

Does The Ethical Corporate Social Responsible Strategy Influence Consumer Purchasing Behavior During Product Harm Crises? A Comparative Study between China and Sri Lanka

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Abstract: Business implements Corporate Social Responsible (CSR) strategies with the aim of glimpsing “doing well” in the eyes of consumers which in turn expects financial benefits. It has been widely accepted that an implication of Ethical CSR seems important in the face of product harm crisis that has the ethical nature. However, the applicability of this phenomenon in the crisis context has limitedly exploited in the existing literature. Therefore, the main purpose of the current study is to find whether the ethical CSR decides consumers’ purchase decisions in China and Sri Lanka in response to the ethical CSR strategy implemented in a company culpable product harm crisis. Study conducted a self administrated, pre-tested questionnaire survey of a total sample of 201 Chinese and Sri Lankan based undergraduate marketing and business management students. Collected data were analyzed by using SPSS (version 20.0). Independent samples *t* test, MANOVA followed by ANOVA were run to analyze the data. Findings revealed that consumers in two Asian countries react in an entirely different way in response to the ethical CSR strategy implemented in a company culpable crisis. Implementation of an ethical CSR strategy helps to enhance the purchase decisions in Sri Lanka, whereas it is insignificant in China. Moreover, the ethical CSR strategy moderates the impact of country on purchase intention of the affected brand, revealing a new insight into the product harm crises management literature. This study provides new insights for companies to protect their financial status during product harm crises and for further research investigations.

Keywords: China, corporate social responsibility, product harm crisis, purchase intention, Sri Lanka.

I. INTRODUCTION

Corporate social responsibility (CSR) has emerged in recent years as both an important academic construct and a pressing corporate agenda item that seeks the economic rigidity. CSR is a multi-dimensional concept surrounding a wide range of business practices and activities that go beyond the corporation’s control [5]. Moreover, CSR is a philosophy and a roadmap to ensure that all stakeholders’ interests are looked after beyond legal obligations in an ethical, socially and environmentally responsible manner [6]. In addition, past literature recognized corporate social responsibility as one of the widely accepted influences on product harm crisis management [27, 15].

A crisis of a great concern to marketers with respect to the market economy is product harm crisis which can occur from several causes such as manufactures negligence, technological failure, malevolence, product misuse or sabotage. Companies all over the world spend billions of dollars on CSR activities so as to create a favorable company’s perception

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in consumers' minds, something which results in numerous benefits, with trust and commitment for the company, better attributes perceptions, evaluations and buying intentions for the company's products being among them. What is more, favorable CSR strategies can form an important protective shield towards crises, given that they positively affect consumers' reactions [25, 15].

There is no universal definition for CSR, or a universal agreement on the characteristics of CSR. It seems hard to pin down an exact definition common to all nations. Therefore, the field of empirical CSR research generally has been hampered by the lack of a consistent definition of the construct of CSR [22, 24]. Different authors defined CSR in deferent ways. For instance, Carroll [3] defined CSR as company responsibilities comparing economic, legal, ethical and philanthropic. Thus business is expected to be profitable, obey the law, be ethical and be a good corporate citizen. According to Brown and Dacin [2], CSR is an organization's status and activities with respect to its perceived societal obligations. CSR strategies suggested by Carroll [3] have been widely considered in the CSR context [9, 10]. Why does the study consider the ethical CSR? It is noteworthy that the study of Vassilikopoulou and his colleagues [28] motivates us to think ethical strategy of CSR may yield affirmative results with respect to purchase intention of the affected brand in product harm crises, since ethical consumers become more aggressive in a product harm crisis and these consumers are "more difficult to persuade to buy a product from a troubled company again" [28, p.286]. Moreover, the ethical nature of crises [12] further supports this notion.

From a marketing perspective, past scholars stated that CSR has a strong and direct impact on consumer attributions, which consequently influences purchase intentions and the firm's economic benefits [15]. However, the role of country on shaping this link between CSR and purchase intention is an unexploited area in the crisis literature. Moreover, national cultural comparisons of CSR studies are scant. Very few [7, 21] investigated this matter yet. However, these studies were based on developed markets and investigations focusing on Asian emerging markets are scant. Hence, the existing marketing theories do not reflect Asian consumers' voice, keeping the applicability of these theories in the Asian context ambiguous. In fact, China and Sri Lanka have emerging markets and economic expansion coupled with globalization demands highly competent corporate responsibilities to magnet consumers throughout the world.

Out of different definitions of CSR, Carroll's [3, p. 500] definition i.e., "the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time" seems to be "sufficiently general and all embracing to have general applicability" [10, p. 84]. In line with Carroll's [3] definition, a variety of initiatives characterized as socially responsible can be classified into the economic, legal, ethical, and discretionary responsibility domains. In addition, crises are ethical issues [12]. In particular, product harm crisis can be regarded as an ethical issue not only because it inflicts harm to individuals, but also due to the involvement of a responsible agent [17]. Therefore, as product harm crisis is an ethical issue and the ethical consumers are the dominant part in a product harm crisis [28], implementation of an ethical CSR perhaps yield fruitful results in a product harm crisis.

Marketing literature has documented copious studies on CSR; nevertheless, there exist some questions unanswered. Does the implementation of an ethical CSR strategy in a crisis seem fruitful from the economic perspective in the Asian context? What is the impact of ethical CSR strategy on purchase intention in different national cultures in a product harm crisis? Does the Asian culture differ or similar with respect to their purchasing behavior in response to the ethical CSR strategy in a product harm crisis? Does the existing ethical CSR strategy applicable to the Asian context as well in the face of a product harm crisis?

Therefore, the purpose of the current study is to answer these questions that help to overcome the existing conceptual limitations and to scrutinize the CSR issue through an Asian cultural lens during product harm crises. Hence, present study considers the applicability of the ethical CSR in the Asian context, for instance, in the Asian Emerging markets in China and Sri Lanka; in midst of a product harm crisis. More precisely, present study investigates the effect of an ethical CSR on consumers' purchase intention in a product harm crisis with special reference to China and Sri Lanka.

Hypotheses Development

The concept of CSR and most of the empirical work on the topic originated from the U.S. [23]. Given the international scope of CSR activities in today's highly competitive global marketing environment, it searches the essentiality of investigations of the wider applicability of CSR across cultures. Understanding culture specific characters is vital in this regard. On the basis of Hofstede's [14] cultural dimensions China is a collectivist country [13,14]. Unfortunately,

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Hofstede did not consider Sri Lanka in his investigations. A small scale research study in Sri Lanka indicated that Sri Lanka has a collectivist culture as well [29]. Therefore, consumers in these two countries are likely to incorporate society's well-being in their purchase decisions [14]. Thus, they may consider CSR as an important purchase criterion. Moreover, Maignan [21] suggested that individuals and national cultures differ in terms of the relative importance of specific sets of values. Using survey data from the U.S. and China, Chu and Lin [7] suggested that Chinese consumers have revealed a higher level of perceived importance of CSR and expectations about CSR than respondents in the United States. Therefore, consumers' expectations of corporate social responsibilities seem to reflect their underlying national ideologies [19]. However, as this is the first study discussing Sri Lankan consumers' expectations in a product harm crisis literature, there is no literature related to Sri Lankan consumers' view in this regard. Recent research done by Abeynayake and his colleagues [1] found that Sri Lankan consumers are still unaware but are willing to support CSR.

In one of the few studies to address this CSR issue, Chapple and Moon [4] showed that CSR expectations vary considerably among Asian countries mainly due to their respective national business systems. Corporate social responsibility (CSR) is an important tool used in the product harm crisis in order to attract consumer toward the business [15]. Therefore, study posits that these CSR expectations perhaps in turn reflect their purchasing behavior. Product harm crisis causes negative impact on the purchase intention of the affected brand [8, 28]. Moreover, past literature documented that product harm crisis not only causes the detrimental effects on the troubled brand, but also on other non-crisis brands of the troubled company [25]. In addition, past literature showed the national cultural difference in consumer perceptions during product harm crises [16, 26].

H1: Consumers' purchase intention of the (a) troubled brand, (b) other products of the troubled brand, and (c) any other products from the troubled company will significantly vary in China and Sri Lanka in response to the ethical CSR strategy in a product harm crisis.

Consumer's crises experiences in these two Asian countries are totally differ. Chinese have more awful experience on crises (for example recent Melamine milk crisis) than Sri Lankans. Fortunately, Sri Lankans have never experienced a country specific crisis yet (hope and wish not to happen in the future as well). Consumer's reaction in a crisis may be based on his experience on past crises incidences [11] that may be present in his memory. Cognitive psychologists believe that memory is extremely durable [20]. Therefore, consumer reactions to crises may be based on his experience on past crises incidents that may be present in his memory. Moreover, consumer response to crises heavily influence the way a consumer is impacted by a crisis event [11]. In addition, consumer expectations of these two countries in a crisis may differ as their experience seems to guide the expectation. For instance, past literature showed that 'consumers' expectations about a firm as their beliefs about the behavior of a firm in a given situation based on their experience and knowledge of the past behavior of the firm [8, p. 216]. In a similar vein, consumer expectations in a crisis perhaps based on their experience and knowledge of the past product harm crisis incidences. Therefore, consumers' expectation of response strategies seems different in these two countries in order to restore their tarnished moral reputations. In addition, Judgments from direct experience are stronger and are more easily "accessed" from memory [11]. Chinese, due to their awful experiences in the face of crises (for instance, recent Melamine milk crisis in 2008, and plenty of other crises in their history), perhaps exhibit lower purchase intention of the affected brand, products of the affected brand as well as any other products from affected company than their Sri Lankan counterparts. Therefore, it is perfectly rational to consider that past memory on crises may reflect their purchase decisions in a product harm crisis. As aforementioned, product harm crisis has not only caused the detrimental effects on the troubled brand, but also on other non-crisis brands of the troubled company [25].

H2: Chinese consumers' purchase intention toward the (a) troubled brand, (b) other products of the troubled brand, and (c) any other products from the troubled company will be less than that of Sri Lankans.

Lin and his colleagues [18] showed the purchase intention and its antecedents (perceived negative publicity) and found the moderating effect of CSR. Moreover, Klein and Dawar [15] showed that CSR is a significant moderator of consumer attributions in a product harm crisis. In addition, authors described CSR in a following manner. 'CSR is like an insurance policy that is there when you need it.' [15, p. 215]. Therefore, it seems CSR issues are important in the product harm crisis context. Moreover, it seems rational to consider consumer combines the corporate social responsible (CSR) issue with their national cultural dimension in order to decide the purchase intention of the affected brand, purchase intention of

the products of the affected brand, and the purchase intention of any other products from the affected company in a product harm crisis situation.

H3: CSR will moderate the country effect on consumers’ purchase intention toward (a) the troubled brand, (b) other products of the troubled brand, and (c) any other products from the troubled company.

Conceptual framework of the study is illustrated in Figure 1.

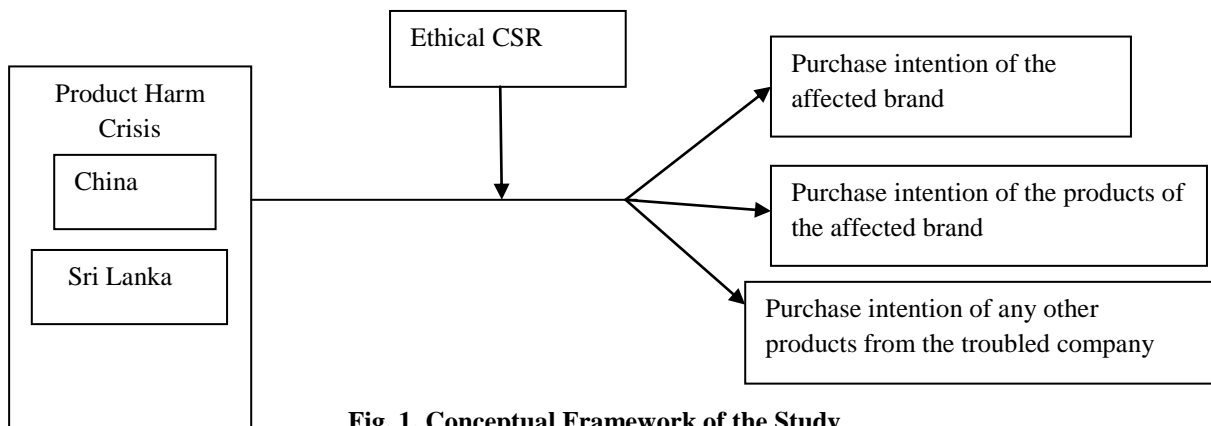


Fig. 1. Conceptual Framework of the Study

II. METHODOLOGY

A self administrated, pre-tested questionnaire survey was administered to test the proposed hypotheses. Two versions of questionnaire; Chinese and English were employed to capture responses from Chinese and Sri Lankans respectively. The English version of the questionnaire was translated into Chinese by a bilingual researcher and back-translated by different bilingual researcher in order to maintain translation equivalence. A fictitious crisis scenario explained a company culpable crisis situation followed by the description of the implementation of the ethical CSR strategy. A company culpable crisis (company located, stable and company controllable) situation was employed as it causes more detrimental effect on consumer behavior than other types of crises [15]. A fictitious yogurt brand was selected as the product category based on pre-test. Prior to the main study, a pre-test was conducted by using 50 Chinese and 50 Sri Lankan students from the same pools used in the main study. The main purpose of the pre-test was to make sure that the language readability and vocabulary similar in both languages and to find whether the respondents like yogurt, which was used as the product category. Pre-test confirmed that majority of the respondents preferred yogurt. All subjects rated their mean likeability above 5. Moreover, there was no significant difference on the average likeability of the yogurt between Chinese and Sri Lankans (China=5.45, Sri Lanka=5.78; $F=1.52, p=0.22$). Nor did the two countries differ from each other on any pair of individual consumers. In addition, gender was insignificant with respect to the likeability of yogurt (male=5.49, female=5.75; $F=0.94, p=0.34$). Therefore, study concluded that any effect on the dependent variable was not attributable to differences in the importance of the product attributes for the two cultures or genders. Hence, yogurt was selected as the product category in the final questionnaire. In fact, college students are considered as an important consumer segment for this product [28]. A convenient sampling method was used to select respondents as used by past product harm crises literature [28]. Moreover, a fictitious brand and a fictitious crisis scenario were taken to avoid confounding effects due to consumers’ potential relationships or experiences with existing brands and past product harm crisis situations [25].

Sample and Procedure

Study conducted an experimental survey of two samples of Chinese (n=51) and Sri Lankans (n=50) with the control (no CSR information, only the product harm crisis information) based undergraduate marketing and business management specializing students. There were 50 respondents from each country (China=50; Sri Lanka=50) participated in the control. Therefore, altogether, 201 respondents were participated. Therefore, the study was employed for the sample profile consists of Control vs. Experiment.

After questioning several demographic questions, in the experiment questionnaire described the company culpable product harm crisis event affixed with the ethical CSR strategy as follows. "Yoghurt brand "X" of company "A" is very famous among consumers due to its specific taste and company earns a considerable profit by selling that brand. Unfortunately, last week it was reported that consumers became ill after consuming the yoghurt brand "X" sold by company "A", 600 people were hospitalized and 10 died. Company "A" uses to add more synthetic preservatives to the firm's brand "X", than other yogurt brands produced by the company or any other companies. Based on its laboratory experiments, company "A" knows some of these preservatives could be harmful only if mixed with alcoholic substances. Though company "A" can stop using these harmful preservatives, company has been using them since long time in order to produce the profit oriented specific taste to the yogurt brand "X". After the negative event, company "A" decided to behave in a socially responsible manner concerning society's expectations. Therefore, the company opened massive telephone and E-mail hotlines and promised the public to conduct the business in line with ethical principles and standards. As an assurance the company meets ethical standards, it has been rewarded and approved by the National Business Ethics Commission last year".

This scenario was followed by questions to elicit consumer perceptions on the ethical CSR strategy and their purchase intention of the troubled brand, products of the troubled brand and any other products of the troubled company in the presence of the ethical CSR strategy. In the control situation, only the first part of the questionnaire (product harm crisis incidence) was documented.

Questionnaires were randomly distributed among respondents in classroom sessions separately in two countries. It is important to note that before the completion of questionnaires, respondents were informed that the scenario is imaginary in order to encourage them to read the fictitious scenario carefully and then answer the questions that followed [28]. Moreover, since ANOVA was used as the method of analysis, care was taken to assign almost equal number of respondents to each group [25].

Measures

The survey instrument included measures of purchase intentions and ethical CSR strategy evaluation. Respondents ranked ethical CSR statement ('companies should always conduct business in line with ethical principles') on a seven point Likert scale anchored by 1= "strongly disagree" and 7= "strongly agree." The items used for purchase intentions were also measured with 7- point Likert scales ranging from 1= "strongly disagree" to 7= "strongly agree" [28]. Purchase intentions of the troubled brand, products of the troubled brand and purchase intention of any other products from the troubled company in these two sets of questionnaires (experiment and the control) were stated as "I would avoid buying brand 'X' from company 'A' after the event, "I would not be willing to purchase any other products of brand 'X' from the company 'A' in future, "I would not consider buying any products from the company 'A' in future, respectively [28]. Respondents rated fictitious experimental situations as, 1= "not realistic at all" and 7= "very realistic" at the end of the scenario to ensure the plausibility.

Analyses

Collected data were analyzed by using SPSS (version 20.0). Independent samples *t* test, MANOVA followed by univariate ANOVA were run to analyze the proposed hypotheses. Answers for the variables purchase intention, which stated negative questions were reversed in order to comply with the scales of the ethical CSR statements and the attribution statements in the questionnaire.

III. RESULTS AND DISCUSSION

Sample Characteristics

Tables I and II depict the demographic characteristics of the surveyed sample of the control and the experiment respectively. It is evident from the table that Chinese sample comprised of majority of female whereas Sri Lankan sample comprised of majority of males. In addition, it is noteworthy that Chinese monthly average family income is more than double of that of Sri Lankans.

Table I. Demographic characteristics of Chinese and Sri Lankan consumers: company culpable product harm crisis (control)

Country	Avg. Age (Yrs.)	Gender		Avg. family income (US\$/month)	Avg. family size (no.)
		male	female		
China	21	46	54	794.86	3
Sri Lanka	25	40	60	338.28	4

Table II. Demographic characteristics of Chinese and Sri Lankan consumers: with CSR (experiment)

Country	Avg. Age (Yrs.)	Gender		Avg. family income (US\$/month)	Avg. family size (no.)
		male	female		
China	20	22	78	780	3
Sri Lanka	22	62	38	300	5

Manipulation Check

Respondents identified the company culpable crisis situation correctly. Majority identified the crisis as company locus (96% Chinese and 96% Sri Lankan), stable (98% Chinese and 90% Sri Lankan) and controllable (96% Chinese and 90% Sri Lankan), which the experimental scenario needed to accentuate. Moreover, reliability, validity of the construct variables related to the company culpable crisis (taken to compare the effect of CSR in a product harm crisis) showed the average correlation among the items verifying the internal consistency. All indexes in two sets were above their respective thresholds, providing evidence for acceptable scale reliability (Table III).

Table III. Reliability and Validity: company culpable product harm crisis

	China		Sri Lanka	
	KMO	α	KMO	α
Locus ¹	0.71***	0.77***	0.85	0.95
Stability (1 item used)	-	-	-	-
Controllability ²	0.5***	0.5***	0.74	0.88

Note: ¹3 items were used to measure the locus (The cause is something that reflects an aspect of the company, The cause is something that is inside of the company, The cause is something that is related to the company’s own responsibility); ² two items were used to measure the controllability (The cause is under the control of the company, The company is responsible for the control of its own action); ***p<0.001

In addition, majority of respondents in China (78 %) and Sri Lanka (92 %) stated that the crisis scenario was realistic. Moreover, majority of the respondents in China (81%) and Sri Lanka (98 %) stated that the CSR scenario was realistic as well. In order to test the manipulation empirically, a two country (China, Sri Lanka), two situations (Control, CSR) full factorial MAVOVA was conducted. Purchase intention of the affected brand (PIx), purchase intention of the products of the affected brand (PIpx) and purchase intention of any brands from the affected company (PIp) were taken as the dependent variables. Results indicated that country ($F_{3, 195} = 35.83, p < 0.001$) and situation ($F_{3, 195} = 57.53, p < 0.001$) main factors were highly significant. Moreover, results of tests of between subject effects indicated that situation was highly significant in PIx ($F_{1, 197} = 134.83, p < 0.001$), PIpx ($F_{1, 197} = 91.25, p < 0.001$) and PIp ($F_{1, 197} = 5.89, p < 0.05$) verifying the successful manipulation of two scenarios’ control and the experimental.

Chinese and Sri Lankan Respondents’ view- Hypotheses Test Results

The independent samples *t* test was conducted to check the hypotheses H1 and H2. Results revealed that there was a significant difference in consumers’ purchase intention of the troubled brand, products of the troubled brand, and any other products from the troubled company between China and Sri Lanka in the presence of the ethical CSR strategy (Table IV). Therefore, H1a, H1b and H1c are substantiated. As expected Chinese consumers’ purchase intentions toward the troubled brand, products of the troubled brand, and any other products from the troubled company were less than that of Sri Lankans verifying H2a, H2b and H2c. Surprisingly, Chinese were not ready to purchase not only the troubled brand but also any other products of the troubled brand regardless of the presence of the ethical CSR strategy (low mean values on a seven point scale). They are indecisive related to the purchase intention of any other products from the troubled

company as well (mean was 4.16 on a seven point scale). However, Sri Lankans were ready to purchase the troubled brand, other products of the troubled brand and any other products from the troubled company as well, in the presence of the ethical CSR strategy. This indicates that from purchase intention perspective, the implementation of the ethical CSR is fruitful in Sri Lanka, whereas, it is not fruitful in the Chinese context revealing the cultural significance of CSR implementation.

Table IV. Effect of CSR on purchase behavior (Mean values)

Dependent measures	China	Sri Lanka	T
PI x	3.35	5.64	-8.49***
PI px	3.67	5.40	-6.54***
PI p	4.16	5.58	-5.29***

Note: *** $p < 0.001$; PI x= Purchase intention of the troubled brand; PI px= Purchase intention of the products of the troubled brand; PI p= Purchase intention of any other products from the troubled company

H3 posits that CSR will moderate the country effect on consumers’ purchase intention toward (a) the troubled brand, (b) other products of the troubled brand, and (c) any other products from the troubled company. CSR_{ethical} expectation was considered as high (who stated 5, 6, 7 on the seven point Likert scale) and low (who stated 1, 2, 3 on the seven point Likert scale) for this analysis. Therefore, a 2 country (China, Sri Lanka) X 2 CSR_{ethical} expectations (high, low) MANOVA was conducted. Main effect, country was highly significant ($F_{3, 95} = 23.31, p < 0.001$). However, the main effect CSR_{ethical} was not significant ($p > 0.05$). Interestingly, the interaction effect was highly significant ($F_{3, 95} = 3.72, p < 0.05$), indicating the moderating effect. However, it is interesting to note that this interaction (country X CSR_{ethical}) was affect significantly on purchase intention of the affected brand (PIx) only. The effect was marginally significant ($F_{1, 97} = 3.09, p = 0.08$), (Fig.2). Therefore, H3a is substantiated. This embellishes the finding of Klein and Dawar [15]. Authors found the moderating role of CSR in a product harm crisis context. Moreover, this finding is compatible with Vassilikopoulou and his colleagues’ findings [28] as well. Authors revealed a significant relationship between blame of the consumers who have high ethical beliefs and purchase intention. Authors further suggested that “ethical consumers will more easily blame the company and get angry and are more difficult to persuade to buy the product from the company again” [28, p. 286]. Perhaps, these consumers expect CSR_{ethical} in a product harm crisis context. Implementation of other CSR strategies, for instance, legal, social, and economic, perhaps result a financial threat to the affected company. However, the interaction was not significantly affect on purchase intention of the products of the affected brand as well as purchase intention of any other products from the affected company ($p > 0.05$). Therefore, H3b and H3c are not substantiated.

This is likely to happen as consumers perhaps focus on the purchase intention of the affected brand after the product harm crisis and the company’s CSR strategy exclusively targets the affected brand in a product harm crisis. Implementation of the ethical CSR is unimportant to enhance purchase intention of the other products of the affected brand and any other products from the affected company.

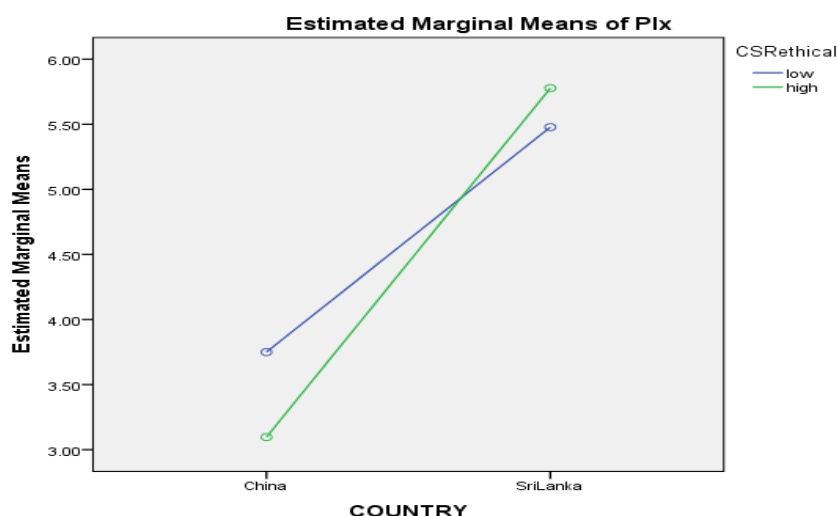


Fig. 2. Moderating Role of CSR Ethical

Overall, an identical national culture can have dramatically different effect on purchase intention of the affected brand, depending on the ethical CSR strategy. However, this interaction does not affect significantly on the purchase intention of the products of the affected brand, as well as purchase intention of any other products from the affected company. This is crucial from a managerial perspective.

IV. CONCLUSIONS, IMPLICATIONS AND WAY FORWARD

Present study examines how the implementation of the ethical CSR strategy affects the purchase intentions in two Asian countries; China and Sri Lanka, in a product harm crisis context. This study shows the feasibility of the application of the existing theories in the Asian context. Consumers in two Asian countries react in an entirely different way in response to the ethical corporate social response (CSR) strategy in a company culpable crisis. Implementation of the ethical CSR strategy helps to enhance the purchase decisions in Sri Lanka, while it is insignificant in China. As consumer perceptions vary significantly with respect to CSR in the Asian context, this study embellishes past literature [4].

This is the first study that uncovers the applicability of corporate social responsible strategies in the Asian context during a product harm crisis. Moreover, to the best of our knowledge, this is the first study considers Sri Lankan consumers' view in a product harm crisis context. Current study demonstrates the role of the ethical CSR strategy as a protective shield towards crises that acts as the 'insurance' in a product harm crisis, embellishes the finding of Klein and Dawar [15]. This implies that consumers purchase the troubled brand in a crisis where company is accused, on the basis of the implementation of the ethical CSR strategy. Nevertheless, the implementation of the ethical CSR strategy is not fruitful in all national cultures in a product harm crisis situation. For instance, the implementation of the ethical CSR strategy in a company culpable crisis is not fruitful in China from the economic point of view. Perhaps they demand another CSR in accordance with their cultural values as Chapple and Moon [4] showed that CSR expectations vary considerably among Asian countries mainly due to their respective national business systems. Consumers in Sri Lanka motivate to purchase the troubled brand, other products of the troubled brand and any other products from the troubled company when company implements the ethical CSR strategy embellishing past literature [12, 28] highlighting the ethical nature of crisis that demands ethical CSR. Therefore, it is interesting to note that the ethical CSR is an effective strategy in Sri Lankan context in order to gain economic benefits in a product harm crisis. Therefore, current study suggests that CSR focus companies should prioritize their agendas on the basis of national culture in order to extract the financial benefit, in particular, in a product harm crisis situation.

Theoretical Contribution

Current study yields several unique contributions to the existing product harm crisis literature. Identification of the significant link between consumers' purchase intention and the ethical CSR in a product harm crisis context is the major contribution of the current study to the existing product harm crises literature. Introduction of the applicability of the ethical CSR strategy in the Asian context is another contribution of the current study to the existing product harm crisis and the CSR literature. It seems CSR strategies are situation and culture specific. In addition, this study provides an empirical evidence for the cultural variation in consumer behavior in the product harm crisis context that embellishes the past literature [26]. Further, it adds the cultural variation of consumer purchase intention in a product harm crisis context. Moreover, current study provides empirical evidence for the Hofstede's [14] collectivist cultural dimension with an extension, showing that the existence of perceptual differences among consumers in the collectivist cultures. Therefore, current study demands intra-cultural dimensions as well in order to divide consumers in the same Asian culture. Do these differences exist due to the South and East Asian cultural difference? In addition, present study in line with the CSR theories as well. CSR theories state that organizations operate within a network of various stakeholders that can influence them either directly or indirectly. Therefore, as a major stakeholder group, consumers influence the affected company directly showing their purchase intention of the affected brand, products of the affected brand, as well as purchase intention of any other products from the affected company in a product harm crisis context.

Managerial Contribution

As global competition intensifies, it is necessary for companies to have strong inter-cultural relationships with not only culturally diverse consumers, but also culturally similar consumers (for instance in a same Asian context) while implementing CSR in a product harm crisis as a crisis mitigating strategy. Conflicting CSR expectations and outcomes in different cultures makes the crisis management more difficult with the aid of CSR. In particular, multi-national companies face a great challenge in this regard. Therefore, a firm should react to a product harm crisis with a prior coordinated plan

of CSR which reflects the cultural demand. This is vital as product harm crises hit company unexpectedly regardless of where they operate in the world. Understanding the CSR demand of different cultural partners of the business is vital to implement multi-dimensional CSR strategy that suits to gain economic benefits in the product harm crises. This is vital with respect to the particular country's economy as company's economic benefit in turn contributes to country's economy. Therefore, study thoroughly recommends incorporating culture specific (perhaps situation specific) CSR strategies if company has CSR criteria in its crisis mitigation agenda. The most important managerial implication is, when developing crisis mitigating strategies, national culture alone is unlikely to be sufficient to predict the effect of product harm crises on purchase intention of the affected brand; ethical CSR is a key moderator. Therefore, companies should pay a great attention on implementation of an ethical CSR to guarantee the economic benefit in midst a company culpable crisis.

In particular, marketing with Chinese as well as other Asian cultures is vital in today's highly globalized marketing environment as majority of multinational companies are operated in Asian countries. Therefore, understanding of the efficient and effective national culture specific CSR strategies is vital in order to achieve sustainable economic gain, while mitigating the negative financial consequences during product harm crises.

Future Research

Current study only considered ethical CSR strategy which did not yield positive results in China. Therefore, future research could examine the outcome of other CSR strategies as well in order to find an appropriate CSR strategy based on respective cultures, in particular, to identify best strategy that suits to Chinese context in a product harm crisis. Moreover, investigation of drivers of CSR among national cultures perhaps another fruitful extension in order to develop a universally accepted CSR framework that helps to rectify the tarnished economic status of the affected company. Investigation of CSR strategies in order to check whether they are situation specific or culture specific incorporating with different cultures and different situations could be another interesting extension. In addition, examining whether purchase intention actually leads to purchase of the affected brand in the presence of CSR in a crisis perhaps yield interesting avenue, as intentions may not lead actual purchases in all circumstances.

Identification of goals of stakeholders (Investors, Government, employees, stockholders) as well as the goal of the company itself also may yield a precise picture of CSR as Carroll [3] showed that companies have high expectations of economic domain of CSR. Otherwise conflicting CSR goals of company and stakeholders in different cultures make the crisis management more difficult and a complex one. Moreover, it has been recognized that existing CSR strategies are best associated with the American business system [23]. Therefore, more research investigations are needed to find the compatibility of existing CSR strategies with respect to Asian consumers. Moreover, investigations on cross-cultural applicability of CSR seem prolific for formulating economic policies in product harm crises as well as for ensuring universally acceptable framework of CSR. In addition, this study considers the effect of CSR on purchase intentions related to a hypothetical product harm crisis scenario affixed to the hypothetical brand from young respondents' (students) perspective. Therefore, that cannot be generalized in all circumstances. Hence, study demands future studies related to the actual product harm crises and actual brands with real environment. Furthermore, current study demands intra-cultural studies to find intra-cultural dimensions to divide cultures. These insights deserve future research attention in marketing.

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