by consumers’ cynicism on the motivation of the companies. Yoon, Gurhan-Canli., and Schwarz (2006) studied CSR activities in cigarette industry.

Although the companies implement CSR program (donating in the study of cancer), the companies are perceived negatively by consumer. Wagner, Lutz, and Witz (2009) stated that the companies which do not consistently and seriously implement (hypocrisy) in CSR activity were perceived negative or contra productive. Likewise, in their study about reactive and low-fit CSR activities, Simmons and Becker-Olsen (2004) found that low fit between companies’ core products and CSR activities will result in consumers’ lower response than high fit between the core products and the activities. Becker-Olsen, Cudmore, and Hill (2006) found although it is high fit but when it is assumed to be reactive rather proactive, might result in negative reaction from consumer. Accordingly, from the aforementioned research and also by using the results of the study in phase 1, the hypothesis proposed in phase 2 are:

$$H_1 : \text{Consumer’s belief in the firm that implements CSR influences consumer’s attitude to the firm.}$$

The theory of attribution suggests that attribution influences attitude and behavior. Takwin (2009) mentioned that “Heider’s naïve theory of action” is a conceptual framework used to interpret, explain, and forecast other people’s behavior. In this framework, the concept of intention plays an important role. Dharmesta (1998) described that intention is: (1) captor or intermediate of motivational factors that have effect on a behavior; (2) indicator of how hard a person has attempted to do; (3) indicator of the planned attempt; and (4) closely related with the real behavior. Brown and Dacin (1997); Creyer and Ross (1997); Ellen, Mohr, and Webb (2000), and Lee, Park, Moon, Yang, and Kim (2008) found that there are correlation between the companies implementing CSR and consumers’ attitude to the products of the companies. Barone, Miyazaki, and Taylor (2000) stated that CSR activities will affect consumers’ preference to trade mark.
Almost similarly, the study by Smith and Alcorn (1991) suggested that consumer wish to switch to other brand and even are willing to pay competitively more expensive products of the companies performing CSR activities (for typical goods). Thus, it is hypothesized that:

H2 : Consumer’s attitude to the firm that implements CSR influences consumer’s purchase intention to the products of the firm that implement CSR.

Conceptual model of this hypothesis is presented in the following Figure 1.

**Figure 1**
Model of CSR Belief, Attitude and Purchase Intention

Almost similarly, the study by Smith and Alcorn (1991) suggested that consumer wish to switch to other brand and even are willing to pay competitively more expensive products of the companies performing CSR activities (for typical goods). Thus, it is hypothesized that:

H2 : Consumer’s attitude to the firm that implements CSR influences consumer’s purchase intention to the products of the firm that implement CSR.

Conceptual model of this hypothesis is presented in the following Figure 1.

**RESEARCH METHOD**

**Population and Sample**
The population of this study is the people living in Kabupaten Bantul, Sleman, Kota Yogyakarta, and Kabupaten Klaten, who have home phone. In other words, population is the people belong to middle and upper class. The sample of this study was collected by snowball sampling. Snowball sampling or respondent driven sampling in general is sociometric (Black and Champions, 1976). Snowball sampling is a sampling technique in which the selected respondents recruit other respondents that they know. Initially, the sample was collected from limited groups (close friends or relatives), and expanded to complete social pattern rather than just friendship and familial relationship. Because the survey was performed by phone, recruitment of the following respondents required the possession of home phone. Therefore, the sample unit of this study is household. It means that anybody who receives phone calls at that time, then he or she can become the sample. In this study, the selected sample was 100 respondents. It was hoped that with that amount of sample, the study would obtain complete social pattern.

**Measures**
The study used structured questions of questionnaires. The questionnaire consists of 2 (two) big parts. The first part asks respondents about respondents’ belief and attitude to the companies implementing CSR and respondents’ purchase intention to the products of the companies. The second part contains respondents’ profile. The items of questions were adopted from the items of questions in previous studies by Irwin, La-chowitz, Cornwell, and Clark (2003) and Pomerin and Dolcinar (2008) and considered from the results of the study at the first phase. For example, in the original questionnaire there is an item, “I am willing to pay more for the products of the firm performing CSR”, but because the result at phase 1 showed otherwise, the item was excluded.

Jogiyanto (2008) mentioned that when the question items are translated from English to Indonesian, it is necessary to make sure that the translation has been correct and accurate. We asked for help to a linguistic expert from the Faculty of Cultural Sciences, Gadjah Mada University to translate the question items from English to Indonesian. The results of the translated Indonesian version were re-translated into English by a colleague who once happened to have studied abroad. The objective is to identify the possible significant different translation work
between the original question items and the resulted question items to be used. For example, belief is acknowledging or recognizing that something is true or real. In this study it was measured by 3 (three) items of question. Attitude is an action based on the confidence, opinion, or belief. In this study attitude was measured by 3 (three) items of question. Purchase intention is the intention to do something (in this case, product purchase). In this study purchase intention was measured by 4 (four) items of question. All items of question were measured in Likert’s 5-point scale (1 = strongly disagree; 5 = strongly agree).

DATA ANALYSIS AND DISCUSSION

Instrument Testing

Field test was made to measure social desirability and construct validity (validity and reliability). Social desirability is defined as respondents’ tendencies to present them in a favorable position with regard to social norm (Nunnaly in Jo, Nelson, and Kiecker, 1997). It is usually perceived as a personal tendency that becomes the part of someone to put him/her in the place that he/she like although it may be different from the real feeling. Cooper and Schindler (2006) mentioned that there is a tendency for respondents to be dishonest in answering the questions in social study because they refuse or feel ashamed with the topic of study, dislike the topic of study and feel afraid with the consequence (of the answers). To anticipate this social desirability bias, Junaedi (2006) had a comparison between the answers of direct questioning and indirect questioning.

Validity in this study was tested by calculating the value of convergent validity and discriminate validity. Fornell and Larcker (1981) mentioned the criteria of convergent validity as follow: (1) loading factor of more than 0.7 and significant; and (2) value of AVE (Average Variance Extracted) more than 0.5; while for discriminate validity, the value of AVE is higher than the value of square correlation of the construct pairs. Meanwhile, Ghozali (2008) argue that the loading value of 0.5 to 0.6 is acceptable. Reliability was tested by calculating the value of Cronbach’s Alpha and Composite Reliability. Nunnaly in Ghozali (2005) mentioned the cut-off point of 0.7 for Composite Reliability.

Data Analysis

The study used descriptive analysis and component based structural equation model/Partial Least Square (PLS). PLS is a technique that generalizes and combines principal component analysis and multiple regression. Lu, Ma, Turner, and Huang (2007) citing some researches mentioned that PLS is a commonly used statistical analysis for latent variables, and it can be used to confirm the validity of the constructs of an instrument and assess the structural relationship among constructs. The use of PLS, in accordance with the objective of this study, is to confirm the validity of the constructs of an instrument and identify the predictive linear relation among variables. In PLS, optimal linear relation among variables was calculated and interpreted as the best predictive relation despite the limitations (Ghozali, 2008).

Results

The answers of the questions from the first phase were then tested for 30 students. The testing was intended to identify whether there is social desirability. There were 11 direct questions and 11 indirect questions tested in complete form. Because direct and indirect questions were given to the same students in consecutive way, social desirability bias was tested by paired samples test. The results of analysis suggested that there was no difference of answers between direct and indirect questions (See Table 1).

Because there was no difference among the items of direct and indirect questions, the direct questions items were used. The validity of the 11 direct question items were then tested by identifying the value of convergent validity and concurrent validity. The validity test showed that one question item needed to be dropped (the second question about pur-
chase intention) because it did not reach the required cut off value. After the unqualified items were excluded from the questionnaires, the validity was re-tested. The result of the validity testing is presented in Table 2. After valid question items were obtained, reliability was tested. The comprehensive output of validity and reliability testing result is presented in Table 3.

Based on the Table 3, the value of AVE as well as Communality is more than 0.5. These results pointed the item used has accomplished the construct validity. Whereas for the reliability test, the item above has performed reliability requirement (Composite Reliability is more than 0.7).

Profile of Respondent
After instrument testing, data was collected by phone. To increase the response rate from the respondents, in addition to using snowball sampling, data was also collected at the moment approaching the commemoration of 3-years after earthquake in Yogyakarta on 21-27 May 2009. The profile of respondents can be seen in Table 4.

The average age of respondents was 49 years, 62% of them was men. From Table 4 we can see that the majority of respondents were graduated of senior high school, and 2 respondents junior high school, and 2 others elementary school. The respondents with elementary school and junior-high school education were female and worked as housewives.

Structural Model for the Total Sample
The proposed model (Figure 1) was tested with component-based structural equation model/ PLS (Smart PLS Version 2.0). The results of the analysis suggested that the model showed correlation with the existing data. As hypothesized in H1, variable of belief is positively and significantly influences attitude to company. Similarly, as hypothesized in H2, variable of attitude is positively and significantly influences purchase intention (Tabel 5). In other words, attitude fully mediated the relation between belief to corporate and purchase intention to corporate products.

Discussion
In general, CSR that is also called in different terms (for example: cause-related marketing, minority support program, etc.) is
corporate philanthropy based on the profit-motivated giving (Shimp, 2000). Varadarajan and Menon (1988) stated that the firms performing CSR can generate profit in the forms of: (1) improving image of firm/brand; (2) avoiding negative publicity; (3) generating additional sales; (4) improving brand awareness; (5) expanding customer basis; (6) reaching new market segments; and (7) increasing retail sale of a brand. However, some firms allocate some of the profit to cover unethical or illegal activities. Velasquez (2006); Goyal (2006) wrote the case of Enron, for example. In April edition 2001, Fortune magazine put Enron, as the 7 largest firms in USA, the most innovative firm in USA. This firm has invested 120 million dollar for public relation and turnkey work in Dabhol, developing hospitals, road expansion, and planting fruit-trees. In spite of initial agitation, Enron won the heart of many people. But illegal activities could not be hidden for a long time. Six months later, on 2 December 2001, mass media reported that Enron went bankrupt and this represented the largest accounting fraud in the twentieth century.

Heider, known as the father of attribution theory, believes that everybody will attempt to understand other people’s behavior by collecting and integrating information pieces until they come to a reasonable explanation about the motives of other people’s behavior (Takwin, 2009). Taylor et al. (2009) stated that such attribution seeking is intended to make dispositional attribution, which is attempting to seek stable quality and character from a person who can explain the action. To get dispositional attribute we use clues about someone in particular situation and then integrate all pieces of information to help us infer the quality of disposition through observation of behavior.

When a firm performs CSR activities, people will seek information about the underlying motives. They want to know if the

### Table 2

**Output of Validity Test**

<table>
<thead>
<tr>
<th></th>
<th>Attitude</th>
<th>P_Intention</th>
<th>Belief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Att_1</td>
<td>0.775</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Att_2</td>
<td>0.608</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Att_3</td>
<td>0.776</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BI_1</td>
<td></td>
<td>0.900</td>
<td></td>
</tr>
<tr>
<td>BI_2</td>
<td></td>
<td>0.778</td>
<td></td>
</tr>
<tr>
<td>BI_4</td>
<td></td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td>BI_5</td>
<td></td>
<td>0.791</td>
<td></td>
</tr>
<tr>
<td>Bel_1</td>
<td></td>
<td></td>
<td>0.863</td>
</tr>
<tr>
<td>Bel_2</td>
<td></td>
<td></td>
<td>0.501</td>
</tr>
<tr>
<td>Bel_3</td>
<td></td>
<td></td>
<td>0.921</td>
</tr>
</tbody>
</table>

Source: Primary data

### Table 3

**Output of Validity and Reliability Test**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>( R^2 )</th>
<th>Communality</th>
<th>Redundancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>0.524</td>
<td>0.765</td>
<td>0.277</td>
<td>0.524</td>
<td>0.141</td>
</tr>
<tr>
<td>B_Intention</td>
<td>0.685</td>
<td>0.896</td>
<td>0.120</td>
<td>0.685</td>
<td>0.057</td>
</tr>
<tr>
<td>Belief</td>
<td>0.615</td>
<td>0.819</td>
<td></td>
<td>0.615</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data
firm performs CSR sincerely or it does it to obey the prevailing regulation. For the case of the natural disaster of earthquake in Jogjakarta and Central Java, when CSR activities was not mandatory, people will soon infer that the firms perform them sincerely. The perceived sincerity will be noticed by the aware consumers. Finally, they will form a favorable belief, attitude, and behavior intention to the firms and products.

Belief, attitude, and behavior are established in two different ways; directly and indirectly (Mowen and Minor, 2001). In direct formation, belief, attitude, and behavior are formed without any preceding condition. This study suggested that belief, attitude, and behavior are related to form the hierarchy of effect. Initially, consumers form a belief to the firm, then develop emotional condition to the firm (attitude), and finally behave in particular ways to the firm (to purchase products).

Since its establishment at approximately the beginning of 1756s, Yogyakarta being the location of this study has developed into a place that accommodates various groups and cultures. The different cultures can cause different belief, attitude, habit, and behavior. Hofstede (1991) in De Mooij (2003) stated that cultural dimension in-

### Table 4

**Respondent Demographic Profile (N = 100)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>%</th>
<th>Monthly Earning</th>
<th>Variable</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td>Monthly Earning</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>62.00</td>
<td>&lt; UMR</td>
<td>Female</td>
<td>38.00</td>
</tr>
<tr>
<td>Female</td>
<td>38.00</td>
<td>1UMR - 2UMR*)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2UMR - 3UMR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; 3UMR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>21-40</td>
<td>35.00</td>
<td></td>
<td>Civil Servant/ Army</td>
<td>23.00</td>
</tr>
<tr>
<td>41-55</td>
<td>28.00</td>
<td></td>
<td>Household Wife</td>
<td>7.00</td>
</tr>
<tr>
<td>&gt;55</td>
<td>37.00</td>
<td></td>
<td>Private</td>
<td>22.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other</td>
<td>48.00</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary School</td>
<td>2.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior High School</td>
<td>2.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior High School</td>
<td>43.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academy</td>
<td>19.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>31.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduated Program</td>
<td>3.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) UMR = Regional Minimum Subsistence Wage
Source: Primary data

### Table 5

The Coefficient of Regression Beta and T-Value

|                  | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR|) |
|------------------|---------------------|-----------------|----------------------------|------------------------|-----------------|
| Attitude -> P. Intention | 0.457               | 0.482           | 0.052                      | 0.052                  | 8.757           |
| Belief -> Attitude   | 0.574               | 0.583           | 0.078                      | 0.078                  | 7.325           |

Source: Primary data
includes: (1) Power distance; (2) Individualistic vs. collectivistic; (3) Masculine vs. Feminine; (4) Uncertainty avoidance; (5) Long term and short term orientation. In individualistic society, what is important is their own and close family, and they always want to be differentiated from other individuals.

As some studies in America, people tend to highly appreciate independence. They are not likely to promptly ask for help or favor to other people. They always take effort to solve their problems. Success is measured by hard work to reach something their own. On the contrary, in Indonesia, especially in Yogyakarta and the greater extent, which hold collectivistic culture, the people highly appreciate collaboration, slowly-but-surely slogan, harmonious life, mutual assistance, togetherness, humble life, giving-in, acquiescence and other values are highly appreciated. The results of this study suggested that there was a similarity in perceiving corporate CSR. In other words, there is not any difference in belief, attitude, and behavior in valuing CSR in America, South Korea, and in this study.

CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS
The objective of this study was to test the model of belief, attitude, and purchase intention of middle-to-upper stratum consumers to the products of the companies that implement CSR. The results showed that consumer do care about a corporate CSR and consumers’ attitude fully mediated the relation between belief and purchase intention toward the companies’ products implementing CSR. This study also suggested that with regard to CSR, especially philanthropic CSR, there was no difference among the people of USA, South Korea, and Indonesia.

This study contributes to improve our understanding about the impact of CSR activities to consumers. From the perspective of CI theory, CSR activities are motivated by firms’ expectation that consumers will make positive inference. Such a positive inference is expected to improve the image of the firms and products. From the perspective of value expectancy theory and HOE model, the decision to show particular behaviors is the result of a rational process directed to achieve a particular objective and follow the sequence of thought. CSR activities will influence the formation of consumers’ belief and attitude. Good attitude to firms in turn will result in the desire (intention) to purchase the products of the firm.

The study has some weaknesses that deserve concern in future studies. In the first phase, FGD with the medium of radio, the respondents couldn’t revise their answers; only some respondents could give opinion. This is because there was only one telephone line that could be contacted. In the second phase, I used survey telephone and had a total sample of 100 respondents with snowball sampling method that the results could not be widely generalized. Future studies can use probability sampling method with more respondents. In the future, this survey can be extended to other consumer, including partnership with farmers and health service. It is also necessary to study whether other forms of CSR program, other than philanthropy, also influence the correlation between consumer and firm’s products.

REFERENCES


Churchill Jr, GA 2006, Basic Marketing Research, 6th edn, South-Western College, Ohio.


Irwin, RL, Lachowetz, T, Cornwell, TB & Clark, JS 2003, ‘Cause-Related Sport
Sponsorship: An Assessment of Spectator Beliefs, Attitudes, and Behavioral Intentions’, *Sport Marketing Quarterly*, vol. 12, no. 3, pp. 131-39.


Taylor, SE, Peplau, LA & Sears, DO 2009,


**ACKNOWLEDGEMENTS**

I would like to dedicate this research article to Professor Basu Swastha Dh, and B.M. Purwanto from Gadjah Mada University, and Moira Moeliono from Center for International Forestry Research. I gratefully acknowledge the comments made by Anna Susilaningtyas from Center for Culture and Popular Media Research, Arina Pramusita from the Institute for Research and Community Services, Gadjah Mada University, Ihval Ilyas and Anung from Faculty of Social and Politic, Gadjah Mada University, Aneka Prawesti Suka from Institute of Social Studies, the Netherlands, M. Safiq from Faculty of Economics and Business, Gadjah Mada University, Abdurohman from Faculty of Mathematic and Science, Gadjah Mada University, Eko Budi Susatyo and I Made Widnyana from Forestry Department, Su-listiyantho Istigfarullah and Arlin Setyaning-sih from Radio Republik Indonesia Programa 1, Yogyakarta, Mitchel Padmanaba from Center for International Forestry Research, H. Sudarminto, Ign. Dimas Umbaran, and Alusia Anita Priatma Putri for data collection, as well as the anonymous reviewers on Journal of Economics, Business, and Accounting-Ventura, for their comments on this research article. A part of this article was accepted on "the 14th Asia Pacific Management Conference", November 18-20, 2009 hosted by Airlangga University, Surabaya.
## APPENDICES
### Appendix 1

### Coding Sheet

1. Title of program : 
2. Day : 
3. Date : 
4. Name of Broadcaster : 
5. Topic : 
6. Phone number : 
7. Format of program 
   - Interactive
   - Interview
   - Both
8. Broadcaster asks perception of informant about the companies implementing CSR during the earthquake recovery program in Bantul
   - Yes
   - No
9. Broadcaster is neutral in what informants say
   - Yes
   - No
10. Informant state that CSR has positive impact on community
    - Yes
    - No
11. Informant state that the companies implementing CSR also get benefit of good image
    - Yes
    - No
12. Informant state that CSR should be implemented in normal time (when disaster is absent) in accordance with communities’ need
    - Yes
    - No
13. Some informant state that CSR is implemented by companies without any pretensions.
    - Yes
    - No
14. Some informants state that CSR has pretension to introduce their products
    - Yes
    - No
15. Some informants state that CSR is a marketing strategy of companies
    - Yes
    - No
16. Some informants state that CSR is obligatory for companies
    - Yes
    - No
17. Some informants state that CSR has been regulated by the government
    - Yes
    - No

### Explanation for Coding Sheet

1. Title of program : *write the title of the program* 
2. Day : *write the day of the program* 
3. Date : *write the date of the program* 
4. Name of Broadcaster : *write the name of the broadcaster* 

97
5. Topic : write the topic of the program

6. Phone number : write the phone number to participate

7. Format of program : chose the program format

8. Broadcaster asks perception of informant about the companies implementing CSR during the earthquake recovery program in Bantul Perception: cognitive process in everybody on understanding information about environment either by seeing, listening, smelling, or comprehending.

9. Broadcaster is neutral in what informants say Neutral: impartial

10. Informants state that CSR has positive impact on community Clear enough

11. Informant state that the companies implementing CSR also get benefit of good image Clear enough

12. Informant state that CSR should be implemented in normal time (when disaster is absent) in accordance with communities’ need Clear enough

13. Some informant state that CSR is implemented by companies without any pretension Clear enough

14. Some informants state that CSR has pretension to introduce their products Clear enough

15. Some informant state that CSR is a marketing strategy of companies Clear enough

16. Some informants state that CSR is obligatory for companies Clear enough

17. Some informants state that CSR has been regulated by the government Clear enough
### Appendix 2

**Reliability Test on Phase 1**

<table>
<thead>
<tr>
<th>No</th>
<th>Coder-1</th>
<th>Coder-2</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>16</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

\[
R = \frac{2(C_{1,2})}{C_1 + C_2} = \frac{2(15)}{17 + 17} = 0.882
\]

### Appendix 3

**Validity and Reliability Test on Phase 2**
Validity and Reliability Re-Test on Phase 2

PLS Output