

Do Chinese Consumers Care About Corporate Social Responsibility?

Shu-Chuan Chu
DePaul University

Jhih-Syuan Lin
University of Georgia

Abstract

As cosmetic marketers actively embrace corporate social responsibility (CSR) and promote “ethical” or “green” products in their advertising campaigns, exploring how consumers perceive the role of CSR in the cosmetics industry is becoming increasingly imperative. This study explores how CSR is practiced and perceived in China, the largest female consumer market in the world. Consistent with Chinese cultural values of collectivism and harmony, the results suggest that the CSR of the cosmetics business is important in China. This study opens the door for further research by investigating an under-served region and industry. Theoretical and managerial implications for cosmetic advertising strategies are discussed.

Keyword: corporate social responsibility (CSR), advertising, culture, cosmetic industry, and China

Introduction

A growing body of research has been devoted to exploring corporate social responsibility (CSR) in the area of marketing and advertising (Brown and Dacin, 1997; Drumwright, 1996; Luo and Bhattacharya, 2009; Maignan and Ferrell, 2004; Murray and Vogel, 1997; Yoon, Gürhan-Canli, and Schwarz, 2006). Previous CSR studies have examined the motives and outcomes of CSR activities. For example, the literature has shown that CSR initiatives can help address consumers’ social concerns, increase customer satisfaction and loyalty (Luo and Bhattacharya, 2006), improve product evaluations (Brown and Dacin, 1997), and optimize corporate image (Yoon, Gürhan-Canli, and Schwarz, 2006). Nan and Heo (2007) also suggested that an advertisement with a socially responsible message leads to more favorable consumer attitudes toward the company than a similar advertisement without a socially responsible message. As such, CSR has been acknowledged as an imperative

strategic component to advertisers in developing and perpetuating positive relationships with consumers.

Most CSR studies to date have focused on the nature and business implications of CSR in Western countries (Gao, 2009; Ip, 2009). With the globalization of today's marketplace, as well as the economic development of Asia, increasing attention has been devoted to the growth of contemporary CSR in Asia (Cheung, Tan, Ahn, and Zhang, 2009; Ramasamy and Yeung, 2009; Tang and Li, 2009; Whiteman and Krug, 2008), although CSR practices in Asia cannot be simply understood as a response to Western interests. In fact, Asian forms of CSR are the reflection of the competition in international markets for both local and global businesses; rapid economic, cultural, and environmental changes within Asia; and its connections with local traditions and cultural values (Bendell and Ng, 2009). In particular, China, an emerging market with rapidly increasing advertising expenditures and consumer spending power, has attracted advertisers and marketers around the world (Ng, 2010). In 2010, China was predicted to become the fourth-largest global advertising market after the United States, Japan, and Germany (Ng, 2010). With the China's competitive marketing environment, leading advertisers such as Procter and Gamble, Unilever, and L'Oreal strive to find new ways to differentiate their brands. Advertising with CSR messages may become a tool that assists advertisers to stand out in the market, as previous studies suggest that advertisements incorporating CSR messages lead to increased positive brand attitudes (Nan and Heo, 2007). However, little is known about how consumers perceive CSR in China and the relationship between CSR-related factors and consumers' purchase intentions from a cultural perspective.

Culture is a fragmented, dynamic set of subjective values, beliefs, and attitudes that individuals share and experience within a given societal group and situation (Hong, Morris, Chiu, and Benet-Martinez, 2000; Tung, 1996). It has been identified as one of the most critical elements in marketers' ethical perceptions and judgments (Singhapakdi, Vitell, and Leelakulthanit, 1994) and may affect consumer perceptions and responses toward CSR. Some researchers have studied CSR communication through the lens of culture (Birth, Illia, Lurati, and Zamparini, 2008; Maignan, 2001; Ramasamy and Yeung, 2009). Maignan and Ralston (2002), for instance, suggest that businesses from different cultural backgrounds place different weights on being perceived as socially responsible and convey social responsibility images via diverse techniques. More recently, Ip (2009) and Gao (2009) concluded that culture values (e.g., Confucianism) serve as the underlying ethical norms for CSR communication adopted by businesses in China. On the other hand, Nelson, Brunel, Supphellen, and Manchanda (2006) highlighted that cultural values also impact consumer responses to advertising with CSR themes (i.e., charity advertising). Specifically, Nelson and associates (2006) investigated the effects of charity advertising on perceptions of moral obligation to help others in masculine and feminine cultures. The results showed that in masculine cultures men preferred advertising appeals that focused on egoistic motives and women preferred altruistic advertisements whereas the opposite was the case in feminine cultures. Considering this, we propose that consumers' CSR perceptions may be influenced by the societal milieu in which consumers are surrounded by and reflect the dominant cultural values to which they belong.

Given previous researchers' suggestions that consumers' impressions of a firm's CSR influences their purchasing decisions (Creyer and Ross, 1997), examining how consumers perceive CSR activities has become increasingly imperative. With growing attention being devoted to discovering CSR practices in Asia, especially in China, the current study acts to explore how Chinese consumers perceive the role of CSR in the cosmetics industry. As a thriving cosmetic market with the largest number of female consumers in the world (Barnes, Siu, Yu, and Chan, 2009), China is considered to be of significant enough interest to warrant such research. The objective of this study, therefore, is two-fold. First, it examines how Chinese consumers perceive the importance of CSR behavior, what they expect about CSR, their attitudes toward CSR, and their purchase intentions (willingness to reward or punish). A second goal of this study is to identify potential CSR-related predictors of Chinese consumers' intentions to purchase cosmetics. Through an investigation of CSR practices in the Chinese cosmetics industry, this study will bridge the literature gap by responding to calls for expansion of the scope of international advertising research to understudied topics and regions (Taylor, 2005). The findings of this study will help both global and Chinese domestic cosmetics marketers integrate elements of cultural values into CSR activities and provide insightful implications into cosmetics advertising strategies that incorporate CSR themes.

Background Information

CSR and CSR in Advertising

CSR is defined as “a set of generally accepted relationships, obligations and duties” (Steiner, 1972, p. 18) between a corporation and its stakeholders that is expected to guide business behavior and to assume its social roles improve society's well-being (Grunig, 2000). It is also referred to as a corporate citizenship function (Maignan and Ferrell, 2000) in which a corporation is obliged to “pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953, p. 6). Regarding the proliferation of CSR studies, researchers have characterized the existing CSR literature into two approaches: the economic model and the ethical model (Matten, Crane, and Chapple, 2003, p. 111). The economic model focuses on a company's mission of making profits and attributes its CSR initiatives to economic rationales (Duhé, 2009), while the ethical model highlights a company's responsibilities toward the society (Tang and Li, 2009). In addition, previous literature has evidenced that CSR-related marketing communications offer companies an opportunity to shape their organizational images and brand beliefs (e.g., Dawkins, 2004; McWilliams, Siegel, and Wright, 2006).

Within this mechanism, advertising is an influential component of CSR communication due to its role in conveying corporate values to consumers (Werther and Chandler, 2006). Advertising helps promote the awareness of consumers toward corporate CSR activities (McWilliams and Siegel, 2001). CSR messages that constitute advertising can take forms of persuasive or informative CSR advertising; the former aims to positively influence consumer tastes for products with CSR characteristics, while the latter merely promotes information about CSR attributes or

practices (McWilliams, Siegel, and Wright, 2006). A high level of CSR advertising can be regarded as a signal of product or company quality (Milgrom and Roberts, 1986). With this in mind, companies are linking increasingly their ecological and/or social commitment with advertising campaigns (Mogeles and Tropp, 2010).

CSR in China

CSR has been introduced to China in recent years in line with corporate global reach and the resulting external and internal changes in the Chinese market (Moon and Shen, 2010; Zu and Song, 2009). Therefore, CSR in China is best understood as continuous negotiation between business practices and local, social, cultural, and economic contexts (Stohl, Stohl, and Popova, 2007; Tang and Li, 2009). In See's (2009, p. 4) framework, the level of CSR in China is determined by (a) *environmental constraints*, including social, economic, and institutional drivers of CSR, and (b) firm-specific *discretionary responses*, such as strategic, personal, and reactive drivers that illuminate why individual corporations respond to the same public pressures with different levels of CSR communication.

Additionally, Zu and Song (2008) conducted a Chinese enterprise survey and concluded that a company's economic features still play important roles in determining Chinese managers' CSR orientations; managers' views of CSR could be seen as economic incentives. Through Tang and Li's (2009) examination of the websites of leading Chinese businesses and global businesses operating in China, *CSR as ad hoc philanthropy*, *CSR as strategic philanthropy*, and *CSR as ethical business practice* have emerged as three major approaches to CSR in the Chinese context. Xu and Yang (2010) further suggest that CSR in China is closely related to its social and cultural background, and they identified China's three unique CSR dimensions: good faith (complying with business ethics), employment (increasing job opportunities), and social stability and progress (ensuring social stability and harmony). Despite how existing studies on CSR in China have investigated the elements that influence how companies define and practice CSR, there is still little literature devoted to the understanding of Chinese consumers as important stakeholders in the context of CSR.

The Cosmetics Industry and Cosmetics Advertising in China

With the trends of globalization and rising ethical consumerism, CSR initiatives have gained popularity across industries (Tang and Li, 2009). In particular, the cosmetics industry seems to enhance global performance and create a positive image by engaging in CSR initiatives (e.g., green/ethical products, "cruelty-free," natural ingredients, and charitable causes). The cosmetics industry has taken the socially conscious consumer's attitudes toward animal testing, the use of synthetic chemicals, and other ethical, social, and environmental concerns into account, and has further developed their product portfolios accordingly. A growing number of multinational cosmetics brands have differentiated their products on the basis of being natural or eco-friendly since consumers now consider "the ethical, social and environmental consequences" of their purchasing behaviors (IBIS World Industry Report, 2009, p. 12). Specifically in the Chinese market, cosmetic products made of natural extracts

are predicted to experience sizeable growth and will be in great demand among consumers (CNCIC, 2005). After several publicized scandals of cosmetic brands in China (e.g., Procter and Gamble's SK-II cosmetics have been announced by Chinese authorities to contain toxic chemicals), Chinese consumers have been more concerned about healthy, safe, and effective cosmetics than ever before (Whiteman and Krug, 2008). The prestige of natural and organic product categories is identified as potential segments for future growth in the Chinese cosmetics market.

Moreover, China, as the second largest cosmetics market in Asia after Japan (Li and Fung Research Centre, 2009), has become a goldmine for cosmetics enterprises around the world (IBIS World Industry Report, 2009). In 2009, cosmetics sales grew at 16.9 % to reach Renminbi (RMB) 74.0 billion in China (Pitman, 2010). This underlines Chinese consumers' continued demands for cosmetic products. A series of ongoing national construction projects and the improved socio-economic status of Chinese women have contributed to the rapid growth of the cosmetics market (Li and Fung Research Centre, 2009).

The cosmetics advertising expenditure in Chinese market remains in the lead of the top five industries in 2009 (CTR Market Research, 2010). TV, newspapers and magazines are important advertising vehicles to communicate brand benefits to cosmetics consumers (Li and Fung Research Centre, 2009). As a powerful instrument for promoting lifestyles and for associating products with particular lifestyles, advertising of cosmetics usually portrays high values of beauty, fashion status, and physical attractiveness in messages to encourage emulation (Hopkins, 2007). Therefore, advertisements featuring attractive models are effective in influencing cosmetics consumers' desire for advertised products (Barnes et al., 2009). Barnes and associates (2009) suggested that magazines have a longer-lasting effect than TV for cosmetics advertising in China because they provide detailed product attributes with a sense of authority. Advertising on TV for cosmetics brands is more useful for increasing consumer awareness, while newspapers are relatively flexible in terms of advertisement formats and can provide cosmetics brands with the opportunity to emphasize some product information at a lower rate.

As Chinese consumers are concerned about social and environmental effects of the businesses and are passionate about cosmetics products with natural, healthy ingredients, cosmetics brands' CSR practices and advertising that imbues CSR themes have become more prevalent than ever before. To shed light on the importance of how consumers perceive and respond to the evolving CSR approaches in relation to social and cultural factors, a discussion of consumer-based CSR will be presented in the next section for further conceptualization.

Conceptual Framework and Hypotheses

Consumer Perceptions of CSR

There has been a stream of CSR research developed to understand consumers' perspectives over the past two decades (e.g., Maignan and Ferrell, 2004; Murray and Vogel, 1997; Nan and Heo, 2007; Sen and Bhattacharya, 2001). Prior literature has

examined consumers' general responses to CSR and has determined the importance consumers place on the social responsibility of companies (Maignan, 2001). In Creyer and Ross' (1997) study, for example, they found a positive relationship between consumers' expectations regarding the ethicality of company behavior and consumer purchase intentions for a company's product. Along the same vein, Brown and Dacin (1997) elaborated that consumers with negative impressions of a company's social responsibility tended to evaluate its products more negatively, whereas consumers who maintained a positive image of a company's social behaviors were likely to have positive product evaluations. Mohr, Webb, and Harris (2001) further demonstrated that the relationship between consumers' beliefs and behaviors about CSR are stronger when consumers possess more knowledge about CSR issues and when they consider these issues to be important. In sum, growing studies have evidenced the positive effects of CSR on consumers' attitudes toward socially responsible businesses and product evaluations (Creyer and Ross, 1997; Maignan and Ferrell, 2004; Sen and Bhattacharya, 2001).

As more and more cosmetics companies have adopted socially responsible initiatives, it seems to be important to illuminate whether consumers' purchase intentions are influenced by a company's CSR activities. Also, research on consumers' attitudes toward CSR advertising, the brand, and the company that engages in socially responsible behaviors needs to be conducted. Although existing literature has studied the effects of CSR on consumers' purchase preferences, there is a dearth of empirical knowledge regarding the nature and importance of CSR for consumers in the context of culture (Maignan and Ferrell, 2003; Ramasamy and Yeung, 2009). Hence, this study undertakes the preliminary step of exploring Chinese consumers' perceptions of CSR in relation to the dominant values of Chinese culture in the context of the cosmetics industry.

CSR and Cultural Values in China

Among different types of cultural dimensions, individualism and collectivism (Hofstede, 1980) have been widely applied to determine consumer behavior across countries (Aaker and Maheswaran, 1997; Han and Shavitt, 1994). Individuals in individualistic cultures consider themselves to be autonomous, while individuals in collectivistic cultures view themselves in relation to others (Triandis, 1995). Individualists have a tendency toward independence, competition, self-interest, and goal achievement. In contrast, collectivists are likely to emphasize interdependence and value harmony, in-group memberships, and social norms (Markus and Kitayama, 1991; Triandis, 1995). Based on Hofstede's (1980) classification, China represents a highly collectivistic culture. With a Confucian background, keeping balance and maintaining harmonious relationships is accentuated above all else and is respected in China (Hermans and Kempen, 1998; Kim and Markus, 1999). As a result, harmony is found to be a value that is embraced by Chinese culture and has been employed in studying CSR in the Chinese market (Wang and Juslin, 2009).

Given that cultural values play a significant role in shaping consumers' attitudes, perceptions, and behaviors, the expectation and importance of CSR and consumers' responses to CSR activities may depend on the prevalent cultural orientation in a country (Katz, Swanson, and Nelson, 2001; Maignan, 2001). Ramasamy and Yeung

(2009) found that Chinese consumers with a collectivistic cultural orientation are supportive of CSR. Using survey data from two cities in China, the authors compared their results to those of similar studies conducted in U.S. and European cultures and concluded that Chinese consumers might be willing to pay more for a product from a firm that has engaged in ethical behavior. Confucian philosophy in China focuses on benevolence, philanthropy, and humaneness (Warner and Zhu, 2002); thus, Chinese consumers may consider society's wellbeing in their purchase decisions. Alongside this vision, honesty, unity, fraternity, and professional ethics have been widely promoted in the Chinese society (Kahn, 2006) and may influence consumers' views of CSR.

In line with the discussion of cultural values in China, today's Chinese cosmetics consumers are more health-conscious and are more aware of the side effects that synthetic products may have. Evidence from the brand crisis of SK-II cosmetics in China back in September 2006 (Tai, 2008) demonstrated that Chinese consumers are activists and tend to take action against cosmetics brands that are socially irresponsible. Hence, it is logical to believe that Chinese cosmetic consumers might support or reward companies that engage in socially responsible behavior by paying more for their products. At the same time, they are likely to punish bad behaviors of corporations by paying less or refusing to buy cosmetics produced by firms that are not socially responsible. Accordingly, hypotheses 1 and 2 are advanced as follows:

H1: Chinese consumers will be willing to reward cosmetic companies for socially responsible behavior by paying more for their products.

H2: Chinese consumers will be willing to punish cosmetic companies for socially irresponsible behavior by refusing or paying less for their products.

In addition, consumers' general perceptions regarding the importance of CSR and their expectations about CSR play a determining role in the investigation of CSR from a cultural perspective. According to Carroll (2004), expectations are beliefs about what a firm should do under the banner of economics, law, ethics, and philanthropy. Consumers' expectations toward the ethicality of corporate behavior and the importance they attribute to such behavior are significant predictors of purchase decisions (e.g., willingness to reward and willingness to punish); expectations exert a powerful influence upon a variety of consumer responses to marketing including level of satisfaction or dissatisfaction, product evaluations, and perceptions of ethical corporate behavior (Creyer and Ross, 1997). Similarly, whether or not consumers believe that ethicality of a firm's behavior is a critical issue plays a crucial role in many aspects of CSR. Perceived importance refers to the extent to which consumers believe CSR behavior is significant for a company as a corporate citizen (Shafer, Fukukawa, and Lee, 2007). Therefore, perceived importance of CSR is likely to be a reference point for consumers' evaluation decisions and plays an imperative role in many aspects of CSR. Along these lines, this study extends Creyer and Ross' (1997) research and considers cultural values as an important dimension in consumers' perceptions of CSR.

In support of the current conceptualization, Maignan (2001) conducted a cross-national study in France, Germany, and the United States, providing preliminary insight into consumers' responses toward CSR using the cultural dimension of

individualism versus collectivism (Hofstede, 1980; 1983). Empirical evidence suggests that consumers in France and Germany are more collectivistic and less individualistic than those in the United States (Hofstede, 1980). Accordingly, Maignan (2001) found that consumers in France and Germany tended to consider social impacts of businesses in their decisions-making process and thereby viewed CSR as one of the determining elements of purchasing decisions. Furthermore, French and German consumers were more concerned about the legal and ethical aspects of CSR than American consumers. That is, consumers in collectivistic societies may pay more attention to the social impact of business behavior than consumers from individualistic cultures (Maignan, 2001). Later empirical investigations have further supported these findings of consumers' readiness to actively support socially responsible businesses in countries that are identified as collectivistic (Maignan and Ferrell, 2003; Ramasamy and Yeung, 2009).

Reflecting the Chinese cultural values of collectivism, the Chinese society emphasizes the cultivation of virtue and morality and has realized that CSR is significant for building a harmonious society, the core of Confucianism's harmony notion (Wang and Juslin, 2009). Along these lines, it is suspected that Chinese cosmetics consumers, with collectivistic cultural values and a growing social consciousness, may consider CSR as important and expect CSR behaviors among cosmetic companies. Chinese consumers might be especially pleased to see cosmetics companies that follow sustainable or ethical guidelines that focus on the social and environmental effectiveness of their business. Thus, the following hypotheses are proposed:

H3: Chinese consumers perceive cosmetic companies' socially responsible behavior as important.

H4: Chinese consumers expect cosmetic companies to be socially responsible.

Consumers' attitudes toward CSR in general may serve as another important predictor of their decisions to support socially responsible businesses and punish irresponsible ones. Considerable research has indicated that personal values and attitudes toward CSR are likely to have strong influences on CSR decision-making by managers (Vitell and Paolillo, 2004). Hemingway and MacLagan (2004), for example, argued that the formal adoption of CSR is related to individuals' values in a given institutional context. Similarly, Vitell and Paolillo (2004) contend that decision-makers' attitudes concerning CSR and their perceived importance of CSR is indeed influenced by the individual decision-maker's personal characteristics (e.g., ethical values). From a consumer's perspective, consumers must first have a positive attitude toward the marketers' CSR initiatives before they decide to reward or to punish a business. In particular, advertising has been widely used as a business component to communicate CSR messages in recent years (Birth, et al. 2008; Drumwright, 1996; Nan and Heo, 2007). For example, corporate image advertising has become a promising tool for effectively informing consumers about the firm's identity based on CSR achievements (Pomering and Johnson, 2009). In spite of its controversial effectiveness (Drumwright, 1996), consumers' generally favorable responses to advertising with CSR themes are likely lead to positive brand attitude and company evaluations, which thereby influences their purchase behaviors.

In the cosmetics industry, advertising plays an essential role in business marketing strategies, with key players in the industry actively embracing CSR and promoting “ethical” or “green” causes in their advertising campaigns (IBIS World Industry Report, 2009). Chinese consumers, who come from a collectivistic society, consider themselves part of a group in a social context, and they value group interests as well as respect for tradition (Schwartz, 1994). Given the traditional cultural values of philanthropy and doing good (Gao, 2009), Chinese cosmetics consumers are likely to be receptive towards CSR promoted by cosmetics brands. As a result, attitudes toward cosmetic advertising with CSR information, attitudes toward cosmetic brands from socially responsible companies, and attitudes toward socially responsible cosmetics companies are expected to be favorable among Chinese consumers.

Consistent with the ongoing discussion, consumers in China may value the CSR initiatives undertaken by cosmetics marketers and maintain favorable attitudes toward cosmetics advertising, brands, and companies that incorporate CSR elements. Equally important is an understanding of how CSR initiatives influence consumers’ purchase patterns, willingness to reward and willingness to punish, in China. By examining how perceived importance, expectations, and attitudes toward CSR affect purchase intentions in the Chinese cosmetics market, the results could provide useful guidance for further academic efforts and for the efficient development and management of CSR initiatives in the thriving market. As a result, the next hypothesis and research question are presented:

H5: Chinese consumers have a favorable attitude towards (a) cosmetics advertising with CSR, (b) cosmetics brands with CSR, and (c) cosmetics companies with CSR.

RQ: What are the potential factors influencing Chinese cosmetics consumers’ (1) willingness to reward and (2) willingness to punish?

Method

Data Collection and Procedure

The purpose of this study is to obtain exploratory insights into Chinese cosmetic consumers’ perceptions, attitudes, and behaviors towards CSR. An online questionnaire was developed to examine the proposed hypotheses and research question. A pre-test was conducted with a small sample of female Chinese respondents within the targeted age range to ensure the clarity of the survey questions. The questionnaire was originally developed in English and translated into Chinese through a rigorous translation procedure by two bilingual graduate students. To ensure equivalence in translation, the questionnaires were translated and back translated. All discrepancies were taken into account and amendments were made accordingly to ensure contextual clarity.

Data were collected with a sample of females between the ages of 18 and 50 since they are the primary consumers of the cosmetics industry in China (IBIS World Industry Report, 2009). Using a snowball sampling procedure (Barnes, Kitchen,

Spickett-Jones, and Yu, 2004), an invitation email with a survey link was first sent to the researchers' network. The email receivers were informed that participation in this study was voluntary and efforts were made to safeguard their identity. They were then asked to forward this email to other potential participants to fill out the questionnaire. The quality of the information gathered through this method has been shown as similar to the traditional survey method (Coderre and Mathieu, 2004). Of one hundred and eighty-one surveys that were completed, 162 usable responses were employed in the data analysis after eliminating incomplete responses. Given the exploratory nature of the present research, this sample size was judged to be sufficient (Barnes et al., 2004; 2009).

Of 162 respondents, more than half (57%) of the respondents were from Yantai, one of the major cities in the Shandong Province, followed by Beijing (12%), Shanghai (6%), and Nanjing (6%). The majority (66%) of the respondents was between 18 and 25 years old, and 34 percent were older than 26 years of age. In terms of marriage status, 81.5 percent of the respondents were single and 17.9 percent were married. With regard to education level, more than half (57.4%) of the respondents were college graduates, followed by some college education (19.8%), graduate school education (13.0%), and high school and under (9.9%). The ethnic make-up of the sample was 100% Chinese. Sample demographic information is presented in Table 1.

Table 1: Sample Demographic Characteristics

Characteristic	N	%
Age	18-25	107
	26-30	49
	31-35	4
	36-40	1
	41-45	1
	46-50	0
Marriage	Single	132
	Married	29
	Divorced	0
	Other	1
Education	High School and Under	16
	Some College	32
	College Graduate	93
	Graduate School	21
Income (RMB)	Under 2000	57
	2001-4000	75
	4001-6000	16
	6001-8000	5
	8001-10000	5
	10001 and more	4

Measures

All measurement items were adopted from previous research and were modified based on the current research objectives. At the beginning of the questionnaire, the operationalized definition of CSR was presented with examples. More specifically, cosmetic companies' CSR behavior was operationalized as any domestic or international cosmetic companies promoting "ethical" or "green" products and/or incorporating socially responsible messages and charitable causes (e.g., cruelty-free and donation) in their advertising and marketing campaigns. Next, respondents were asked to complete four sections of the online questionnaire. The first section of the survey comprised two established scales to measure consumers' purchase intentions including willingness to reward and willingness to punish. Willingness to reward was examined using a six-item scale, which was adopted from Creyer and Ross's (1977) and Ramasamy and Yeung's (2009) prior research. Willingness to punish was measured by adapting Creyer and Ross's (1977) five-item scale. The scale gauged consumers' willingness to punish an irresponsible cosmetic company via purchasing behavior.

The second section comprised an eight-item scale to measure consumers' perceptions about the importance of CSR behavior and a seven-item scale to measure their expectations about CSR behavior toward cosmetic companies. Both scales were adapted from Creyer and Ross's (1977) research on the influence of CSR on purchase intention. In the third section, consumers' general attitudes toward (a) cosmetics advertising with socially responsible messages, (b) cosmetics brands from a socially responsible company, and (c) socially responsible companies were measured. Each of the scales was measured using three items borrowed from Nan and Heo's (2007) study. Items in the first and second sections were measured on a seven-point Likert scale, with 1 representing "strongly disagree" and seven representing "strongly agree." Attitudinal items in the third section were measured on a seven-point semantic-differential scale.

In the last section, a series of demographic items were used to explore respondents' characteristics. More specifically, demographic variables including gender, age, marriage, education, and income were collected. A reliability check was conducted for applicable scales. The reliability Cronbach's alpha scores are presented in Table 2. As shown, most of the scales exhibited an acceptable reliability.

Results

To explore how Chinese consumers respond to CSR, an index for each construct was obtained by averaging items measuring the same construct. Following Creyer and Ross's (1977) procedure, one sample t-tests were used to determine whether the mean of each construct is significantly greater than four, the midpoint of the seven point measures. Further, regression analysis was conducted to identify predictors affecting consumers' purchase intentions towards cosmetics, including willingness to reward and punish, in China.

Willingness to Reward and Punish (H1 and H2)

The first two hypotheses focused on consumers' tendencies to reward cosmetic companies with CSR and to punish companies that are socially irresponsible. One sample t-test was computed to examine consumers' willingness to reward. As shown in Table 2, Chinese participants reported considering rewarding companies that were socially responsible by paying more for their products ($M = 4.70$ $SD = 1.05$) ($t(1,163) = 8.46, p < .001$), and thus, H1 was supported. To examine consumers' decisions to punish cosmetic companies that engage in irresponsible behavior, another one sample t-test was performed. The results suggested that Chinese respondents were likely to punish companies that are socially irresponsible by refusing to buy or paying less for their products ($M = 4.93$; $SD = 1.03$) ($t(1,163) = 11.49, p < .001$). This result lends support to H2.

Perceived Importance and Expectations about CSR Behavior (H3 and H4)

The third hypothesis suggested that Chinese consumers perceived that cosmetics companies with CSR behavior were important concerns. Another one sample t-test comparing the mean score and the midpoint was conducted. The results in Table 2 suggested that Chinese respondents placed importance of cosmetics companies that were socially responsible ($M = 4.70$; $SD = 1.01$) ($t(1,163) = 8.86, p < .001$), thereby confirming H3. The fourth hypothesis further posited that which Chinese consumers expected about cosmetic companies with CSR behavior. The results were also tested through a one sample t-test. As predicted, Chinese respondents showed expectations about cosmetic companies that were socially responsible ($M = 5.31$; $SD = 0.94$) ($t(1,163) = 17.95, p < .001$). These results supported H4.

Attitudes toward CSR (H5)

The last hypothesis predicted that Chinese consumers have favorable attitudes toward (a) cosmetics advertising with socially responsible messages, (b) cosmetics brands from a firm that is socially responsible, and (c) cosmetics companies that are socially responsible. To test this hypothesis, a series of one sample t-tests were conducted to examine cosmetic consumers' attitudes toward CSR in general. The results indicated that Chinese respondents had favorable attitudes toward cosmetics advertising with CSR components ($M = 5.67$; $SD = 1.10$) ($t(1,163) = 19.42, p < .001$), cosmetics brands from a socially responsible company ($M = 5.71$; $SD = 1.11$) ($t(1,163) = 19.81, p < .001$) and cosmetic companies with CSR ($M = 5.76$; $SD = 1.10$) ($t(1,163) = 20.50, p < .001$). These results were consistent with the hypothesis. H5a, H5b and H5c, therefore, were supported. Specific measurement items and a summary of the hypothesis tests are provided in Table 2.

Table 2: Descriptive Results and Reliability

	<i>M</i>	<i>S.D.</i>	<i>r^e</i>
Willingness to reward ($\alpha = .81$)	4.70	1.05	8.46
I would go several miles out of my way to buy a cosmetic product from a firm that I knew to be extremely socially responsible	4.37	1.70	
I would pay considerably more money for a cosmetic product from a firm that I knew to be extremely socially responsible	4.18	1.61	
Cosmetic firms who are extra socially responsible should do well in the marketplace	5.22	1.23	
Cosmetic firms who are socially responsible should be allowed to earn greater profits than firms normally do	5.07	1.32	
Given a choice between two cosmetic firms, one socially responsible and the other not especially so, I would always choose to buy from the socially responsible firm	5.06	1.36	
I would pay more to buy cosmetic products from companies that show care for the well-being of our society.	4.28	1.54	
Willingness to punish ($\alpha = .69$)	4.93	1.03	11.49
I would go several miles out of my way not to buy a cosmetic product from a firm that I knew to be extremely socially irresponsible	5.09	1.59	
I would pay considerably less money for a cosmetic product from a firm that I knew to be extremely socially irresponsible	4.49	1.71	
Cosmetic firms which are socially irresponsible should do poorly in the marketplace	5.03	1.51	
Cosmetic firms which are socially irresponsible should not be allowed to earn greater profits than firms normally do	4.96	1.51	
Given a choice between two cosmetic firms, one socially irresponsible and the other not especially so, I would never choose to buy from the socially irresponsible firm	5.07	1.45	
Perceived importance of CSR behavior ($\alpha = .87$)	4.70	1.01	8.86
It really bothers me to find out that a cosmetic firm that I buy from has acted social irresponsibly	4.58	1.52	
I really care whether the cosmetic companies whose products I buy have a reputation for socially responsible behavior	4.76	1.43	
Whether a cosmetic firm is socially responsible is not important to me in making my decision what to buy (R)	4.37	1.46	
I really care whether the cosmetic companies whose products I buy have a reputation for socially irresponsible behavior	4.70	1.38	
It is important to me that the cosmetic firms I deal with do not have a reputation for socially irresponsible behavior	4.73	1.35	
It really pleases me to find out that a cosmetic firm I buy from has acted social responsibly	5.21	1.38	
Whether a cosmetic firm is socially irresponsible is not important to me in making my decision what to buy (R)	4.49	1.48	
It is more important to me that the cosmetic firms I deal with have a socially responsible reputation	4.78	1.30	
Expectation about CSR behavior ($\alpha = .76$)	5.31	0.94	17.95
Cosmetic firms really should be socially responsible in all of their dealings in the marketplace	5.89	1.24	
I expect the cosmetic firms that I deal with to act social responsibly at all times.	5.58	1.24	
All cosmetic firms will be socially irresponsible sometimes; it is normal (R)	4.71	1.67	
It is no big deal if cosmetic firms are sometimes socially irresponsible (R)	5.16	1.61	
Cosmetic firms have a responsibility not to ever act socially irresponsible	5.71	1.26	
All cosmetic firms will not uphold the highest socially responsible standards sometimes; nobody is perfect (R)	4.27	1.84	
Cosmetic firms have a responsibility to always act with the highest of socially responsible standards	5.87	1.17	
Attitude toward advertising/brand/company with CSR			
Overall, I consider cosmetic advertising with socially responsible messages is dislike/like, unfavorable/favorable, negative/positive ($\alpha = .83$)	5.67	1.10	19.42
Overall, I consider cosmetic brands from a firm that is socially responsible are dislike/like, unfavorable/favorable, negative/positive ($\alpha = .90$)	5.71	1.11	19.81
Overall, I consider cosmetic firms that are socially responsible are dislike/like, unfavorable/favorable, negative/positive ($\alpha = .91$)	5.76	1.10	20.50

^a*t*-statistical tests whether the mean of the scale is significantly different from the midpoint of the scale; all are statistically significant at the $p < 0.001$ level

The Impact of CSR on Purchase Intention (RQ)

Finally, the potential factors that affect Chinese consumers' purchase intentions were examined. Multiple regression analyses were performed to answer the research question. Specifically, willingness to reward and willingness to punish were regressed on importance of CSR behavior, expectation about CSR behavior, and three CSR attitude-related scales.

The regression model for willingness to reward was significant ($(R^2_{adj} = .41)$, $F(5, 158) = 23.91$, $p < .001$), with importance of CSR behavior ($\beta = .58$, $t = 8.16$, $p < .001$) significantly related to Chinese consumers' willingness to reward cosmetic companies that were socially responsible. In terms of willingness to punish, the regression model also appeared to be significant ($(R^2_{adj} = .16)$, $F(5, 158) = 7.34$, $p < .001$). Perceived importance of CSR behavior was significant ($\beta = .38$, $t = 4.43$, $p < .001$). Similarly, Chinese consumers' reported willingness to punish cosmetic companies that are socially irresponsible was influenced by the importance placed on responsible corporate behavior. Table 3 summarizes the regression results.

Table 3: Regression Results of the Impact of CSR on Purchase Intention

Independent Variables	β	<i>T</i> -statistic	R^2_{adj}	<i>F</i>
Willingness to reward			.41	23.91***
Importance of CSR behavior	.58***	8.16		
Expectation about CSR behavior	.04	.51		
Attitude toward advertising with CSR	-.05	-.64		
Attitude toward brands with CSR	.06	.51		
Attitude toward companies with CSR	.10	.87		
Willingness to punish			.16	7.34***
Importance of CSR behavior	.38***	4.43		
Expectation about CSR behavior	-.02	-.30		
Attitude toward advertising with CSR	-.11	-1.19		
Attitude toward brands with CSR	.25	1.65		
Attitude toward companies with CSR	-.07	-.45		

***Significant at the $p < 0.001$ level

Discussion and Conclusion

According to Bendell and Ng (2009), factors such as environmental pollution, health concerns, and the growing well-educated and empowered middleclass have motivated a new wave of CSR in Asia. While the research of CSR has developed extensively in Western countries over several decades, there has been very limited knowledge on consumers' CSR perceptions in Asian collectivistic societies, particularly in China, the most populous country in the world. This study contributes to the literature by

empirically investigating consumers' perceptions of CSR and the influences of their perceptions on purchase decisions in China. This study fills the gap in the literature on CSR by examining cosmetics consumers' perceptions of CSR initiatives in the unique cultural context of China.

Overall the key findings suggest that Chinese consumers believe CSR is an important issue among cosmetics marketers. Chinese consumers with a collectivistic cultural orientation define the self in the context of fundamental relationships within a larger social system (Triandis, 1989) and are concerned with environmental and social issues (Chung, Eichenseher, and Taniguchi, 2007). Influenced by such collectivistic values and Confucian traditions of philanthropy and harmony, Chinese consumers seem to be receptive toward CSR practices. They are likely to signal their approval of such behavior by paying higher prices for a company's products or purchasing repeatedly. On the other hand, cosmetics consumers in China are willing to punish a firm that has engaged in socially irresponsible behavior by paying less for its products or engaging in negative word-of-mouth about the company. These findings are in line with the increasing brand awareness among Chinese cosmetics consumers (CNCIC, 2005). With surging purchase power and increasing product knowledge, Chinese consumers have become more sophisticated and brand conscious. Positive brand images have become important factors for value-oriented consumers. Thus, Chinese consumers are willing to pay more to cosmetics companies with socially responsible reputations and will punish companies that have negative brand images.

Moreover, this study found that Chinese consumers perceived CSR as important and showed expectations of CSR in the cosmetics industry. As discussed earlier, consumers' willingness to reward responsible behavior or punish irresponsible behavior is influenced by both expectations and the perceived importance of CSR behavior of a firm (Creyer and Ross, 1997). Since Chinese cosmetics consumers tend to regulate corporate behavior by rewarding or punishing, these findings seem plausible. From a cultural perspective, individuals in collectivistic cultures are other-directed and concerned with their social roles (Hampden-Turner and Trompenaars, 2000). While some perceive that engaging in CSR is a way to promote social harmony in Asia, others consider CSR to be merely a desire for conformity (Bendell and Ng, 2009). Both beliefs in harmony and conformity are manifestations of a collectivistic culture that focuses on social relations with others. Accordingly, the social and cultural characteristics of China may be closely related to their expectations about the CSR of cosmetics companies.

This study further provides valuable insights into the important role of attitude toward CSR in general. Specifically, Chinese consumers exhibited positive attitudes toward cosmetics advertising that communicates CSR themes. Chinese consumers also revealed favorable attitudes toward brands and companies that incorporate CSR initiatives into their advertising strategies. This finding should be considered encouraging to cosmetic companies' ongoing CSR advertising campaigns and to those considering initiating this type of marketing communication in the Chinese market. The ability of CSR-related advertising to elicit more favorable attitudes toward companies among Chinese consumers will potentially help enhance brand likability. Of note is that the cosmetics industry is ranked on the top in advertising spending in China (CNCIC, 2005). As Chinese consumers tend to be positive and

optimistic about advertising's social and economic impacts (Pollay, Tse, and Wang, 1990), cosmetics advertisements have a strong influence on Chinese consumers' brand choices and preferences. It is expected that the global trends towards CSR among cosmetics advertising will continue to gather attention along with the growth of socially conscious, middle-class consumers in China. Taken together, the collectivistic nature of Chinese culture seems to be reflected in Chinese consumers' perceptions of CSR.

Finally, the multiple regression results indicate that perceived importance of CSR is the only significant predictor of willingness to reward and willingness to punish in China. One possible explanation for this may be that consumers must consider CSR as an important practice before their consumption preferences are influenced by socially responsible or irresponsible corporate actions. As discussed earlier, the extent to which consumers believe ethicality of a firm's behavior is significant has an impact on their purchase decisions. Consistent with previous studies (e.g., Maignan, 2001), consumers from collectivistic cultures tend to take social impacts of businesses into account in their decision-making processes, and the importance they attribute to CSR behavior is a significant determinant of purchase decisions. Because collectivistic cultural values focus on the cultivation of virtue and morality, Chinese consumers may consider CSR as important for building a society that is harmonious and benevolent.

While expectations and attitudes are not significantly related to consumers' purchase intentions, overall, findings from this study provide significant theoretical and practical implications for CSR activities in China. Theoretically, this study supports the hypothesis that perceived importance of CSR plays an important role in Chinese consumers' purchase intention. Further, the present study highlights the crucial role of cultural values in shaping consumers' perceptions of CSR. From a practical perspective, this study offers valuable managerial insights into advertising strategies in China.

Limitations and Future Research

This study is not without its limitations. While the cosmetics industry in China presents a huge market potential, this study only focused on the female population of one industry; thus the results may not be generalizable to other product categories and male consumers. Relatedly, more than half of the respondents were from Shandong, which may also limit the generalizability of the results. Nevertheless, Shandong, located in the eastern coastal region, is one of the wealthiest provinces in China, with an annual cosmetics sales growth of 24.2% (CNCIC, 2005). Thus, the sample was deemed adequate for the present study given that this study was exploratory in nature. It is also important to note that, in the current sample, the ages of the respondents were skewed towards a younger generation (i.e., respondents of 18-to 30-year-old accounted for about 96% of the sample). Considering that females between the ages of 18 and 50 are the primary cosmetics users in China (IBIS World Industry Report, 2009), as well as fragmented market segments in the Chinese market, recruiting a balanced sample of cosmetics users from different age groups would add power to the current findings. As the cosmetics industry seeks to expand their customer base by encouraging male demographics to increase their cosmetics usage,

it would be interesting to replicate the current research design to study how consumers of both genders perceive cosmetics companies' CSR communication. Taken collectively, a probability and more representative sample could be used in future research.

Since the Chinese cosmetics market has been identified as a key growth driver, where the rising living standards have translated into a stronger demand for cosmetic products, the Chinese market represents a potential mechanism for investigating advertisers' CSR attempts when paired with more mature and developed markets such as those in the United States and Japan. Future research might explore cross-cultural similarities and differences in CSR practices across borders. Specifically, additional research should include measurement of cultural orientations to actually examine the effects of cultural values on behaviors or attitudes toward CSR. As Gao (2009) noted, "CSR is a phenomenon of culture" (p. 23). Understanding how cultural values relate to CSR initiatives could contribute to the literature on international advertising. In sum, this exploratory study opens the door for further research by investigating an underserved region and industry. The contribution of this study to CSR practices does not only rest on suggestions for specific industry or for specific geographical environment. Rather, it indicates how consumers' cultural characterizations may be a key to identifying the ways in which CSR-related marketing communication should be planned. More research efforts need to be made to further discover how consumers' cultural tendencies affect their perceptions toward CSR and provide useful guidelines for marketers to develop effective and promising advertising strategies.

Implications for Business Marketing Practice

In China, rapid economic, social, cultural, and environmental changes create new challenges and opportunities for advertisers. Whether certain approaches that are promoted as globally responsible are relevant to the Chinese context is an imperative issue for cosmetics advertisers. Through the examination of Chinese consumers' evaluations, expectations, and attitudes toward CSR practices in relation to their cultural values, this study yields insightful findings that can be interpreted into important managerial implications.

Chinese consumers see CSR performance as an important criterion for business practices, indicating that both domestic and global cosmetics marketers should strive to be good corporate citizens and play a more active role in shaping these expectations in the Chinese market. Two useful advertising strategies for cosmetic marketers that can be considered are presented as follows. First, to create a competitive advantage in the Chinese market, domestic cosmetics marketers may use CSR initiatives as a way to differentiate their promotional efforts. With a vast variety of cosmetics available in China, many cosmetics enterprises devote tremendous resources to advertising and developing a positive brand image to distinguish their products from the others (CNCIC, 2005). For example, Herborist, a popular skin care product in China, emphasizes Chinese concepts of "nature and balance," and shows their care and respect towards consumers' health and safety through a series of socially responsible advertising campaigns. As Chinese consumers are becoming

more health-conscious (CNCIC, 2005) and more aware of the social impact of the safety of cosmetics (Tai, 2008; Whiteman and Krug, 2008), advertising themes that center on brands being socially responsible in all aspects have determinative effects. For responsible advertising professionals in China, the key is to evolve indigenously derived principles and themes that resonate with Chinese traditions and values and to apply them in a larger social context.

Second, the results of this study further provide evidence that localization is an important strategy for global cosmetics marketers (CNCIC, 2005), and CSR has become an integral part of international strategies to target demanding Chinese consumers. Indeed, many global cosmetics marketers have devoted efforts to localize their products and related advertising strategies in China. Since Chinese consumers consider CSR an important issue among cosmetics brands, global players need to incorporate Chinese cultural values into their CSR campaigns and adopt localization strategies such as promoting local social causes. As Barnes and associates (2004; 2009) suggest, using attractive models or celebrity endorsers in cosmetic advertising is an effective way to increase positive consumers' attitudes and purchase intentions in China. Thus, it would be wise for global cosmetic advertisers to employ local Chinese celebrities that are considered to be well-regarded public figures in their advertising campaigns or CSR activities to increase positive influences on consumers. For instance, Olay, a popular brand of Procter and Gamble, employed Chinese celebrities as advertising spokesmen (e.g., Jue Chow), and they developed charity events to capitalize on consumers' positive attitudes toward the celebrities to build strong corporate image and reputation. Another example would be that L'Oreal has made persistent efforts to fulfill its mission as a corporate citizen in China by engaging in CSR activities. L'Oreal implemented a campaign called "Preserve the Green, Care for Nature" in Shanghai, China and launched the first community plant protection fund (China CSR Map, 2010). In essence, understanding how Chinese consumers view CSR is useful for advertisers in increasing brand awareness and building a favorable brand image. To develop a competitive advantage and increase advertising effectiveness in the booming cosmetics market in China, cosmetics companies have to constantly renew and devote efforts to their CSR initiatives, taking the ecological issues they face, the values they hold that support sustainability, and the ecological interests of consumers with Chinese values and cultural orientations into consideration.

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