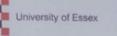


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## INDONESIAN CONSUMER BEHAVIOR PERSPECTIVE TOWARD CORPORATE SOCIAL RESPONSIBILITY

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**Abstract.** This study aims to examine the mediating role of Brand Preference in the effect of Brand Equity on Purchase Intention, as a cause of CSR Image. 700 of the potential customers consuming the low product involvement category in the beverage and toiletries Industry were surveyed, but just 664 usable responses were analyzed with SEM Analysis. The main result shows that Brand Preference has a mediating role in the effect of Brand Equity on Purchase Intention, as CSR Image effect. Other results show that CSR image has a significant effect on Brand Equity, and then Brand Equity directly has a significant effect on Purchase Intention.

Keywords: corporate social responsibility image; brand equity; brand preference; purchase intention

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#### 1. Introduction

Corporate Social Responsibility (CSR) recently is still an interesting topic developed in the various perspective field, previously in terms of business ethics, then developing in the field of management, especially in the perspective of marketing and consumer behavior. The CSR study in marketing and consumer behavior develops when the arousal of stakeholder theory postulated by Freeman (1984, 1994) comes out. Some researchers interested in studying CSR in marketing and consumer behavior are Sen and Bhattacharya (2001); Mohr et al. (2001); Kotler and Lee (2005); Maignan et al. (2005); Jones et al. (2007a, 2007b); Becker-Olsen et al. (2006); Becker-Olsen and Hill (2006); Podnar and Golob (2007); Beckmann (2007); Wang and Juslin (2009); Marin et al. (2009); Castaldo *et al.* (2009); Trapero et al. (2010); Tian et al. (2011); Ibrahim and Almarshed (2014); Mohamed A. and Thiruvattal (2015); Rodrigues and Borges (2015). However, CSR research in marketing and consumer behavior perspective is still limited, as stated in Ibrahim and Almarshed (2014). Peloza and Shang (2014); Oberseder et al. (2011) said that CSR literature in marketing and consumer behavior remains statics and also some CSR research results in purchase behavior is in the thigh gap.

Moreover, Beckmann (2006, p. 164) reveals that perceived CSR research that could build negative or positive CSR image has not been yet explored optimally. Then, Beckmann (2007) said that perceived CSR research is still limited and the spectrum of CSR dimensions also is not completed yet. CSR dimensions used are variative, even though some of CSR researches, especially in consumer behavior have conducted (Becker-Olsen et al., 2006; Sen and Bhattacharya, 2001). Therefore, this research is conducted to reveal more consumers' responses toward CSR activity of the company, implemented in Indonesia, especially in Low Product Involvement, motivated by Ambarwaty's finding

(2013) stating that in term of CRM (Cause Related Marketing), CSR activity of the company that offers low product involvement does not have a significant effect on purchase intention, based on experimental research design. CRM activity as a type of CSR (Kotler and Lee, 2005) is a company cause or donation activity that contributed to the relevant stakeholders' needs received from a part of company sales or revenue. On the other hand, Ambarwaty's finding (2013) shows that high product involvement significantly strengthened CRM effect on purchase intention.

Besides that, Mele (2008) defines CSR is as a way of a company in achieving the balance of economic, environmental, and social matters. In general terms, CSR is the corporate social action whose purpose is to satisfy social needs, as stated by Angelidis and Ibrahim (1993 cited in Bronn and Vrioni, 2001). From this viewpoint, CSR has many benefits not only for practical business such as the increase of company performance, the capacity increase of the company to have high innovation, the development of customers relationship, building brand equity, and the increase of purchasing behavior, boosting the market share growth but also for the society or related stakeholders for being welfare (Maignan and Ferell, 2001; Lichtenstein et al., 2004; Kotler dan Lee, 2005, p. 11-16; Alcaniz et al., 2010; Khan and Manwani, 2013; Cha et al., 2016; Razminienė, Tvaronavičienė, 2018; Moumen et al., 2019; Rezk et al., 2019; Mayorova et al., 2019; Voronkova et. al., 2020; Jeon et al., 2020).

However, some researchers still perceived CSR activity skeptically. The CSR activity of the company just is to promote the company's product or service, not to empower the society, priority just for the sake of the company's economic benefit, not to fulfill the needs of stakeholders (especially for consumers), and considered by the company as a liability not as an asset, so that the CSR activity of the company builds skeptical CSR image (Hadi, 2011, p. 152 and 167; Ambadar, 2008, p. 7; Ardana, 2008; Speed and Thompson, 2000; Webb and Mohr, 1998).

On the other hand, Ricks Jr. (2005); Chahal and Sharma (2006); Poolthong and Mandhachitara (2009); Pomering and Dolnicar (2009); Lai et al. (2010) revealed that CSR image can build the strong value of the company's brand, measured by brand equity (Aaker, 1992a, 1992b). Furthermore, some of the previous researchers (Cobb-Walgren *et al.*, 1995; Chen and Chang, 2008; Chang and Liu, 2009) found that brand equity could have effect significantly on brand preference, and also it has a significant effect on purchase intention toward the company's products or services implementing the CSR activity. It means that CSR image has an effect on brand equity, and then it brings about brand preference and purchase intention.

Moreover, Maignan and Ferrell (2001) found that the negative CSR image affects the evaluation of negative product or service value. The positive CSR image is associated with the positive value of the product evaluation that would bring about consumers' loyal toward the brand, as a dimension of brand equity (Aaker, 1996, 1992a, 1992b,). Their findings suggest the future research still should find out the strong relationship between CSR and consumer behavior. In line with this, Ersoy dan Calik (2008); Schiffman and Kanuk (2007, p. 516-520); Niedrich dan Swain (2003) said that a study of consumer behavior is the evaluation toward the brand, brand preference, and purchasing intention toward the company's products or services.

Khan dan Manwani, (2013) cited the Cone Inc research result (2009) that 79 percent of consumers likely to progressively prefer to switch their purchase or consuming toward the products or service of the company implementing CSR. Meanwhile, Indonesian consumers, based on Arli and Lasmono research results (2010) show that when consumers would purchase the products or services, Indonesian consumers would choose products or services of the company implementing CSR as a priority choice, compared to the same products or services of the other companies with the same price and quality, but its company does not implement CSR program. In line with this, Chomvilailuk and Butcher (2010) revealed that there is a positive association between CSR and Brand Equity,

even though there is a question about whether CSR initiative will bring about brand preference. Then, Khan dan Manwani (2013) added that the research about the relationship between CSR and brand equity is still also rare.

Furthermore, the findings of Jeon et al. (2020) in the ridesharing service industry show that perceived CSR (PCSR) or CSR image has affected a significant customers' attitude toward the company's brand, known as brand attitude and self-brand connection, but there was no direct effect of PCSR on brand preference. Then, brand attitude and self-brand connection play a mediating role in the effect of PCSR on brand preference. Previous findings by Su et al., (2017) in the hospitality industry show that CSR indirectly has a positive significant effect on customer commitment and behavioral responses. It must go through perceived corporate reputation and customer satisfaction (i.e., loyalty intentions and word-of-mouth). Their results implied that CSR role can not be generalized in all consumer groups, because their finding shows that the specific consumer income will moderate the effect of CSR on perceived reputation and consumer behavioral responses. On the other hand, the research results of Eshra and Beshir (2017) found that CSR activity does not affect Egyptian consumer purchasing behavior, even though Egypt consumers are aware of CSR. Besides, García-Conde et al. (2016) found that CSR directly has a significant effect on the purchase intention of the European consumers, but the purchase intention of the consumers will be stronger if moderated by generative consumers because of CSR activity. Their findings implied that CSR activity is a strategic tool to trigger consumers' purchase intention in specific segmentation, such as a generative consumer (the future generation). Besides this, the previous research results also by Liu et al. (2014) show that three CSR domains (economic, social, and environment) also do not have a direct effect on China's consumer of brand preference, except mediated by perceived brand quality. They stated that the branding value of the company is not predicted by CSR performance directly. CSR performance has a weaker impact on brand preference when mediated by perceived brand quality. It can be concluded that the research results of the CSR effect on consumer behavior are inconclusive in each different industry and consumer segmentation or characteristics.

Therefore, this research aims to analyze the effect of CSR Image on Brand Equity, and to investigate whether Brand Equity can build Brand Preference and Purchase Intention toward the company's products or services, implementing CSR, especially in the Low product involvement category. The specific objective of this research is to examine whether or not brand preference is as a mediating effect in the effect of Brand Equity on Purchase Intention, as a consequence of CSR Image. This kind of objective is a kind of CSR finding from a consumer behavior perspective. CSR in consumer behavior perspective deficits that CSR company should fulfill the stakeholders needs to eliminate the impact of negative business performance and to induce positively outcomes for stakeholders, especially consumers' needs (Maignan et al., 2005). This condition is also expected to eliminate the skeptical though or the negative image toward CSR program, so that CSR is perceived or considered not as a lipservice or im-marginal activity, but CSR activity of the company is as the heart of the company to improve high company performance and as a competitive strategy.

## 2. Literature Review

#### 2.1 CSR Image

Before defining CSR image, this paper describes the need to advance the concept and definition of the image, according to some experts. Boulding (1956 in Kuo and Ye, 2009) defined image as a subjective perception toward the objects or events, that is not based on prior individual knowledge or pure information. Kotler (2000, p. 296) stated that image definition is the public perception toward the company products or services, beyond the company control, to create the positive image to the stakeholders by creating the unique value of the products or services to achieve competitive advantage and raising the emotional impression power. Meanwhile, Nguyen and LeBlanc (2001) explained the image of an organization as a whole impression made by the public or consumers' minds about the organization. The impression arises because of understanding reality. Image formation is a process, starting

from ideas, feelings, and past experiences relating to the organization, stored in the memory, and then transformed into meaning.

Moreover, Kuo and Ye (2009) explored two main components of the image in terms of functional and emotional perspective. A functional perspective covers a structured and logical analysis of an object. From an emotional perspective, an image arises from the individual subjective attitudes toward the object, incorporating elements of sentimental. In line with this, Chiu and Hsu (2010) revealed that the image is a result of personal perception, subjectively determined by the object perceived and the image is a function of view of individuals who are limited by the acquisition of one information. A person reacts to an object associated with the image they have in memory retention.

Sometimes some experts equate between image and reputation. Both terms are interchangeable. Image and reputation can be replaced because they have the same meaning (Gotsi and Wilson, 2001). However, Pomering and Johnson (2009) said reputation has a wider dimension construct than image. If the image associated with the corporate identity means a person beliefs about the organization and answer the question of what people think about the company, while the company identity is an attribute that is used to describe an organization or the way organizations present himself to distinguish the organization in memory of stakeholders, which is used to answer to the question "who are you?" (Dowling, 2004). Furthermore, the identity of a company formed a key element in the construction of a pleasant image. Developed a reputation of the company tries to build its corporate image (Fombrun, 1996 in Pomering and Johnson, 2009). Therefore, reputation is an overall evaluation that reflects what people see on the object, which then led to subsequent interpretation, while the image is a part of reputation dimensions.

Pfau et al. (2008) stated that image is a benefit of the CSR practice. Then, they said that image is a key to the organization to survive, which was later confirmed that the image is determined by the public perception of the key. Meanwhile, Dowling (2001), referred by Pfau et al., 2008), defined image as a viewpoint of the organization.

Based on some of those opinions, then the image can be interpreted as the perception of an object or image that is created on the object based on human perception arising from the information of an object and personal experience with the object.

In CSR context, CSR image is an individual perception and belief, formed from the CSR activities. If the CSR activities are perceived and believed to be in the self-interests of his own company, then a negative image of CSR is created. Conversely, if the CSR activity is perceived and believed for social and environmental benefit, then the positive CSR image exists. In other words, the negative CSR image exists when stakeholders are skeptical about the CSR activity. The CSR activity only fulfills legal obligations and not an activity that can provide social and environmental benefits. Instead, CSR imaged positive memories in the consumers' minds due to the CSR activity perceived to empower people towards prosperity and civil society. Related with this, Brown and Dacin (1997) defined CSR image is an individual impression arising from the company's CSR activity. Later, Chen (2011) said that CSR image is one kind of assessment or ethical judgment, relevant to the central question, namely 1) whether the company implementing the CSR activity was pure because of the motivation for supportive and committed to social care; 2) whether the implemented CSR activity was intended to commercial purposes of the company.

#### 2.2 Brand Equity

A brand is considered as a valuable asset for the company, known as brand equity value (Aaker, 1992a, 1992b, 1996). Erdem and Swait (1998); Erdem et al. (1999) argued that brand equity value is a sign of the credibility of a product or service. Then, Yoo et al. (2000) stated that brand equity is the most widely used and has a comprehensive brand dimension to explore the findings of marketing research and consumer behavior, as promoted by Aaker (1992a, 1992b, 1996). However, Yoo and Donthu (2001) used only four categories of asset value beyond the other brands. In connection with this, Yoo et al. (2000); Yoo and Donthu (2001); Netemeyer et al. (2004); and Pappu and Quester (2005) has tested empirically brand equity based on the consumer perspective that can create a reason for consumers to buy a product or service company (Aaker, 1992b). Furthermore, van Riel et al. (2005) revealed that the current industry benefited much from investments in brands to benefit the strength of brand equity. In line with this, Haigh and Gilbert (2005) stated that brand equity can be defined as the measurement that reflects the brand's emotional demand.

According to Keller and Lehmann (2006), the brand provides some function values determining brand equity value, namely: 1) as a symbol or a sign for the company in the bidding for the company products or services; 2) for the consumer brands can give direction to select a product or service that promises a level of quality, mitigate risks, and create trust in your products or services; 3) the brand value is created by the product itself as a marketing activity; 4) brand value is a key success due to the effective marketing activity through marketing communication and the channels of distribution; 5) brand is a financial asset of the company.

Likewise, Laidler-Kylander (2007) stated the brand on a product or service has a dimension to distinguish the product or service in some ways, designed to satisfy the needs and wants of consumers. Moreover, Laidler-Kylander (2007) stated that the term brand equity is used in three different meanings in the marketing literature, namely: 1) related to the total brand value as measured by financial measures, as an integral asset in the balance sheet; 2) a measure of the strength of consumer involvement; 3) as a description of the association and consumer confidence on the brand. The first concept is the actual brand assessment and determines the financial value of a specific brand. The concept of the second and third as the strength of the brand. Most of the literature focuses on the concept of brand equity of both.

Buil et al. (2008) stated that the company can have positive strong brand equity because it can induce higher-margin, build the brand extension, increase more powerful effective communication, and trigger higher consumer brand preferences and purchase intention. Furthermore, The American Marketing Association, cited in Kotler and Keller (2012, p. 241) defines a brand is as a name, term, sign, symbol, or design, or a combination among them, used to identify goods or services and to distinguish them from competitors, as Aaker (1992a, 1992b, 1996) mentions that brand equity is a set of assets and liabilities associated with a brand name and symbol that can increase and decrease the value of the products or services. Brand Equity has five dimensions: brand awareness, brand association, brand perceived quality, brand loyalty, and other assets such as patents, trademarks, and a network connection, to leverage the strongest brand value. A potential buyer can recognize and recall a brand, known as brand awareness. Aaker (1996) argued that brand awareness relates to the strength of a brand in consumer memory and is always measured through the recognition and recollection in different environments. Zeithaml (1988, p. 3 in Aaker, 1996) defines the brand perceived quality is as consumers' assessment of the product superiority that can be distinguished. This is not an objective assessment of product quality, but the subjective assessment of the product or brand quality that is highly dependent on the appraiser perception, so the appraiser perception incorporate elements of cognitive and affective. The definition of brand association according to Aaker (1992a, 1992b) is associated with the memory toward a brand. This association can be obtained from various sources and vary by more joy, strength, and uniqueness of the product or brand (Keller, 1993). Aaker (1992a, 1992b) defines brand loyalty is as consumers' love for a brand. Meanwhile, Chaudhuri and Holbrook (2001) measure loyalty by evolving a commitment due to the unique brand value. In connection with this, Day (1969) proposed two types of brand loyalty, namely behavioral and attitudinal loyalty.

Behavioral loyalty emphasis on behavior and repeat purchases (Jacoby and Kyner, 1973). Meanwhile, attitudinal loyalty is measured based on cognitive (knowledge and evaluation), affective (emotional thinking), and conative (intention to take action), following the thought of Oliver et al. (1997) and Oliver (1999), using a hierarchy of effects model. Therefore, items measuring loyalty in this study refers to the concept of attitudinal loyalty, as a cognitive (knowledge and evaluation) and affective measurement (emotional sense ), attached in the questionnaire in term of the first choice toward the brand, and conative measurement (intention to act) in term of recommendation measurement, developed by Chang and Liu (2009).

Thus, this research uses the definition of brand equity based on the Aaker premise (1992a,b; 1996), implementing brand awareness, brand association, brand quality perceived, and brand loyalty dimensions. It does not include the measurement of other assets (Chang and Liu, 2009; Lai et al., 2010). This measurement was adopted consistent with the research objectives to test the effect of brand equity on purchase intention.

#### 2.3 Brand Preferences

Brand preference is a favorite relative preference, as Chomvilailuk and Butcher (2010) stated. This definition follows the idea of Yoo et al. (2000).

Customers or potential customers will prefer to the brand if they are to take into account to make a purchase or switch brands once purchased the types of other brands. This idea inspired them to test the effect of CSR activities on brand preference, by following the thoughts Maignan and Ferrell (2004) and Ricks Jr. (2005).

Meanwhile, Chang and Liu (2009) revealed that brand preference is biased bond consumers on specific brands. The definition of brand preference by Chang and Liu (2009) developed referring thinking Hellier et al. (2003). Hellier et al. (2003) stated that brand preference is the consumers' preference for a product or service that can build love with the products or services, designed by another company that is also considered as an alternative for selected companies. Brand preference definition by Hellier et al. (2003) is relevant to the definition adopted by Cobb-Walgren et al. (1995).

#### **2.4 Purchase Intention**

Purchase intention is a part of the cognitive behavior components of consumers, referring to the question of how people are likely to buy a specific brand. The purchase intention concept preceded by Day (1969) can be more effective than purchasing behavior to capture consumers' purchase due to memory limitations. Then, the purchase intention concept has developed by Fishbein and Ajzen (1975) with the theory of reasoned action and continued by Ajzen (1985) to be the theory of planned behavior. Ajzen (1985) defined purchase intention is a cognitive response by individuals in planning the purchase of a product or service. Those concepts are cited by Chiou et al. (2005).

Pavlou (2003) stated that purchase intention can be defined as a situation in which consumers are willing and inclined to make transactions and build relationships in the context of the purchase toward the products or services on the online site. Meanwhile, Summers et al. (2006) stated that purchase intention behavior of someone determined two factors, namely 1) the attitude of individual buying behavior and 2) social perception that insists on an ongoing purchase or not purchases, which refers to the subjective norm. Subjective norm is a function of the confidence of individuals or groups to not perform the realization of purchase. Furthermore, Chang and Liu (2009) stated that purchase intention is a consumer plan to buy a specific brand, and today has become quite high attention. In

connection with the context of CSR activities in this research, purchase intention is a perspective plan of the individual consumer to buy and use the products or services of the company implementing CSR.

Thus, purchase intention in this research is the confidence to recognize someone to purchase a product or service in the future. Someone's beliefs are at the level of cognitive response that prospective consumers are still planning to purchase a product or service of the company implementing CSR, until to the end phase in which it has not made the actual purchase action.

## 3. Hypotheses

#### 3.1 The Effect of CSR Image on Brand Equity

Positive CSR image will give a positive effect on the brand equity value of the company, as stated by Bronn and Vrionni (2001); Ogrizef (2002); Blumenthal and Bergstrom (2003); Yan (2003); Girod and Michael (2003); and Klein and Dawar (2004). They stressed that CSR has a relationship with a brand that reaches the imagination of consumers and prove there is a strong causal link between the CSR image and brand value.

Later, Hsu (2012); Lai et al. (2010) stated that there are the higher stakeholder expectations on the activity of CSR, so that the image formed positive CSR, then it will bring the more valuable brand equity. In particular, Hsu (2012) states that the activity of CSR strategically can relate to associating the product to create a different and unique brand value, so it can increase the value of brand equity as a means of competitive advantage.

Chahal and Sharma (2006) also explain that the CSR image has a higher positive effect on the company's brand equity. It is envisaged as a tool of competitive advantage. In particular, Maignan and Ferrell (2001); Lichtenstein et al. (2004) stated CSR is an effective marketing tool and proactive business philosophy to compete and create a competitive advantage in the face of hyper-competition and rapidly changing environment. Therefore, Chahal and Sharma (2006) concluded that competitive advantage can be driven by the market that integrates the company business policy with CSR, so companies realize that they have to change their business philosophy of good to become better (doing good to doing better).

Salmones et al. (2005); Delgado and Munuera (2001) revealed that CSR Image will positively impact on the awareness and positive brand association and also have an effect on the positively perceived quality of the product or service. CSR Image also could strengthen brand loyalty, giving rise to the commitment and confidence of stakeholders in the value of the company brand equity. Then, this condition can contribute to the willingness to pay for products or services at a higher price (Fornel et al., 1996).

Research findings Lichstenstein et al. (2004) demonstrated that CSR perceived positively influenced not only by identifying consumer purchasing behavior of consumers in the company (C-C Identification), but also the consumer donations to the organization non-profit. Specifically, their findings showed that the CSR perceived positive impact on not only the increase in consumer support on non-profit organizations, but also on the progressive increase in loyalty to the store, which ended in the purchase increase.

Therefore, the first hypothesis in this research is:

H1: CSR Image has a positive impact on brand equity.

### 3.2 Brand Equity Effect on Brand Preference

Brand equity is considered to have some benefits from the perspective of marketing and consumer behavior, among which may increase the preference of stakeholders on the brand and purchase intention (Cobb-Walgren et al., 1995).

Cobb-Walgren et al. (1995) supported Myers (2003); Prasad and Dev (2000), revealed that the higher value of brand equity yields the greater brand preference. Later, Myers (2003) revealed that brand equity has a strong relationship with brand preference. Meanwhile, Prasad and Dev (2000) stated that the high brand equity associated with consumer satisfaction, preference on the brand, loyalty, retention in high brand, will increase high market share, the stronger price premium, and high profits. Therefore, brand equity becomes a vital contributor in creating positive brand preference.

Cobb-Walgren et al. (1995) found that there is a desire of the consumer to pay more for a product or service that has strong brand equity value in the market. The desire of consumers to pay more, indicating no preference of consumers to the brand. Keller (1993) stated that manufacturing companies and retailers are motivated by the value of brand equity that provides strategic implications for the company. Brand equity has flatforms in introducing new products and brands from attacking a hinder competition who creates an increase in the stakeholders' preference toward the brand, establishes a corporate image, and reduces the risk.

The second hypothesis in this research is *H2: Brand Equity has a positive effect on Brand Preference* 

## **3.3 Brand Equity Effect on Purchase Intention**

Brand equity attributed by the positive CSR image effect has consequences on the purchasing behavior of individual stakeholders as well as prospective customers or as consumers (Farquhar, 1989; Aaker, 1992a.b; Keller, 1993). One element in purchasing behavior is to purchase intention before purchasing action is realized. This refers to the theory of reasoned action pioneered by Fishbein and Ajzen (1975, 1980).

The theory of reasoned action reflects attitudes and beliefs that will form the norm toward a brand, and then that will be reflected in purchase intention and actual purchase behavior in the future. Purchase intention is a strong predictor for actual consumer purchase behavior (Broyles et al., 2009). It means that purchase intention can be regarded as a powerful predictor to create the actual purchase on a product or service of the company implementing CSR in the future. Thus, it can be concluded that brand equity can have a positive effect on purchase intention, as a result of a positive CSR image, as the research results by Cobb-Walgren et al. (1995); Chen and Chang (2008); Jung and Sung (2008); Chang and Liu (2009); Moradi and Zarei (2011).

Cobb-Walgren et al. (1995) in particular proved that high brand equity has a significant effect on purchase intention. Meanwhile, O'Cass and Lim (2001) suggested that brand association as one of brand equity elements, affect brand preference and purchase intention.

Empirical research results of Chen and Chang (2008), the same findings as Cobb-Walgren et al. (1995) showed that there is a positive relationship between brand equity, brand preference, and purchase intention, with the moderating effect of switching cost. Brand equity has a higher effect on purchase intention when the moderating effect of high switching costs exists.

Meanwhile, Jung and Sung (2008) measure and compare the brand equity-based consumer products apparel (clothes), and examine the effect of brand equity (awareness and brand association, perceived quality, and brand loyalty) on purchase intention with three groups of consumers across culture (Americans in the USA, the nation of South Korea in the USA, and South Korea in the Korean nation).

Research findings of Jung and Sung (2008) also showed that among the elements of brand equity, perceived brand quality and awareness/brand association responded by American students have a significantly greater effect than the response by South Korean students in the USA and Korea. For respondents in the South Korean national group in the USA and Korea, brand loyalty is the most important element of brand equity. Then, brand loyalty has a positive relationship with the purchase intention of three consumer groups.

Research findings Chang and Liu (2009) in particular showed that brand equity has a significant positive effect on purchase intention. Research findings by Chang and Liu (2009) also support the findings of Chen and Chang (2008), that brand equity is a predictor of brand preference and then, brand preference can predict purchase intention significantly. This statement implies that brand preference has a role as a mediating effect of brand equity on purchase intention.

In the context of CSR activity, the company's brand equity implementing CSR has a positive effect on purchase intention. The beginning of the process of stakeholders' cognitive (perception and belief) individually on CSR activity can provide a positive CSR image. Then, the CSR image forms a positive CSR attribution on building the positive brand equity value of the company. Values that form positive brand equity is more attributed to the positive purchase intention to be in the future in making the purchase decision behavior. This is consistent with the perspective of attribution theory. Therefore, the third and fourth hypothesis in this research is:

H3: Brand Equity directly has a positive effect on purchase intention,

H4: The stronger brand preference exists as a mediating effect, the higher purchase intention will be created.

#### 3.4 Brand Preference Effect on Purchase Intention

Brand preference attributed to the positive effect of brand equity value will have a positive impact on the purchasing behavior of individual stakeholders toward the products or services of the company implementing CSR. This statement is supported by some thought and previous study findings by Moradi and Zarei (2011); Chang and Liu, 2009; Chen and Chang (2008); de Chernatony et al. (2004); Myers (2003); and Cobb-Walgren et al. (1995).

Specifically, de Chernatony et al. (2004) revealed that preference on the brand has an impact on the behavior of repeat purchases because of high brand equity value. Findings by Chen and Chang (2008) also showed that brand preference has a quite high effect on consumer purchase intention, with the effect of the estimate of 60 percent. Then, the findings of Chang and Liu (2009) which refer Herlier et al. (2003); Devlin et al. (2002); and Bailey and Ball (2006) showed that the brand preference has a positive effect directly on repurchase intention toward the brand products or services of the company.

Formation occurs as a result of purchase intention attributing to the stakeholder process on the preference toward a product or service of the company implementing CSR. When stakeholders are to realize and believe that the brand of products or services from CSR companies' valuable actors who have high brand equity value, stakeholders will choose and prefer products or services CSR actors to the products or services of other companies implementing CSR. It springs from causal inference on the activity of CSR which is believed to provide benefits to the stakeholders without regard to other factors such as the selling price of the product and quality of products or services. Then, these conditions encourage stakeholders to support the company's products or services implementing CSR in purchasing behavior, beginning with the purchase intention process toward the product or service of the company implementing CSR. Therefore, it can be concluded that brand preference has a positive impact on purchase intention toward a brand product or service of CSR actors. Therefore, the hypothesis in this research is

H5: Preferences brand has a positive effect on purchase intentions

From the view of that hypothesis above, it can be drawn in the research model below, shown in Figure 1, explaining to the stakeholders that if CSR image is positively formed, strong brand equity will be created. Then, if the strong brand equity building exists, brand preference and purchase intention of the potential customers will be developed. Consequently, it will create purchase behavior, so that sales, revenue, and market share of the company will increase, and finally the profit and growth, in the long run, will be achieved.

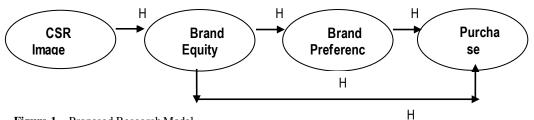


Figure 1. Proposed Research Model

## 4. Methodology

A survey questionnaire in either electronic or print format developed is based on questionnaires of previous studies and administer it to 700 potential customers buying and consuming the products in the beverage and toiletries Industry, as a kind of low product involvement category and get 664 useful responses. The questionnaire consists of three parts. The first section asks for general information about the respondent to be used for screening. The second section has statements regarding CSR image, Brand Equity, Brand Preference, and Purchase Intention in which the respondents can agree or disagree on a one to seven scales. The third section has questions regarding the demographics of the respondent. The first section contains questions about respondents' knowing CSR activity of the company, offering the low product involvement category.

Respondents were asked to state their agreement with each statement on a seven-point Likert scale where the response one represents "very strongly disagree" and seven is for "very strongly agree." Respondents were asked to rate their level of agreement on the importance of articulating positive or negative CSR image that can build strong brand equity, then consequently has a positive impact on brand preference and purchase intention.

The last section of the questionnaire gathered respondents' demographic information. The section includes questions about each respondent's age, gender, education, occupation, and household income. We collected data from respondents in diverse locations. 664 responses fulfill the requirements of the sample out of the 700 surveys distributed.

CSR image measurement refers to the definitions developed by Alcaniz et al. (2010) by adjusting the activity of CSR multidimensional context (economic responsibility, ethical-legal responsibility, and the responsibility of philanthropy). CSR image definition of Alcaniz et al. (2010) adopted on Menon and Kahn (2003); Dean (2002); and Lichtenstein et al. (2004).

The measurement of Brand Equity applies the methodology developed in Yoo and Donthu (2001) and used in Chang and Liu (2009) and Lai et al. (2010). The methodology uses four dimensions of brand equity (brand awareness, brand association, brand perceived quality, and brand loyalty).

Brand preference measurement was taken from Chang and Liu (2009), tested for reliability and validity, developed by Chomvilailuk and Butcher (2010), which was developed by Yoo et al. (2000), firstly developed by Cobb-

Walgren et al. (1995). Then, the measurement of brand preference was adopted and developed by Hellier et al. (2003).

Purchase Intention measurement was adopted from Chang and Liu (2009), developed by Cobb-Walgren et al. (1995), which has been tested for validity and reliability, in the context of the CSR activity.

The data were analyzed by AMOS Studio University Edition. We compile CSR Image, Brand Equity, Brand Preference, and Purchase Intention scores by taking the mean of the scores of the individual statements for each respondent. We do SEM analysis to determine if the variables have the hypothesized explanatory power.

#### 4. Results

#### 4.1 Validity Test

The validity test of this research use constructs validity test, consisting of a convergent and discriminant validity test.

Convergent validity on the constructs can be seen from the AVE (average of variance extracted) that is worth  $\geq 0.5$ , to have convergent sufficient constructs validity, appropriate rule of thumb by Hair et al. (2006, p. 779) based on the CFA in the outcomes of covariance-based SEM with AMOS 4:01 applications.

Table 1. Convergence valuary Test Result on Research Instrument			
Construct	AVE Based on CFA SEM Covariance Based Method of Maximum Likelihood		
CSR Image (CCSR)	0,702		
Brand Equity (EM)	0,610		
Brand Preference (PRE)	0,831		
Purchase Intention (NB)	0,910		

Table 1. Convergence Validity Test Result on Research Instrument

Source: Data Analyzed by AMOS 4.01

Table 1 shows that the measurement of the constructs item has sufficient convergent validity, all grades AVE exceed the limit value  $\geq 0.5$ . Discriminant validity tests aimed at testing a different construct from other constructs (Hair et al., 2006, p. 778). Discriminant validity occurs when two different constructs producing high scores are not correlated. Discriminant validity is achieved when the value of average variance extracted estimates (AVE) in a construct exceeds (>) estimate the correlation squared for every two constructs is different (Hair et al., 2006, p. 778; and 2010, p. 710), which can be seen in Table 2.

Table 4.2. Discriminant         Validity         Test Result
<b>Based on SEM Analysis Model</b>

Construct	CSRI	BE	BPR E	PI
CSRI	AVE: 0,702	0,203	0,158	0,149
BE	0,451	AVE: 0,610	0,531	0,497
BPRE	0,398	0,729	AVE : 0,831	0.533
PI	0.386	0.705	0,730	AVE: 0,910

Source: Data Analyzed by AMOS 4.01

### 4.2 Reliability Test

Reliability test results show almost all indicators of measurement of the constructs are reliable, except for the items brand equity number 5, and brand preference number 4 and 5, not fulfill the requirement value of Cronbach's Alpha based CFA - SEM above 0.70, (Hair et al, 2006, p. 137), presented in Table 3.

Measurement Item	Cronbach's Alpha*	Construct Reliability Coefficients	Category
CSR Image	0,89	0,90	Reliable
Brand Equity	0,87	0,83	Reliable
Brand Preference	0,85	0,87	Reliable
Purchase Intention	0,90	0,91	Reliable

Table 3. Construct Reliability Test Result

Source: Data Analyzed by AMOS 4.01

#### 4.3 Respondent Profile

Table 4. Respondent Profile, Based on Gender, Age, Education Level, Job Status, Income, Marital Status, and Religions

Respondent Profile	Percentage (%)
Based on Gender	
Male	52,00
Female	48,00
Based on Age	
17 – 22	27,00
23 - 28	32,30
29 - 44	30,00
45 - 50	7,40
51 – 56	2,50
Above 56 years old	0,50
Based on Education Level	
Junior High School	0,50
Senior High School/Equivalence	29,60
Diploma/Academy	10,30
Undergraduate S1	34,90
Postgraduate (S2 and or S3)	24,60
Based on Job Status	
Students	31,40
Housewife	1,60
Permanent Administration Employee on Governmental Institution	7,60
Leader on Governmental Institution	1,10
The employee on Private Company/BUMN	37,20
Leader on Private Company/BUMN	3,00
Entrepreneur	4,40
Teacher/Lecturer/Mentor	13,70

Based on Income		
Below 1 million	13,48	
1 million - 3 million	47,87	
3,1million - 6 millions	26,60	
6,1 million - 9 millions	5,50	
Above 9 million	6,56	
Based on Marital Sta	atus	
Married	44,30	
Not Married	55,70	

#### 4.4 Hypothesis Testing

Test the hypothesis in this study uses the results of the estimation model covariance-based SEM, with the maximum likelihood method. SEM Model statistically require data normality.

Results of data normality test both univariate and multivariate, shows the distribution of the data on the measurement indicator is not normal because CR value exceeds the value of  $\pm 2.58$ , that can be seen in Table 5.

Construct	Minimum	Maximum	Skewness	Critical	Kurtosis	Critical
				Ratio (CR)		Ratio (CR)
CSR Image	3,160	5,010	1,346	13,049	1,680	8,144
Brand Equity	3,120	4,620	1,378	13,364	2,206	10,696
Preference	3,220	5,630	1,433	13,894	1,489	7,217
Purchase Intention	3,880	5,430	1,246	12,079	0,603	2,921
		Multivariance		•	20,369	15,612

Table 5. Normality Test Result on Research Instrument

Source: Data Analyzed by AMOS 4.01

Table 5 shows the multivariate normal distribution of data may contain extreme data values. In general, if there is extreme value data in the measurement of the observation, the extreme value data may be released in the next analysis model.

Extreme data values in this study can be evaluated on the value of Mahalanobis Distance  $(D^2 / df)$  with statistical significance testing is at 3.5, if a large number of samples above 100 (Hair et al., 2006, p. 77). If the data within an increasingly distant from its center point, the data will fall into the category of extreme-value.

Mahalanobis Distance Value  $(D^2 / df)$  in this study meet the statistical significance value below 3.5. It means, the data on the observation of measurement does not contain the extreme values, as presented in Table 6.

Observation Number	Mahalanobis D-squared	Mahalanobis Distance (D <sup>2</sup> /df), df= 16
411	46.682	2.92
283	40.129	2.51
493	37.746	2.36
361	35.922	2.25
564	33.501	2.09
474	32.629	2.04

#### Table 6. Mahalanobis Distance Value (D<sup>2</sup>/df)

Source: Data Analyzed by AMOS 4.01

#### 4.5 Fit Model Result

The fit model test is based on Chi-square ( $\chi 2$  or CMIN), normed Chi - square ( $\chi 2$  / df; or CMIN / DF), GFI (Goodness of Fit Index), RMR (root mean square residual), and RMSEA (root mean square of approximation). All fit model index shows the fit model, as stated in Table 7.

Fit Model Index	Recommended Fit Model Value	Fit Model Result, AMOS 4.01	Category
Absolute Fit			
Chi-square (χ <sup>2</sup> atau CMIN)	Relative Small	31,365	Good
Degrees of Freedom (DF)	Big	16	Good
Normed Chi-square ( $\chi$ <sup>2</sup> /df; or CMIN/DF)	≤ 5,00	1,960	Good
GFI	> 0,90	0,990	Good
RMR	< 0,05	0,004	Good
RMSEA	< 0,07	0,041	Good
Incremental Fit			Good
NFI	> 0,95	0,985	Good
CFI	> 0,95	0,992	Good
Parsimony Fit			Good
AGIF	> 0,90	0,964	Good

Table 7. Fit Model Result, Based on SEM Model

Source: Data Analyzed by AMOS 4.01

Table 8. SEM H	Result and Direct	Effect Hypothesis	Testing
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Proposed Research Hypothesis Statement	Parameter Estimation Value, Unstandardized Research Coefficient	Parameter Estimation Value, Standardized Research Coefficient	CR (Critical Ratio) = t	Directio n	Hypothesis Decision
Ho1: CSR Image does not have a positive effect on Brand Equity Ha1: CSR Image has a positive effect on Brand Equity	0,268	0,266	4,751	Significa ntly Positive	Ho1: Rejected Ha: Accepted <b>Hypothesis:</b> Supported
Ho2: Brand Equity does not have a positive effect on brand preference Ha2: Brand Equity has a positive effect on brand preference	0,877	0,861	24,415	Significa ntly Positive	Ho2: Rejected Ha2: Accepted Hypothesis: Supported
<ul> <li>Ho3: Brand Equity does not have a positive effect on purchase intention</li> <li>Ha3: Brand Equity has a positive effect on purchase intention</li> </ul>	0,421	0,413	5,038	Significantl y Positive	Ho3: Rejected Ha3: Accepted <b>Hypothesis:</b> Supported
<ul> <li>Ho5: Brand preference does not have a positive effect on purchase intention</li> <li>Ha5: Brand preference has a positive effect on purchase intention</li> </ul>	0,469	0,468	5,769	Significa ntly Positive	Ho5: Rejected Ha5: Accepted <b>Hypothesis:</b> Supported

Source: Data Analyzed by AMOS 4.01

## 4.6 SEM Estimation Result and Hypothesis Testing

Table 8 shows the value of CR (critical ratio) is said to be statistically significant, when the CR value of 1.96 for two-tailed Hypothesis or 1.64 for one-tailed hypothesis at a significance level = 0.05 (Byrne, 2001 p.76). CR significant value reflects the decisions null hypothesis is rejected, which means that the proposed hypothesis is supported by research data.

Hypothesis testing to detect the role of mediating effect can be evaluated from the total value of the effect. The testing should meet the qualified mediating role, that are 1) the effect of the independent variable on the mediating effect must be a significant, 2) the mediator has a significant effect on the dependent variables, and 3) the effects of the independent variable on the dependent variable should be significant. If the value of the regression coefficient

in the total effect is substantially greater than the value of the regression coefficient in the mediating effect, then the effect of the mediating variable plays a role in influencing the effects of independent variables on the dependent variable (Baron and Kenny, 1986). The test result of the mediating effect can be seen in Table 4.9.

Table 9 shows that Brand Equity has a positive significant effect on purchase intention, mediated by brand preference. It means that the stronger brand preference value, the higher purchase intention would be created.

The structural model results can also be seen in Figure 1.

Proposed Research Hypothesis Statement	Indirect Effect of Estimate Regression Value	Total Effect of Estimate Regression Value	Direct Effect Hypothesis Testing Result	Hypothesis Decision
<ul><li>Ho4: The stronger Brand Preference value, the higher purchase intention would not be created</li><li>Ha4: The stronger Brand Preference value, the higher purchase intention would be created</li></ul>	= 0,861  x 0,468 = 0,403	= 0,413+ 0,403 = 0,816	$\beta = 0.413$ CR $\geq 1.64$	Ho4: Rejected Ha4: Accepted Hypothesis: Supported

## Table 9. Mediating Effect Result Based on SEM Model

Source: Data Analyzed by AMOS 4.01

#### 4. Discussion, Conclusions and Managerial Implications

CSR image in this research model has an effect on brand equity, supported by research data. This finding supports the concept of Chahal and Sharma (2006) that a positive CSR image attributed by CSR activity gives a positive impact on building a strong brand equity value, as the idea of Bhattacharya and Sen (2004); Pirsch et al. (2007). These findings also support the study results by Lai et al. (2010); Melo and Galan (2011); Jeon et al. (2020), although the measurement of the variable used in this research is different. The research measurement of brand equity is based on the multi-dimensions of brand equity. CSR image measurement in this research refers to the finding of Alcaniz et al. (2010). Brand equity measurement in this research used the measurements of total brand value, developed by Chang and Liu (2009).

CSR activity attributes to build a positive brand equity value as of 26.60 percent. Then, Brand equity has a statistically significant positive effect on brand preferences, based on the results of t-statistic less than 0.05 (one-tailed test), with the estimated value of the parameter of 86.10 percent. This finding supports the findings of Cobb-Walgren et al. (1995); Prasad and Dev (2000); and Myers (2003); Chen and Chang (2008); Chang and Liu (2009); Chomvilailuk and Butcher (2010); and Moradi and Zarei (2011), and Jeon et al. (2020), specifically measured by self-brand connection (customers' tendencies to incorporate the brand into their self-concepts to leverage the brand value).

This research result also confirms the previous studies that the effect of the brand equity on the company's brand preference because of CSR image is very high (86.10 percent), nearly matching the result undertaken by Chang and Liu (2009) amounting to 94.00 percent and Moradi and Zarei (2011) amounted to 89.00 percent, and higher than the finding of Chen and Chang (2008) amounted to 67.00 percent. This high estimated value of brand equity effect on brand preference can occur under the attribution theory.

Based on the attribution theory, the potential consumers who originally perceive the CSR activity based on the cognitive process perceive and believe that the CSR activity has a positive benefit. Then, the potential consumers through the process of the information assessment, knowledge, and experience that are stored in the memory, will give a causal inference or an attributed value to build the strongly positive brand equity. This corresponded to a respondent's response toward the brand equity value. 99.82 percent of respondents would recommend the company's products or services implementing CSR and 99.29 percent of the respondents considered themselves loyal to the brand product or service (see Table 10).

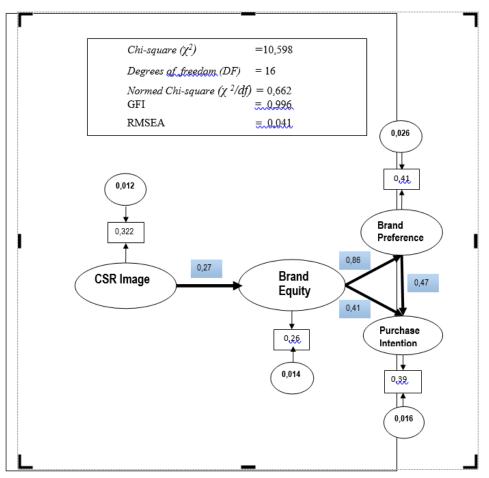


Table 10. Result

Source: author

Based on the attribution theory, the potential consumers who originally perceive the CSR activity based on the cognitive process perceive and believe that the CSR activity has a positive benefit. Then, the potential consumers through the process of the information assessment, knowledge, and experience that are stored in the memory, will give a causal inference or an attribute value to build strong positive brand equity. This corresponded to a respondent's response toward the brand equity value. 99.82 percent of respondents would recommend the company's products or services implementing CSR and 99.29 percent of the respondents considered themselves loyal to the brand product or service CSR doers. Finally, the attribution value adds more joyful of the consumers to the company's product brand, which is known by brand preference. This is consistent with the idea of Schiffman and Kanuk (2007, p. 259). The individual sees himself at the start of behavior from the minor demand and continue on

more demand. For example, someone who has donated an amount of \$ 25 to the American Heart Association will be encouraged to donate more funds when someone assesses the activity of the Heart Association is useful for social purposes. This condition implies that the special incentives as a result of a positive CSR image have an impact on brand equity, then consequently creates joy over the brand (brand preference), which may ultimately result in the purchase behavior. This is consistent with the results of respondents' responses that 98.23 percent of respondents prefer the brand of the product or service CSR doers. 98.05 percent of respondents would recognize a product or service the company first implementing CSR and it consequently will make a purchase. It implies that the higher the brand equity attributed by a positive CSR image, the higher the value of the company's brand preference exists

Statistical test result on the effect of brand equity and purchase intention directly without mediating effect of brand preferences shows a significant positive effect on this model, seen from the result of t-statistic more than 1.64 in = 0.05 alpha, with the estimated value of the parameter of 41.30 percent. The estimated value of this parameter can be increased by intervening in brand preference in brand equity effect on purchase intention.

The effect of brand equity on purchase intention has a significant positive effect, supporting the findings of the Cobb-Walgren et al. (1995); Chen and Chang (2008); Moradi and Zarei (2011), even though the value of the estimated parameters is different. The estimated value in this research is lower (41.30 percent) compared with the findings of the estimated value by Moradi and Zarei (2011) amounted to 63.00 percent, but higher than the estimated value of the findings by Chen and Chang (2008) amounted to 28.00 percent.

Based on the attribution theory, if the potential customer individually believes CSR activities to provide positive benefits, then the CSR activity builds a positive image that then attributes to the strong value of brand equity. When, the strong value of brand equity develops, this value then attributes to a positively higher purchase intention on the product or service of the company implementing CSR. When an attribution on purchase intention arises, as a result of the potential customer considering themselves loyal, the potential customer would recommend the company's brand doers CSR to the others, and a product or service of the companies implementing CSR would be the primary choice (as one of the measurement items of brand loyalty), referring to the response of the respondents respectively 99.29 percent; 99.82 percent; and 55.32 percent. Therefore, the finding in this research model is appropriate that brand equity has a positive effect on purchase intention of the potential customers on the product or service of the company implementing CSR.

This finding implies that the higher purchase intention would be created, if the stronger brand equity develops because of higher CSR image attribution. Moreover, if there is a mediating role of brand preference in the effect of brand equity on purchase intention, the higher purchase intention also would be created. CSR positive image can arise the customer's belief on the CSR benefits derived from the activity of CSR, which can provide a sustainable increase in social welfare, by 99.82 percent of respondent responses, stating that the companies implementing CSR activity would promote the development and prosperity of society in the long term.

The estimated value of brand equity effect on purchase intention is lower than the estimated value of brand equity effect on brand preference. This occurred allegedly because of the perceived quality of the product or service. Based on the response result shows that 26.42 percent of respondents said the tendency of the products or services of the company implementing CSR is not high-quality and 0.89 percent said the products or services quality of the company implementing CSR is in low-quality. This is in line with the result of the respondent's response still indicating no doubt to purchase the products or services of the company implementing CSR and to be the first choice of 44.68 percent. These findings also are supported by Liu, et al. (2014), implying that brand preference can have a higher effect due to brand equity, attributed to a positive CSR image. The findings of Liu et al. (2014)

confirmed that the consumer's brand preference will be stronger, if the higher quality of the brand products exists, as a consequence of the CSR image effect.

Brand preferences have a significant positive effect on purchase intention in this research, based on the statistical result of more than 1.64 in alpha level = 0.05, with the estimated value of the parameter of 46.80 percent. This result supports the idea of Hellier et al. (2003); Devlin et al. (2002); and Bailey and Ball (2006) and the study findings by Chen and Chang (2008); Chang and Liu (2009); Moradi and Zarei (2011), which also supports the findings of the Cobb - Walgren et al. (1995); Hellier et al. (2003).

The estimated value of brand preference effect on purchase intention in this research is lower (46.80 percent) compared with the findings of Chen and Chang (2008); Chang and Liu (2009) respectively by 60.00 percent and 85.00 percent, although the research result by Moradi and Zarei (2011) only amounted to 32.00 percent. This difference occurs due to the use of different research designs. The findings of this study did focus on the company's offering in low product involvement category (beverage and toiletries industry in terms of soap products, Coca Cola, Aqua, and Lifeboy in the Indonesian market).

The estimated value of brand preference effect on purchase intention has the same relative value as an estimate of the effect of brand equity on purchase intention. This happens because of the alleged superiority of the products or services quality of the company implementing CSR. This corresponded to a consumer response results. 3.90 percent of potential consumers stated a product or service of the company implementing CSR is not superior to the other competitor brands. 39.54 percent of potential consumers stated that the product or service of the company implementing CSR tends to be not superior. 1.95 percent of the potential customers tend not to purchase the product or service of the company implementing CSR. 1.77 percent of the potential customers tend to prefer the product or service of the company implementing CSR to the products or services of other companies. This supports the idea of Becker-Olsen et al. (2006) and Marin et al. (2009) that the CSR activity is not a stronger predictor of purchase intention in creating consumer preference on the brand, but other marketing activities, such as price and quality of products or services.

Oberseder et al. (2011) also stated that consumers will consider the purchase decision by several factors which are the quality of products or services, brand value as measured by brand equity, service, and country of origin of the product manufacturer. This is in line with the finding of Sen and Bhattacharya (2001) that the activity of CSR under certain condition attributes to lower purchase intention on the products or services, because of the product or service quality and consumer conviction toward CSR activity that gives the benefits to the stakeholders, specifically in building prosperity and quality of life.

Then, Bhattacharya and Sen (2004) also found that the consumer's reaction to the purchase decision is not directly caused by CSR activity, but because of price and product quality. It is also a correspondent with the study by Cone (Bhattacharya and Sen, 2004) that 84 percent of American consumers are likely to switch the brand of the product or service of the company implementing CSR. If the price and quality of the products or services of the company implementing companies, the potential customers would prefer to buy the product or service of the company implementing the activity of CSR.

Furthermore, Oberseder et al. (2011) stated that the activity of CSR is the minor determinant in the purchase decision compared with others (sales price, product or service quality, brand equity value, and country of origin of the product manufacturer). They suggest there are three determinants of purchase decisions, 1) core factor, such as the level and type of information as well as personal attention; 2) central factor, such as the financial situation, which is extremely sensitive to the consideration of the sales price; and 3) peripheral factors, such as the CSR activity,

corporate image, and the influence of groups/communities of expertise. Research shows that 61.35 percent of the respondents have a low-income category of under 3 million. Allegedly, the Income of potential consumers becomes an important consideration in purchasing decisions that are strongly correlated with the selling price. Even more, if consumers are very rational in the selection of products that are highly influenced by the level of education and employment as personal, as the suggestion by Oberseder et al. (2011), the potential customers do not tend to purchase the high priced product or service.

If analyzed based on the level of education, customers' income, level of job status, the potential customers are willing to buy the product or service because of the core benefit of the product or service. Research shows that education level dominates on bachelor's degree (diploma, undergraduate, and postgraduate) amounted to 69.80 percent, 67.00 percent of the potential customers are on the productive work. It means that the potential customers are willing to purchase the product or service are not emotional, affected by the brand value, described by de Chernatony et al. (2006). Thus, income level, education level, as well as the status of productive work may affect the purchase decision of products or services of the company implementing CSR, which might be considered as a control variable or a moderating effect in this research model, which is currently not examined.

Overall, it can be concluded that the attribution theory has an important role in supporting the empirical testing in CSR image effect on building brand equity. Then, the value of brand equity consequently creates brand preference and purchase intention.

CSR image effect in building brand equity contributes to the development of CSR concept from the perspective of consumer behavior. The result of this study dismisses the idea of Oberseder et al. (2011) that stated the CSR study from the perspective of consumer behavior, especially in purchase behavior still shows a considerable gap.

This research result has a theoretical contribution that the CSR image is an important factor in building brand equity. Likewise, brand preference is a mediating role in the effect of brand equity on purchase intention. This implies that brand preference contributes very important in increasing the higher purchase intentions of the potential consumers into actual purchases that are likely to be realized.

CSR image model in building brand equity in this research contributes to the managerial practices of companies. The brand equity value of the company would be stronger, if the company implements a higher positive CSR image. Consequently, the stronger brand equity value is, the higher purchase intention would be realized into purchasing behavior toward the products or services of the company implementing CSR. So, it is better for the company doing CSR best to have some benefit values, especially to boost sales volume improvement to increase market share growth.

Therefore, the CSR image model in building the brand equity value of the companies implementing CSR is very important for the company because this model will have an impact on the decision of buying behavior in the form of increased preference on the brand and higher purchase intention of potential customers toward the products or services of the company implementing CSR, and also consequently contributes to the improvement of business performance, including the high investment value in the long term and attracting more investors, as the idea of Kotler and Lee (2005, p. 17).

Future study needs to be conducted to examine the level of income, education, and employment status as a variable control or as a moderating variable, or other potential factors as a peripheral factor such as Indonesian customers culture (dominating in group culture) that can moderate the effect of brand equity in purchase intention. This recommendation for future study is relevant to the research result of García-Conde et al. (2016), suggesting to

examine the customer segment or characteristic, as a moderator in the effect of CSR on purchase intention, in that brand value can be considered as a mediating effect. It may also examine the quality and price of the product, as depicted in descriptive data in this research and suggestion by Sen and Bhattacharya (2001); Bhattacharya and Sen (2004); Oberseder et al. (2011); Liu et al. (2014).

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