

Is CSR a motivator for socially responsible customers of for-profit social enterprises?

Enrico Cinco Mendoza

De La Salle University

2401 Taft Avenue, Malate, Manila, Philippines

Email: enricocmendoza@hotmail.com, Phone +63 2 8524 4611

How to Cite This Article: Mendoza, E.C. (2020). Is csr a motivator for socially responsible customers of for-profit social enterprises?. *Jurnal Studi Komunikasi*, 4(3). doi: 10.25139/jsk.v4i3.2593

Received: 16-05-2020,
Revision: 17-06-2020,
Acceptance: 08-07-2020,
Published online: 01-11-2020

Abstract The rise and development of corporate social responsibility (CSR) as a very significant and influential dogma in current business practice support the popularly held view that firms cumulatively enjoy substantial power and control over a vast majority of society's resources. Such power can be at times detrimental to society in general, and as such, it is just right that these corporate behemoths police themselves unilaterally and be of good service to the community. The objective of this research was to evaluate the bivalent effects as motivator and hygiene factor of CSR on socially responsible customers towards a for-profit social enterprise. This research also evaluated the significance of CSR towards customer relationship and positive word of mouth among Human Nature customers. Respondents in this study were the customers of an independent distributor of Human Nature products in the Philippines. Findings indicated that CSR had a significant influence on the customer in enhancing customer relationship and CSR helps in encouraging customers to support and endorse Human Nature products willingly. CSR also bivalently exhibited characteristics of motivator and hygiene factor in moderating the impact of perceived CSR towards relationship quality and positive word of mouth from customers. Results of this study can be used as a reinforcement to the concept that CSR can and could elicit a positive attitude and behaviour from customers. Furthermore, the results of this study can also be used by scholars to probe further the corporate impact of various individual CSR initiatives instead of CSR itself in its totality.

Keywords: CSR; relationship quality; for-profit social enterprise; socially responsible customers

INTRODUCTION

The development of corporate social responsibility (CSR) as a very significant dogma of current business practice signifies the popularly held view that firms cumulatively relish substantial power and control over a vast majority of society's resources and that these companies have an ethical and social responsibility to go above and beyond the fundamental economic and regulatory necessities (Mackey & Sisodia, 2013). Such enormous power can be detrimental to society in general. As such, it is just right that these corporate behemoths police themselves unilaterally and be of good service to the community by proactively practising socially responsible activities and initiatives (Vallester et al., 2012).

Increasingly, various stakeholders, including customers, are demanding firms to be responsible corporate citizens and facilitate the solution of various social and environmental problems (Cone Communications, 2013). Nowadays, most human-made tragedies and disasters were the result of corporate malpractice and malfeasance, such as natural water and forest degradation, as well as excessive air pollution. Hence it just makes sense that the responsible parties should be held liable and accountable for their actions and should rectify the damages and harm that they have done and inflicted.

Companies are continuously being monitored if they are engaging in any CSR activities (Putranto, 2019; Saeidi et al., 2015). The market also seems to be rewarding the companies known to be engaged in CSR initiatives. The enormous competition and media scrutiny have left these corporations with no choice but to engage proactively in CSR programs. Nevertheless, despite the ongoing revolution of CSR, there seems to be no study that was clearly correlating CSR with better and improved customer relationship.

Companies continue to invest time and money in implementing new CSR initiatives and at the same time continue to improve on current ones, hoping that their actions will benefit not only society but also themselves. However, given the vast array of benefits that a company might acquire due to its CSR programs, one potential benefit that deserves to be scrutinised more carefully is the impact on customer relationships (Lacey et al., 2015). A strong customer relationship is one of the cornerstones of a successful company; thus, this relationship must be continuously cultivated to ensure long term success.

Along with the development of socially responsible companies, there has also emerged a development and evolution of socially conscious and responsible customers. This niche of customers tends to be more aware and selective in terms of choosing from which companies they purchase their products. Socially responsible customers intend to use their purchasing power in helping to solve various social problems by spending their money on companies whom they think will help in bringing about positive change to society and help in minimising if not

solving the various social ills that plague society (Wattanakamolchai, 2008).

In connection with this study, Herzberg's two-factor theory (Herzberg, 1968) which states that factors that contribute to satisfaction and factors that contribute to dissatisfaction exist in two separate continua was used as one of the frameworks in this research. Herzberg contended that to truly satisfy and capture the hearts of customers, a company should provide motivators (Morsing & Spence, 2019). Meanwhile, to prevent customers from getting dissatisfied, hygiene factors should be provided as well (Barnett et al., 2020).

Social enterprises, which was one of the key constructs in this study, have been defined as formal and informal. Formal social enterprises identify themselves as social enterprises that have satisfied the globally accepted social enterprise definitions. On the other hand, informal social enterprises have satisfied social enterprise definitions, but are either unaware of the definition or have decided not to identify themselves as social enterprises (Darko & Quijano, 2015).

This research attempted to probe the influence that CSR has on socially responsible consumers in connection to its relationship with for-profit social enterprises in the Philippines. In this study, the researcher investigated specifically the advocates/customers of Human Nature. Human Nature was a Philippines-based social enterprise that produces various consumer products ranging from shampoo, bath soap, makeup and the likes. The researcher sought to find out if there is any impact or role CSR plays in terms of the selection and patronisation of for-profit social enterprises by socially responsible customers. In addition, the researcher investigated if CSR initiatives can function as a motivator or hygiene factor or both with regards to socially responsible customers.

Human Nature started during the period of increasing demand for all-natural organic products in the U.S. Its founders realised that most of the raw materials for these products could be found in abundance in the Philippines. With the help of a formulator, Human Nature was formally launched in 2008. Human Nature sourced several of its raw materials like citronella, lemongrass, and coconut oil from local farmers in the Philippines.

Because of its commitment to uplift the lives of the marginally poor, Human Nature was recognised by Ernst and Young as an outstanding social entrepreneur; it was also credited for its efforts and endeavour in World Economic Forum. Being pro-Philippines, Human Nature makes sure that its raw materials, whenever possible, are sourced only from the Philippines. The aim to develop locally sourced materials into world-class products. Moreover, in the process, this model would provide jobs, livelihood, and training for the various local communities.

Among the strengths of Human Nature is its excellent reputation among its customers. Human Nature refers to its customers as advocates because they share the advocacy that the company is

pursuing by supporting the products it offers in the market. Human Nature is also known in the market for its unwavering support for the local communities, environment and for being pro-poor people. Additional company strength is the variety of its products. Human Nature sells hair, facial care, makeup, body care items, baby products, and many more. Lastly, Human Nature offers affordable prices. Its products are sold on the average at par with that of leading brands of its competitors.

Conversely, Human Nature also has its share of weaknesses. One of which is its lack of formal advertising. Human Nature does not subscribe to traditional advertising campaigns commonly done by other non-social enterprise commercial companies: it does not advertise on TV, radio and newspapers. There is also cannibalisation of the market for its authorised distributors and dealers. Human Nature sells the majority of its products through individual distributors/dealers. In addition to this, Human Nature has a few select retail outlets in some specific supermarkets and shopping malls. With this, individual distributors felt discouraged and disincentivised, knowing that they have competition from some mainstream outlets and stores. Nonetheless, despite its weaknesses, Human Nature is a thriving for-profit social enterprise.

Corporate social responsibility (CSR) did experience an evolution of sorts in the Philippines. Philippine Business for Social Progress (PBSP), an active CSR organisation in the country has stated that today's customers put a premium towards companies engaged in CSR programs. Furthermore, most of the firms in the Philippines today prefer to be involved in CSR programs that affect education by providing academic assistance, the environment through tree-planting programs, installation of potable water systems in waterless communities, as well as disaster response and recovery.

CSR awareness among Philippine businesses began in the 1960s, with them giving donations in cash directly to foundations and other charitable organisations (Bhatia & Makkar, 2020; D. Miranda-Quibot et al., 2020; Pascua, 2020). In the past, corporate social responsibility was more confined to philanthropic endeavours or the usual one-time dole-outs to communities in need. In the 1970s, the country suffered from a socio-economic turmoil, and the business environment was on a survival mode. It was during this time that PBSP was founded and vowed to bring together resources in contributing to social development collectively. In the 1980s, the primary CSR strategy was community relations as companies needed to secure a license to operate in the local community. In the 1990s, companies were driven more by the need to enhance competitive advantage and reputation capital. Businesses began to engage in more strategic social investment and mainstream corporate social responsibility in their business practices. Today, companies are responding to the call to do more strategic interventions

that require inter-industry collaboration to provide a more sustainable solution to societal problems in the country.

Philippine companies have also seen the value of adopting the inclusive business model, where the poor are given the opportunity to be integrated into a company's core business operations or value chain either as employees, consumers or suppliers. The new millennium drove companies to answer the call for business sustainability, and these have led to businesses viewing social development not only as an add-on activity but as an integral part of their business operations.

Considering the growing trend and evolution of corporate social responsibility as a societal and strategic tool among corporations, it is worth finding out if CSR also has a similar impact among socially responsible customers in connection with for-profit social enterprises such as Human Nature (Zhang et al., 2019). As such, the research problem was: Is CSR a motivator or hygiene factor for socially responsible customers of for-profit social enterprises? This paper intended to cover a research gap in the marketing literature by evaluating the impact of CSR initiatives on socially responsible customers' relationships with for-profit social enterprises specifically exploring whether CSR initiatives act as a relationship motivator or hygiene factor or both.

Conceptual model (Lacey et al., 2015) shows how CSR as a motivator and as a hygiene factor can moderate the influence of perceived CSR activities towards customers attitude and intention to recommend the company through word of mouth. Besides, the conceptual model also shows how CSR as motivator and hygiene factor can moderate the relationship quality between the firm and its customer.

In addition to the general objective mentioned above, the researcher specifically sought to determine if a company's CSR activities can help in strengthening customer relationships. Likewise, the researcher also attempted to understand if a company's CSR activities can help in influencing customers to exhibit positive word of mouth behaviour with regards the company as well as determine if a strong customer relationship can help in influencing customers to exhibit positive word of mouth behaviour with regards the company. Lastly, the researcher also attempts to establish what possible moderating effect could CSR as a motivator and as hygiene factor have on perceived CSR towards the positive word of mouth including determining what moderating effect CSR as a motivator and as a hygiene factor have on perceived CSR towards relationship quality.

Results of this study could be used to validate, substantiate and support the results of a similar study conducted in the United States wherein the units of measurement were the customers of an NBA team located in the Southeast part of the U.S. (Lacey et al., 2015). In that study, the authors did propose that future research may be conducted for prospective customers or with regards to a company that is not as

high profile as an NBA team. Therefore, the results of this study can be able to support or contradict the results of the previous research.

CSR is loosely described as a firm's activities concerning satisfying its obligations towards society (Brown & Dacin, 1997). These activities and initiatives can be varied, ranging from providing financial support to specific charity organisations, investing in projects that will help save the environment, providing unique programs to the community, among others. These activities are not mandated by law. It is being undertaken supposed to be out of the goodness of the heart of these corporations. One need not be mistaken that some sceptics thought that corporations were doing this either due to corporate guilt or to mask their corporate irresponsibility.

While CSR may be viewed as basically an altruistic activity, the over-riding view among the academics is that it is loaded with strategic benefits and value as well (Vallester et al., 2012). It seems that among the cynics, CSR is believed to be more and more becoming a strategy more than altruism. It seems that corporations were able to create doubt in the minds of consumers whether these CSR initiatives are really as what it was purported to be or if it was just a façade with sinister intentions hiding behind it. Nonetheless, it might be difficult for consumers to find out the real score. Doubt among the minds of the sceptics nonetheless was enough for corporations to continue to dwell on this strategy and surprisingly continue to be successful as well.

The socially conscious customer was described by Webster (1975) as "a customer who considers the public consequences of his or private consumption or someone who tries to utilise his or her buying power in order to promote societal improvements." Meanwhile, the socially responsible customer was described by Mohr et al. (2001) as "an individual who is basing his purchase, utilisation, and disposal of products on a desire to mitigate all harmful effects and maximise the long-run benefits towards society."

Research undertaken by Lacey et al. (2015) was focused on a professional sports team in the U.S. and that the unit of research were the existing customers of that team. Lacey et al. (2015) proposed that further research was still needed and that certain and further modifications and iterations with regards to the subject company's characteristics as well as target consumers can be done in order to dig deeper into the subject matter (Gatti et al., 2019). As such, the researcher was very much inclined to do a study, not that of a corporation, but instead of a for-profit social enterprise in the Philippines, and that the unit of research would not only be existing customers but rather customers who can be categorised as socially responsible at that.

The main theoretical framework used in this research was Herzberg's motivation-hygiene theory which states that sources of satisfaction are viewed as separate and distinct from sources that contribute to dissatisfaction thus positing the existence of two (2)

parallel continua. Therefore, the opposite of satisfaction is not dissatisfaction but rather non-satisfaction. While on the other hand, the opposite of dissatisfaction is not satisfaction but rather non-dissatisfaction. Factors that provides satisfaction are called motivators, while factors that contribute to dissatisfaction are called hygiene factors. Motivators or intrinsic factors include achievement, recognition, work itself, responsibility, and advancement. Hygiene factors or extrinsic factors include salary, supervision, interpersonal relations, management and working conditions (Herzberg, 1968). Figure 1 shows the conceptual framework used in this study.

Conceptual Framework

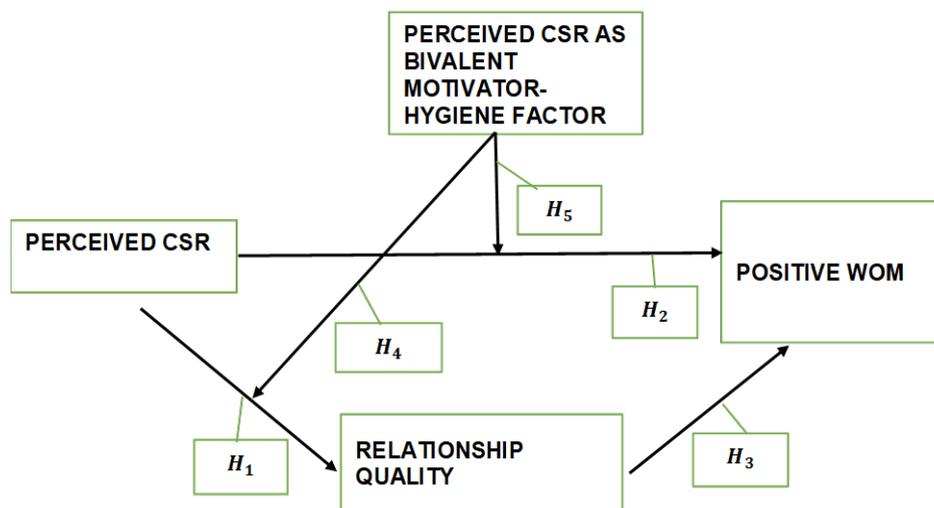


Figure 1. Conceptual Framework (Lacey et al., 2015)

The extant CSR literature provided evidence that when a firm showcases its CSR initiatives and that its customers put in high regard this actions of the firm, then the customer-company relationship will be strengthened (Doney & Cannon, 1997). The following hypothesis is hereby asserted:

H₁: Perceived CSR invigorates the quality of customer relationship with the firm.

The conceptual framework was composed of one independent variable, which was perceived CSR. Perceived CSR is defined as customer awareness of and beliefs about a firm's CSR programs. Extant research has indicated empirically that CSR programs improve consumer attitudes towards firms and that such attitudes may impact certain behaviours like positive word of mouth (WOM) referrals (Brown & Dacin, 1997; Lichtenstein et al., 2004; Marin et al., 2009). Incidentally, positive word of mouth (WOM) refers to the customers' willingness to share

positive personal recommendations with other customers about a specific product. As such, the following hypothesis was asserted:

H₂: Perceived CSR stimulates customers' willingness to engage in positive word of mouth.

Relationship quality is composed of multiple attitudinal dimensions, most commonly relationship satisfaction, trust, and affective commitment. Extant literature revealed that relationship quality is the most significant mediator of a firm's performance (Palmatier et al., 2006). High-quality relationships boost cooperation among exchange partners and thereby resulting in customer benefits high above transactional challenges. Extant research has revealed the connection between individual dimensions of relationship quality and positive WOM (Brown et al., 2005; Kumar et al., 2013). Therefore, the following hypothesis was hereby proposed:

H₃: Relationship quality invigorates the willingness of customers to employ positive word of mouth.

CSR can be considered as a bivalent factor since it can harness a positive or negative effect on satisfaction and dissatisfaction. (Lacey et al., 2015). Furthermore, it was predicted that when CSR was viewed as a source of motivation as well as a hygiene factor, such perspectives would interact to moderate the impacts of perceived CSR on relationship quality as well as that of positive word of mouth (WOM). The following hypotheses were hereby proposed:

H₄: When CSR is viewed as a motivator and hygiene factor, this combination moderates the strength of the relationship between perceived CSR and relationship quality.

H₅: When CSR is viewed as a motivator and hygiene factor, this combination moderates the strength of the relationship between perceived CSR and positive WOM.

METHODOLOGY

The research locale was the city of Manila, Philippines. The researcher's respondents were customers of Human Nature who had bought products in the last three months. These respondents took and passed the Consumer Social Responsibility Orientation Scale. They were based in the City of Imus province of Cavite whose customers were spread across Cavite and Metro Manila. Incidentally, those respondents who did not qualify as socially responsible customers based on the scale were not allowed to proceed with the questionnaire.

Quantitative analysis was utilised in this research using linear regression. R statistical software was used. The researcher communicated with his respondents through the online questionnaire. To rectify the unsatisfactory response rate towards the online

questionnaire, the researcher also did a face to face interview and self-administered survey.

The researcher in this study utilised a convenience sampling technique. The authorised Human Nature distributor has intimated that she has around 60 advocates/customers. With a 5% margin of error, 95% confidence level, and a population of 60 people, the sample size is 53 respondents based on Slovin's formula.

The Consumer Social Responsibility Orientation Scale (Creyer and Ross, 1997; Reich, 2002) was employed to identify socially responsible customers. Only the data coming from those respondents who scored 4.0 and above in the Consumer Social Responsibility Orientation Scale was utilised in this study.

Research instrument utilised in this study was based on previously developed scales. The Lichtenstein et al. (2004) five-item measurement of CSR evaluated the perceptions of the company's efforts towards corporate giving as well as the support of non-profit organisations. Scale previously developed by Garbarino (Garbarino & Johnson, 1999) was utilised to measure relationship quality. The scale developed by Gremler and Gwinner (2000) was adopted to measure positive WOM (Gremler & Gwinner, 2000). While to understand the significance of CSR as relationship motivator and hygiene factor, measurement scales developed by Lacey et al. (2015) was utilised.

The researcher utilised a screening question on the first part of the survey questionnaire to ascertain whether the respondent was qualified to proceed with the survey. Screening question was asked if the respondent did purchase a product from Human Nature in the previous three (3) months, if the answer was affirmative, then the respondent was allowed to proceed; otherwise, respondent was asked to stop.

Finally, respondents were requested to answer a series of questions based on the Consumer Social Responsibility Orientation Scale (Creyer and Ross, 1997; Reich, 2002 as cited in Lacey et al., 2015) to establish if the respondent was a socially responsible consumer. If the respondents were able to meet the criteria of socially responsible consumer, their data were included and used in this study.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 1. *Results of Descriptive Analysis*

Respondents' Profile	N	%
Age		
19 and below	2	3.0%
20-30	16	28.0%
31-40	14	24.0%
41-50	19	33.0%
51-60	5	9.0%
Above 60	2	3.0%
Gender		
Male	24	41.0%
Female	34	59.0%
Education		
High School	2	3.0%
College	46	79.0%
Master's Degree	9	16.0%
PhD	1	2.0%
Job Level		
Staff	28	48.0%
Supervisor	11	19.0%
Middle Manager	11	19.0%
Top Management	2	3.0%
Other	6	10.0%

Source: Data Processed by Author (2020)

Based on the above table, the majority of the participants were between twenty and fifty years old, comprising 85% of the total participants. Three (3) per cent of the responses came from above 60 years old with the majority in this study being females comprising 59% of the total. In addition, a sizeable portion of the sample were college graduates accounting for 79%, while only 18% accounted for those with a master's degree and PhD. Lastly, many of the responses came from people occupying staff position comprising 48% while those in supervisory position comprised only 19 % of the total respondents.

Table 2. *Descriptive Statistics for the Variables*

	WOM	CSR	RQ	MH
Mean	4.36	4.12	4.35	4.20
Standard error	0.09	0.10	0.09	0.10
Median	4.67	4.20	4.44	4.33
Mode	5.00	4.00	5.00	4.67
Standard Deviation	0.65	0.72	0.66	0.75
Sample Variance	0.42	0.52	0.44	0.57
Kurtosis	0.92	0.34	0.02	0.90
Skewness	-1.08	-0.86	-0.95	-1.20
Range	2.67	3.00	2.25	3.00
Minimum	2.33	2.00	2.75	2.00
Maximum	5.00	5.00	5.00	5.00
Sum	252.67	239.20	252.50	243.50
Count	58.00	58.00	58.00	58.00

Source: Source: Data Processed by Author (2020)

The dependent variable was the advocate's positive word of mouth towards Human Nature. Based on the table above (see Table 2), respondents strongly agreed to provide a positive word of mouth regarding Human Nature based on the mean score of 4.36. While perceived corporate social responsibility (CSR) got a mean score of 4.12, showing that participants agreed that Human Nature was genuinely and highly engaged with corporate social responsibility initiatives. The intervening variable used in this study was relationship quality that got a mean score of 4.35, indicating that respondents believed they have a very strong relationship with Human Nature. Lastly, moderating variable was CSR both as a motivator and as a hygiene factor and based on the above table, respondents strongly agreed that CSR is both a motivator and as a hygiene factor based on the mean score of 4.20.

Various independent sample T-Test was run between gender and all the variables. All results turned out insignificant. Therefore, the differences between the assessments between male and female respondents bore no significance.

Table 3. Linear Regression Table

	Model 1	Model 2	Model 3	Model 4	Model 5
RQ Constant	1.40*** (0.32)			0.72 (1.47)	
p-value	< .001			< .001	
WOM Constant		1.61*** (0.34)	0.92* (0.34)		-0.43 (1.56)
p-value		< .001	< .001		< .001
CSR	0.72*** (0.08)	0.67*** (0.08)		0.74 (0.42)	1.16* (0.45)
RQ			0.79*** (0.08)		
MH				0.30 (0.38)	0.58 (0.40)
Interaction 1 (CSR x MH)				-0.07 (0.20)	-0.27 (0.21)
R-squared	0.61	0.55	0.65	0.63	0.57
Adjusted R-squared	0.61	0.54	0.64	0.61	0.54
No. of observations	58				

Standard errors are reported in parentheses

*, **, *** indicates significance at the 90%, 95% and 99% level, respectively.

Source: Source: Data Processed by Author (2020)

H₁. Perceived CSR invigorates the quality of customer relationship with the firm.

$$H_1 : y_1 = a + b_1 x_1$$

A linear regression analysis was used to test if perceived CSR scores significantly predicted relationship quality scores. The result of the regression indicated that the predictor explained 61% of the variance ($R^2 = .61$, $F(1, 56) = 88.8$, $p < .001$). It was found that perceived CSR scores significantly predicted relationship quality scores ($\beta = .72$, $p < .001$).

For every 1 unit increase in perceived CSR scores, there was a .72 increase in relationship quality scores.

H₂: Perceived CSR stimulates customers' willingness to engage in positive word of mouth.

$$H_2 : y_2 = a + b_2 x_1$$

A linear regression analysis was used to test if perceived CSR significantly predicted positive word of mouth scores. The result of the

regression indicated that the predictor explained 54% of the variance ($R^2 = .55$, $F(1, 56) = 67.7$, $p < .001$). It was found that perceived CSR significantly predicted positive word of mouth scores ($\beta = .67$, $p < .001$).

For every 1 unit increase in perceived CSR score, there was a .67 increase in positive word of mouth scores.

H₃: Relationship quality invigorates the willingness of customers to employ positive word of mouth.

$$H_3 : y_2 = a + b_3 x_2$$

A linear regression analysis was used to test if relationship quality significantly predicted positive word of mouth scores. The result of the regression indicated that the predictor explained 64% of the variance ($R^2 = .65$, $F(1, 56) = 102$, $p < .001$). It was found that relationship quality significantly predicted positive word of mouth scores ($\beta = .79$, $p < .001$).

For every 1 unit increase in relationship quality, there was a .79 increase in positive word of mouth scores.

H₄: When CSR was viewed as a motivator and hygiene factor, this combination moderates the strength of the relationship between perceived CSR and relationship quality.

$$H_4 : y_1 = a + b_1 x_1 + b_4 x_3 + (b_1 x_1) (b_4 x_3)$$

A linear regression analysis was used to test if CSR viewed as a motivator and as a hygiene factor had a moderating effect on perceived CSR towards relationship quality. The result of the regression indicated that the predictor explained 61% of the variance ($R^2 = .63$, $F(3, 54) = 30.3$, $p < .001$). The result was significant.

H₅: When CSR is viewed as a motivator and hygiene factor, this combination moderates the strength of the relationship between perceived CSR and positive WOM.

$$H_5 : y = a + b_2 x_1 + b_5 x_3 + (b_2 x_1) (b_5 x_3)$$

A linear regression analysis was used to test if CSR viewed as a motivator and as a hygiene factor had a moderating effect on perceived CSR towards the positive word of mouth. The result of the regression indicated that the predictor explained 54% of the variance ($R^2 = .57$, $F(3, 54) = 23.4$, $p < .001$). The result was significant.

Based on the results of the various linear regression analyses executed to test the hypotheses presented in this paper, all did yield significant results. Perceived CSR was able to predict relationship quality with 61% explanatory power significantly. Based on the beta coefficient, for every 1 unit increase in perceived CSR, relationship quality went up by 0.72 unit.

Furthermore, positive word of mouth (WOM) exhibited a more positive reaction from relationship quality with a beta coefficient of 0.79 as compared with 0.67 coming from perceived CSR. In addition, explanatory power was higher for relationship quality compared to perceived CSR at 0.64 vis-a-vis 0.54.

Furthermore, perceived CSR acting both as a motivator and hygiene factor (MH) moderating perceived CSR towards relationship quality and WOM both yielded significant results as well. MH moderating perceived CSR towards relationship quality resulted in a higher beta coefficient for perceived CSR at 0.74 as compared with 0.72 without moderation. Interestingly MH moderating perceived CSR towards WOM also yielded a much higher and significant beta coefficient of 1.16 as compared to 0.67 without moderation.

Relationship quality as compared to perceived CSR is a better predictor of positive word of mouth scores. Lastly, perceived CSR acting as both moderator and hygiene factor (MH) significantly moderated the impact of perceived CSR towards WOM, which have resulted in a higher beta coefficient.

For Human Nature, they should continue to provide and expand their CSR initiatives. Doing so is not only in line with their corporate vision and mission, but besides it also aids the company in enhancing its business by eliciting positive attitude and behaviour from its customers. Customers' willingness to continuously support the company by spreading positive word of mouth would be a win-win situation for Human Nature. They continue to get to help the community while at the same time, continue to prosper its business.

Based on this study, the belief of customers specifically socially responsible customers that a particular for-profit social enterprise was engaged in CSR initiatives had a significant impact in cultivating positively the relationship quality they have with Human Nature. Knowledge or belief that Human Nature was engaged in CSR initiatives also helped in encouraging its customers to support Human Nature through positive word of mouth willingly.

Although the belief by its customers that Human Nature was engaged in CSR significantly influenced its customers to support the company by its willingness to spread positive word of mouth, results further revealed that relationship quality was an even more significant contributor in influencing the willingness of customers in supporting Human Nature.

Human Nature can utilise the empirical outcome of this research in designing its strategic decisions regarding its CSR initiatives. Human Nature would be reassured knowing that their customers were always willing to support them based on their CSR initiatives and based as well on the excellent relationship quality that they had cultivated. Human Nature may continue to pursue and even improve its CSR activities knowing that Human Nature is not only helping the community but in turn, is also helping the company to succeed with its ongoing multiple CSR activities.

Business industry, in general, can benefit from the result of this research considering that customers placed a firm emphasis in CSR as their basis in supporting Human Nature. Companies, in general, should also get involved with CSR whenever possible, knowing that this can

positively shape its corporate image which in turn can help in eliciting positive behaviours from customers precisely the customers' willingness to endorse and support a company.

The government, on the other hand, through its various agencies, should step up support for social enterprises, be it for-profit or non-profit social enterprises. Social enterprises are set up primarily in helping initiate social, civic, environmental programs and initiatives that the government itself should be doing. The government should think of providing financial, fiscal, or monetary incentives to any corporation who would be engaging in any CSR activities knowing that this ultimately will impact the lowest tier of the socio-economic class in the country. Since CSR can help improve customer relationship quality, companies then will have one more good reason to consider CSR in addition to the support that the government can and should provide.

CONCLUSION

The purpose of this study was to evaluate the impact of CSR on socially responsible customers' relationship quality towards a for-profit social enterprise. In this study, the customers called advocates of Human Nature were the respondents. Moreover, this research also attempted to measure the effect of CSR on socially responsible customers' willingness to provide positive word of mouth with regards Human Nature. The researcher also attempted to examine if relationship quality would affect the willingness of customers to share positive information about Human Nature. Lastly, this study also tried to find out if perceived CSR acting as both moderator and hygiene factor can enhance CSR's impact on relationship quality and WOM.

The results have shown that CSR was indeed a useful tool in improving company position in terms of better relationship quality with customers. Results also have indicated that CSR does enhance the willingness of customers to provide positive word of mouth.

Lastly, future studies should consider soliciting responses from customers of other low-profile social enterprises in this Philippines, considering that Human Nature is one of the leading for-profit social enterprises in the Philippines today.

In addition, it might also be a good idea to do a longitudinal study in this subject area. It is interesting to find out if there will be changes or variations in the responses of the same respondents through time. That is if there will be changes in their belief of what constitutes a motivator and a hygiene factor.

Finally, it is also very intriguing to examine CSR initiatives individually. Considering the vast array of possible CSR programs, it might be worth investigating if there will be a separation or distinction among and between these various CSR programs. That is to say that some CSR programs might be a motivator while others may exhibit hygienic characteristics. Knowing which programs act as a motivator

and which ones possess hygienic characteristics may help companies in designing their CSR programs to suit their different objectives better.

REFERENCES

- Barnett, M. L., Henriques, I., & Husted, B. W. (2020). Beyond Good Intentions: Designing CSR Initiatives for Greater Social Impact. *Journal of Management*. <https://doi.org/10.1177/0149206319900539>
- Bhatia, A., & Makkar, B. (2020). Stage of development of a country and CSR disclosure – the latent driving forces. *International Journal of Law and Management*. <https://doi.org/10.1108/IJLMA-03-2020-0068>
- Brown, T. J., Barry, T. E., Dacin, P. A., & Gunst, R. F. (2005). Spreading the word: Investigating antecedents of consumers' positive word-of-mouth intentions and behaviors in a retailing context. *Journal of the Academy of Marketing Science*, 33(2), 123–138. <https://doi.org/10.1177/0092070304268417>
- Brown, T. J., & Dacin, P. A. (1997). *The Company and the Product*: 61(January), 68–84.
- Cone Communications. (2013). *2013 Cone Communications/ECHO Global CSR Study*. 37.
- D. Miranda-Quibot, H., A. Aquino, N., Paulino S. Trespalacio, Junior, J., & B. Cruz, M. (2020). Sustainability Reporting of Telecommunications Companies: Evidence from the Philippines. *Asian Trade Association*. <https://doi.org/10.22447/jatb.7.1.202006.1>
- Darko, E., & Quijano, T. (2015). A Review of Social Enterprise Activity in the Philippines. *British Council, August*, August.
- Doney, P. M., & Cannon, J. P. (1997). An Examination of the Nature of Trust in Buyer-Seller Relationships. *Journal of Marketing*, 61(2), 35. <https://doi.org/10.2307/1251829>
- Garbarino, E., & Johnson, M. S. (1999). The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships. *Journal of Marketing*, 63(2), 70. <https://doi.org/10.2307/1251946>
- Gatti, L., Seele, P., & Rademacher, L. (2019). Grey zone in – greenwash out. A review of greenwashing research and implications for the voluntary-mandatory transition of CSR. *International Journal of Corporate Social Responsibility*. <https://doi.org/10.1186/s40991-019-0044-9>
- Gremler, D. D., & Gwinner, K. P. (2000). Customer-employee rapport in service relationships. *Journal of Service Research*, 3(1), 82–104. <https://doi.org/10.1177/109467050031006>
- Herzberg, F. (1968). One more time: How do you motivate employees. *Governance: An International Journal of Policy and Administration*, 13(1), 5–24. <https://doi.org/10.5815/ijigsp.2012.01.06>
- Kumar, V., Pozza, I. D., & Ganesh, J. (2013). Revisiting the satisfaction-loyalty relationship: Empirical generalizations and directions for future research. *Journal of Retailing*, 89(3), 246–262. <https://doi.org/10.1016/j.jretai.2013.02.001>
- Lacey, R., Kennett-Hensel, P. A., & Manolis, C. (2015). Is corporate social responsibility a motivator or hygiene factor? Insights into its bivalent nature. *Journal of the Academy of Marketing Science*, 43(3), 315–332. <https://doi.org/10.1007/s11747-014-0390-9>
- Lichtenstein, D., Drumwright, M., & Braig, B. (2004). The Effect of Corporate Social Responsibility on Customer Donations to Corporate-Supported Nonprofits. *19th Intelligent Transport Systems World Congress, ITS 2012*, 68(October), AM-00086.
- Mackey, J., & Sisodia, R. (2013). Conscious capitalism: liberating the heroic spirit of business. In *Harvard Business Review Press*. <https://doi.org/10.5860/choice.50-6285>
- Marin, L., Ruiz, S., & Rubio, A. (2009). The role of identity salience in the effects of corporate social responsibility on consumer behavior. *Journal of Business Ethics*, 84(1), 65–78. <https://doi.org/10.1007/s10551-008-9673-8>

- Morsing, M., & Spence, L. J. (2019). Corporate social responsibility (CSR) communication and small and medium sized enterprises: The governmentality dilemma of explicit and implicit CSR communication. *Human Relations*. <https://doi.org/10.1177/0018726718804306>
- Palmatier, R. W., Dant, R. P., Grewal, D., & Evans, K. R. (2006). *Factors Influencing the Effectiveness of Relationship Marketing: A Meta Analysis*. 70(October), 136–153.
- Pascua, D. S. (2020). Sustainable corporate social responsibility practices of business establishments in region 2, philippines. *Journal of Critical Reviews*. <https://doi.org/10.31838/jcr.07.11.08>
- Putranto, T. D. (2019). Wacana Berita PT. Djarum dan Bulu Tangkis Indonesia. *Jurnal Studi Komunikasi*, 3(1). <https://doi.org/10.25139/jsk.v3i1.1052>
- Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saaeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*. <https://doi.org/10.1016/j.jbusres.2014.06.024>
- Vallester, C., Lindgreen, A., & Maon, F. (2012). Strategically Leveraging Corporate Social Responsibility: A Corporate Branding Perspective. *California Management Review*, 54(3), 34–60. <https://doi.org/10.1525/cm.2012.54.3.34>.
- Wattanakamolchai, S. (2008). *The Evaluation of Service Quality by Socially Responsible Customers*. 1–129.
- Zhang, Q., Oo, B. L., & Lim, B. T. H. (2019). Drivers, motivations, and barriers to the implementation of corporate social responsibility practices by construction enterprises : A review. In *Journal of Cleaner Production*. <https://doi.org/10.1016/j.jclepro.2018.11.050>