Role of health corporate social responsibility in enhancing quality of life and loyalty: Customer and society perspectives

T.E. Balqiah, N. Sobari, E. Yuliati & R.D. Astuti

Department of Management, Faculty of Economics and Business, Universitas Indonesia, Depok, Indonesia

ABSTRACT: This paper examines the role of Corporate Social Responsibility (CSR) activities, as perceived by customers, in promoting children's Quality of Life (QOL) and Customer Loyalty. This paper also compares two indicators of social performances from the customers' and society's perspectives. The survey was conducted in five cities in Indonesia: Jakarta, Padang, Surabaya, Makassar and Kupang. The subjects of this research are the customers of three companies/brands operating in Indonesia (Pertamina, Danone-Aqua, and Frisian Flag) and also the society in the communities that had been exposed to the companies' Health CSR activities. The data was collected from 600 respondents (450 respondents are customers, 150 respondents are member of society, and were analysed using multiple regressions to test nine research hypotheses. The result shows that different motivations will be generated from different CSR activities by three brands, and have different paths to influence loyalty.

1 INTRODUCTION

Companies are economic entities that provide goods and services to society. In running their businesses, companies comply with rules and regulations. The implication of ethical responsibilities is that companies must operate according to the high standards, norms, and expectation of their stakeholders. Companies are engaging in Corporate Social Responsibility (CSR) activities as 'window dressing', to appeal to the most influential stakeholder groups (Fatma & Rahman, 2015). They respond by doing philanthropic activities to show that businesses are, in fact, a form of good corporate citizenship. Therefore, companies have the task to take the lead in bringing business and society back together (Erdiaw-Kwasie et al., 2015).

CSR activities are expected to create a strong bond between companies and their stakeholders, including customers and society (Peloza & Shang, 2011). Barnett (2007) stated that the ability of CSR activities to create values for companies depends on their ability to create a positive relationship with the companies' stakeholders. CSR activities can not only create profits, but they can also have impacts on social and environmental issues (Peloza & Shang, 2011). CSR and the issue of sustainability are the two common themes repeatedly used in the discussion of economic contributions, society, the environment, and the consequences of business activities (Torugsa et al., 2013).

The different forms of CSR activities will result in different values for all interested parties that are involved. These CSR activities have different impacts on the companies' profits, and even on the value of those companies (Malik, 2014). Liu et al. (2014) have stated that three different forms of CSR activities will improve perceptions on the quality of a brand, which in turn will make the brand more preferable. Some researchers have also shown that CSR activities have an impact on the consumers' behaviour (Maignan & Ferrel, 2004; Luo & Bhattacharya, 2006; Du et al., 2007). CSR will create an image of a company, which in turn will improve the customers' loyalty (Plewa et al., 2015). CSR activities are not only social activities which will burden the companies' budget, but they could enhance Customer Loyalty.

Satisfied and loyal consumers are intangible assets that will produce income in the future. Therefore, CSR activities are social activities which can also be an investment for the company.

The main objective of CSR activities is to maximise benefits for the social welfare of societies, which also shows the companies' responsibility to the effects of business activities on consumers, employees, shareholders, and the rest of the society in which the companies operate (Narwal & Singh, 2013). Companies must engage in CSR activities to avoid negative image and mistrust from stakeholders.

Companies use CSR activities to build and strengthen the relationship with their multiple stakeholders, such as consumers, suppliers, competitors, and investors (Raghubir et al., 2010). CSR activities are directed to improve education, health, welfare, happiness, and stability of the society. The success of such activities can be measured by using the Quality of Life (QOL) indicators, namely economy, social, health, subjective assessment on happiness, and life satisfaction (Sirgy et al., 2012).

Our previous research in Indonesia showed that CSR activities of Pertamina (a state-owned oil and gas enterprise), Toyota (a global brand of Astra International), Sampoerna (a big local brand of cigarettes), Lifebuoy (a global brand of Unilever), and Aqua-Andone (a big local brand of drinking water, owned by Andone) influence directly and indirectly the perceived QOL in the communities exposed to the companies' CSR activities (Balqiah et al., 2010; Balqiah et al., 2011). Meanwhile, regarding the types and CSR motives, this study had been conducted to examine the more specific relationship of CSR to the QOL of underprivileged children. The results showed a positive influence between CSR motives towards perceived QOL of underprivileged children where the CSR activities were conducted (Balqiah et al., 2012). These studies showed that CSR activities not only have impacts on customers but also on communities or disadvantaged children, who are also stakeholders of the company.

To continue previous studies, this research is conducted by choosing companies which have some forms of CSR activities and which have been shown to make continuous efforts in building a better QOL for society. With children—as our future generation—in mind, we choose CSR activities directed to children's health.

In the next section, this paper will explain the constructs and literatures review as a foundation to develop a conceptual framework. Further, it discusses the methodology adopted in this study, discussion, and conclusion.

2 LITERATURE REVIEW AND HYPOTHESES

2.1 *CSR and stakeholders*

Organisational behaviour reflects, and can be predicted by, the nature of its diverse stakeholders, the norms that they adopt to define right and wrong, and their relative influence on organisational decisions (Helmig et al., 2016). With regard to the social aspect of behaviour, the corporation feels under pressure by its stakeholders. Social responsible corporate behaviour may mean different things in different times (Campbell, 2007).

CSR is one type of activity that can show how they are concerned with social issues. CSR can be defined as the commitment to improve the community well-being through the chosen business activities which contribute the companies' resources (Kotler & Lee, 2005). These social initiatives can be seen through their main activities to support social causes and to fulfil the commitment to do CSR. There are various forms of CSR activities that companies can implement. The types of this social initiative, according to these authors, are cause promotions, cause-related marketing, corporate social marketing, philanthropy, community volunteering, and socially responsible business practices. Cause promotions means companies provide funds or other resources to increase awareness and concerns on a social issue or to support fundraisings, participations and mobilisation of volunteers for that particular cause. Cause-related marketing is the company's commitment to contribute or donate a portion of its revenues to a particular cause based on product sales. Corporate social marketing is when companies support fundraisings or start a campaign to promote changes in behaviour

to improve the public health, safety, environment, or well-being in general. Corporate philanthropy is when companies make direct contributions to charities or special causes in the forms of grants, donations or services. Community volunteering is the situation when companies support and encourage their employees, intermediaries or other partners to voluntarily donate their time to support social or community organisations and activities. Finally, socially responsible business practices refers to when companies adopt business practices and make special investments to support social causes in order to improve community well-being and to protect the environment.

Companies try to increase the society welfare through CSR activities. CSR supports the belief that businesses can work together with the government and other stakeholders to promote a better life, since CSR itself is basically the commitment of a business company to contribute to sustainable economic developments by working with employees and local communities to improve their overall QOL (World Business Council for Sustainability Development, 2004). Although many companies have conducted CSR activities, it must be recognised that such activities are driven directly or indirectly by stakeholders (Kiessling et al., 2015). This is the result of globalisation of the market, which makes companies face more diverse situations through interaction with various stakeholders. CSR and sustainability issues are the two common themes in discussions related to the contribution of business activities to economic, social, and environmental aspects (Torugsa et al., 2013).

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2.2 The effect of CSR motives on brand attitude

Marin et al. (2015) explain the possibility that CSR activities will create positive or negative customer perception towards the company. Further, Becker-Olsen et al. (2006) also have some arguments that there are various motivations of consumer responses to CSR actions. When motivations are considered to be profit-related, attitudes towards the firm are likely to be negative; however, when motivations are considered to be socially motivated or society/community focused, positive attitudes are likely to be enhanced.

Ellen et al. (2006) also identify four different motivations that have a different impact on customer response. Egoistic motives related to exploiting the cause rather than helping it, strategic motives that support the attainment of business while benefiting the cause, stakeholder-driven motives related to supporting social causes solely because of pressure from stakeholders, and values-driven motives related to benevolence-motivated giving. When motivations are considered to be firm-serving or profit-related, attitudes towards firms are likely to diminish; when motivations are considered to be socially motivated, attitudes towards firms are likely to be enhanced (Becker-Olsen et al., 2006).

In this paper, the authors investigate specifically CSR activities that are involved with children's health. When customers perceived the CSR activities, which were implemented to focus on society and to give to society (especially children), it enhanced the positive attitude to the brand. This attitude is significant in marketing because it will form a perception in consumer behaviour.

H₁: CSR motives will influence Brand Attitude.

2.3 The effect of CSR motives on QOL

According to Sheehy (2014), perception of political participants use CSR as a means to advance particular preferences with respect to corporate and economic policy of distinct

political philosophies. On the other hand, customers increasingly expect business to consider human rights in their employment practices and demonstrate stewardship towards the natural environment; therefore, companies around the globe suggest that managers no longer see social engagement as ancillary to economic performance but rather as an integral component of corporate strategy on which they will be judged by their constituents (Bronn & Vidaver-Cohen, 2009).

Social initiative in the business context is defined here as any programme, practice, or policy undertaken by a business firm to benefit society. One type of social activity is to support children's QOL. Jozefiak et al. (2008) define QOL as a subjective assessment related to well-being in terms of physical and mental health, self-esteem, perception of personal activities (playing or hobby), and perceived connection with friends and family as well as school.

However, customers distinguish between other centred, self-centred, and win-win motives, and most customers assume companies have mixed motives for their CSR activities (Öberseder et al., 2011). If CSR motives are sincere in giving back to society by providing social projects for people in need (e.g. children as vulnerable stakeholder), it could increase society's QOL, however, if it was perceived not sincere, it could decrease QOL.

H₂: CSR motives will influence Quality of Life.

2.4 *The moderating role of Subjective Well-Being*

Subjective Well-Being (SWB) is conceptualised as a multidimensional construct. The survey's questions pertain to overall life evaluations, self-assessed financial and health states, and personal views about the future, community, and society (Lin et al., 2014), which are individual characteristics and community level characteristics that will have an impact on SWB, meaning that well-being depends not only on individual abilities, or social position, but on the context, and on the 'goodness of others' (Hooghe & Vanhoutte, 2011). Therefore, a different socio-demographic environment reflects a different welfare condition. This situation induces the effectiveness of CSR activities on customer perception. Referring to the concept of SWB, when the target CSR activities are aimed at people who are in a particular environment, then its impact on society, customer perception, and attitude would be different if carried on in other communities.

H₃: Subjective Well-Being moderates the influence of CSR motives to Brand Attitude.

H₄: Subjective Well-Being moderates the influence of CSR motives to Quality of Life.

2.5 *The effect of QOL on brand attitude*

Concerning the four types of CSR activities of the firm (Carroll 1991, 1999), there must be social activities that focus on supporting core business activities in relation to all stakeholders. There are two sides to a coin regarding CSR activities; one is the social activities that 'give' to society, and the other is to create competitive advantage (Gupta, 2002; Hult, 2011; Hunt, 2011; Huang & Rust, 2011).

Creating a good QOL for children who are the target of CSR activities will surely build a positive attitude in customers towards the brand. Based on this reasoning, we propose the following:

H₅: Quality of Life positively influences Brand Attitude.

2.6 *The effect of QOL and brand attitude on loyalty*

CSR creates strong relationships with the stakeholder, enhances profit, and also has an impact on social and environment issues (Peloza & Shang, 2011). Social exchange is based on the expectation of trust and reciprocation, as the exact nature of the return and the time frame is left unspecified (Lii & Lee, 2012). When a company engages in a CSR activity, consumers may perceive the company to be altruistic, which leads to a more favourable attitudinal and

behavioural evaluation of the same company, such as with loyalty. Loyalty is a commitment to buy back or re-subscribe to the preferred product or service in the future, although it may be influenced by situational factors and marketing efforts which lead to switching behaviour (Oliver in Kotler & Keller, 2011).

This paper propose here that these results shed some light on this issue that both a Brand Attitude reflecting the business capabilities and child QOL reflecting social initiative have a joint impact on customer perception and loyalty. It is expected that the perception about a value of company offering (brand) and the QOL will positively influence customers' loyalty to the company's products. Based on this reasoning, propose the following:

H₆: Quality of Life positively influences Customer Loyalty.

H₇: Brand Attitude positively influences Customer Loyalty.

Figure 1. Research model.

2.7 *The difference of customer and community perception on SWB and QOL*

Implementing CSR can create different reactions from different stakeholders. Cantrell et al. (2014) explain about how stakeholder theory aids in the understanding of the influences and influencers on the organisation, and conversely it assists in understanding how the actions of the organisation can affect different stakeholders. When CSR is implemented as social activities of the firm, it could be perceived differently by the stakeholders, because their involvement and attention to those activities are different as the result of their perception of the firm's motivation to conduct the CSR. Subjective Well-Being and Quality of Life are two indicators of community welfare which could be influenced by social or business activities. Based on this reasoning, we propose the following:

H₈: Subjective Well-Being will be perceived differently between customers and community.

H₉: Quality of Life will be perceived differently between customers and community.

The theoretical model for our research, in [Figure 1](#), contains nine hypotheses that the authors derive most dominantly from stakeholder theory and institutional theory.

3 METHOD

3.1 *Sample and data source*

To collect the data, the authors distributed a survey questionnaire in five area/cities: Makassar and Kupang (representing eastern part of Indonesia), and Jabodetabek, Padang, and Surabaya (representing the western part of Indonesia), using self-administered questionnaires from 600 respondents (450 respondents are customers, 150 respondents are member of societies), that were selected by purposive sampling. The objects are AQUA-ANDONE (mineral water), PERTAMINA (lubricant product), and FRISIAN FLAG INDONESIA (milk). These firms conducted different CSR activities that are concerned with children (e.g. AQUA-ANDONE supplies clean water for children; PERTAMINA helps children's and mothers' healthy lifestyle; and FRISIAN FLAG induces children to drink milk and lead a healthy lifestyle). Furthermore, these firms are big and well-known companies, and have done continuous CSR activities in past years.

3.2 *Measurement development*

Questionnaire development is done by conducting a study of the literature and previous studies associated with each construct. To increase the validity of the instrument, the authors conducted preliminary research through a focus group discussion and in-depth interview with several sources (e.g. teachers and housewives) to construct operational definitions of the children's QOL. The questionnaire consists of 43 questions with six points of Likert scale regarding five research constructs: 16 items for Health CSR, 10 items for Subjective Well-Being, 8 items for Quality of Life, 3 items for Brand Attitude, and 6 items for Loyalty.

The pre-test was done to refine the questionnaires by reducing response error. Furthermore, after 600 questionnaires were collected, a factor analysis and multiple regression analysis with SPSS 22 were used to test the hypotheses at $\alpha = 5\%$.

4 RESULTS AND DISCUSSION

The sample included 54.9% females, 55.1% of customers in the sample were under 25 years, 29.6% between 25 and 39 years, and 13.3% over 40 years. Regarding education, 68.3% did not have a bachelor degree, 31.7% have a bachelor degree and higher.

4.1 *CSR's motives*

The result of exploratory factor analysis shows that there are three dimensions of Health CSR which represent the three motives to conduct CSR activities, as perceived by their customers. This result is summarised in [Table 1](#).

Table 1. CSR’s motives.

CSR’s Motives		
“Moral”	“Stakeholders”	“Business”
– Moral responsibilities	– Meet the customer’s expectation	– Get benefit through collaboration
– Care to society	– Respond to employee’s expectation	– Support business activities
– Positive benefit beliefs	– Respond to shareholder’s expectation	– Minimise income tax
– Easy for customers involved in conservation activities	– Respond to society’s expectation	– Publicity
– Balancing take and give to society		– Get more customers
		– Retain customers
		– Increase profit

According to Becker-Olsen et al. (2006), when motivations are considered as firm-serving or profit-related, attitudes towards firms are likely to diminish, but when motivations are considered as being socially motivated, attitudes towards firms are likely to be positive. Ellen et al. (2006) divided these driving motives into two groups: positive and negative motives. Positive motives are values-driven and strategic, and negative motives are egotistic and stakeholder-driven. Graafland & Mazereeuw-Van der Duijn Schouten (2012) proposed that the two main motives of the companies’ executives to involve in CSR are extrinsic and intrinsic motives. Extrinsic motives are concerned with financial motives, where CSR should contribute to the (long-term) financial performance of the company (Story & Neves, 2014). Intrinsic motives are concerned with the non-financial aspects, such as the managers’ personal values and beliefs that might be an important motivating factor for CSR, particularly in SMEs and even in larger companies. The other intrinsic motive is altruism. Executives may contribute to CSR because they enjoy helping others or want to contribute to others’ prosperity.

This research shows that business and stakeholder orientations, which concern the economic performance, could harm companies’ images. These motives represent strategic and egoistic motives that are perceived by customers as negative motives. This is similar to the perception of internal stakeholders who assume that companies only execute CSR activities because they are forced by their employees and shareholders. This is not perceived as sincere and are considered as being negative motives. This motive might be perceived as institutional motives for social initiatives, suggesting that companies engage in social initiatives primarily due to institutional pressures (Bronn & Vidaver-Cohen, 2009). On the other hand, moral obligation is perceived as a positive motive because this motive shows that companies have concerns about social aspects of their businesses.

4.2 SWB

There are four dimensions of SWB that represent a community’s welfare concerning health, economic, social, and future conditions. These four dimensions of SWB similar with two dimensions of Hooghe and Vanhoutte (2011), reflect individual and social well-being. The dimensions of SWB are summarised in Table 2.

4.3 Descriptive statistics

In Table 3, mean scores for all variables and dimensions included in the analysis are summarised. The result shows that on average, CSR motives are the highest for Moral Motives of CSR, and the lowest for the business motives of CSR. Pertamina was strong in Moral Motives, while Aqua-Andone was strong in Stakeholder and Business Motives. This result shows that different CSR activities will be perceived differently by customers. The highest

Table 2. Dimensions of SWB.

SWB			
“Health”	“Economic”	“Social”	“Hope”
– Life satisfaction	– Support the family	– Happiness	– expectation of better living conditions
– Physical Health	– Sufficient economic conditions	– Live in a social environment kinship	
– Psychological Health	– Financial condition is able to support the needs of life		
	– Decent living conditions		

Table 3. Descriptive statistics.

Dimension/ Motives	Firm	Location					TOTAL
		Jabodetabek	Padang	Surabaya	Makassar	Kupang	
CSR_Moral	Pertamina	4.75	4.69	4.72	4.53	5.25	4.79
	Frisian Flag	4.45	4.81	4.77	4.46	4.82	4.66
	Aqua	4.95	4.83	4.59	4.56	4.89	4.77
CSR_Stakeholder	Pertamina	4.21	3.67	4.16	4.41	4.08	4.11
	Frisian Flag	3.66	3.87	4.06	4.12	3.87	3.91
	Aqua	4.64	3.78	3.88	4.03	4.48	4.17
CSR_Business	Pertamina	4.06	3.46	3.98	3.79	3.53	3.76
	Frisian Flag	4.38	3.75	4.32	2.77	3.57	3.76
	Aqua	4.43	3.72	4.11	2.79	4.06	3.82
SWB_Health	Pertamina	3.81	3.70	3.62	3.17	3.67	3.59
	Frisian Flag	3.71	3.90	3.76	4.21	3.73	3.86
	Aqua	3.82	3.74	3.43	3.77	4.44	3.84
SWB_Economic	Pertamina	3.64	3.69	3.72	3.68	3.60	3.67
	Frisian Flag	4.06	3.79	4.04	4.57	3.94	4.08
	Aqua	3.68	3.62	3.42	4.44	4.26	3.88
SWB_Social	Pertamina	4.20	4.17	4.07	3.90	4.33	4.13
	Frisian Flag	3.85	4.35	4.13	4.60	4.27	4.24
	Aqua	4.37	4.22	3.95	3.95	4.72	4.24
SWB_Hope	Pertamina	4.50	4.47	4.57	5.20	4.93	4.73
	Frisian Flag	4.60	4.70	4.67	4.30	4.87	4.63
	Aqua	5.17	4.87	4.60	3.53	5.10	4.65

score of Moral Motives for Pertamina might be caused by the characteristic of its CSR activities which were not related directly to the core business of Pertamina as an oil and gas company, while Frisian Flag Indonesia and Aqua-Andone's CSR activities are more related to their core business activities. The similarity degree to the core business might be perceived as reflections of extrinsic motives in doing CSR.

For SWB there are, as expected, different results for each company. For Pertamina, the highest score (as perceived by its customers) is for Hope Well-Being in Makassar. Frisian Flag Indonesia has the highest score (as perceived by the customers) for both Economic and Social Well-Being, also in Makassar. Aqua-Andone has the highest score of Hope Well-Being in Padang and Kupang.

Children's QOL (according to customer perception) is perceived highest in Kupang for Pertamina and Aqua-Andone, and highest in Makassar for Frisian Flag Indonesia. The highest mean score for Loyalty is Aqua-Andone in Kupang, followed by Jakarta's mean score. Brand Attitude of Aqua is the highest mean score (according to customer perception). It is perceived highest at almost all locations.

The mean scores of Stakeholder Motive are different among locations. For Pertamina, the highest score is for Makassar, and the lowest score is for Padang. For Frisian Flag Indonesia, the highest score is for Makassar (but still lower than Pertamina’s), and the lowest score is for Jabodetabek. For Aqua-Andone, the highest score is for Jabodetabek, and the lowest score is for Padang. As summarised in Table 3, in Padang and Jabodetabek (both represent the western part of Indonesia), the mean score for the Stakeholder Motive of both Pertamina and Frisian Flag Indonesia are relatively lower than for Surabaya, Makassar, and Kupang (which represent the eastern part of Indonesia). This result shows that CSR activities of Pertamina and Frisian Flag Indonesia are perceived as having extrinsic motives in the western part of Indonesia. On the contrary, for Kupang (eastern part of Indonesia), the mean score of the Moral Motive of Pertamina is higher than that of Jabodetabek and Padang, even though it is lower in Makassar. There are no differences in Moral Motive among companies, but the differences occur among locations.

4.4 The effect of CSR on performance

This section discusses the results of the multiple regression analysis for each relationship of CSR motive, QOL (represented social performance) and Brand Attitude (represented business performance); relationship of QOL (social performance), Brand Attitude (business performance) and Customer Loyalty (business performance); and the role of SWB as moderating variable. The significance of the path coefficients was evaluated by analysing the value of the parameters.

From the result of regression analysis, as summarised in Table 4, it can be seen that the Moral Motive of CSR positively influences Brand Attitude and Quality of Life. Stakeholder motives only positively influence Quality of Life. Meanwhile, Business motive negatively influence Brand Attitude and Quality of Life. Finally, Quality of Life could increase Brand Attitude. Furthermore, both Brand Attitude and Quality of Life positively influence Customer Loyalty. Thus, this result shows that H₁, H₂, H₃, H₆, and H₇ are supported.

The result show that the respondents perceived the CSR activities were driven by mixed motives. The act of supporting a social initiative may seem to be a public-serving action and self-serving. The customers’ perceptions toward the motivations of act will influence their evaluations about the firm and will impact on their beliefs, attitudes, and intentions (Becker-Olsen et al., 2006).

When presented with evidence of a company’s social involvement, consumers are likely to elaborate on the message and assign one of two primary types of motives to the company’s self-serving or public-serving intention. In this study, self-serving intention is to increase brand attitude, and public-serving intentions is to increase children’s QOL. These results

Table 4. Direct and moderating effect.

Independent variables	Model 1 Brand attitude as dependent	Model 2 Brand attitude as dependent	Model 3 Child-QOL as dependent	Model 4 Child-QOL as dependent	Model 5 Loyalty as dependent
CSR Moral	0.378*	0.233	0.351*	-0.275*	
CSR Stakeholder	0.056	0.361	0.111*	-0.019	
CSR Business	-0.115*	-0.354*	-0.053	-0.278*	
Child-QOL	0.165*	0.129			0.648*
Brand Attitude					0.262*
CSR Moral *SWB		0.032		0.115*	
CSR Stakeholder *SWB		-0.078		-0.008	
CSR Business *SWB		0.059		0.048	
Rsquare	0.185	0.185	0.108	0.471	0.395

**) sig at α = 10%.

show the two-sided coin of CSR activities, one as social activities that ‘give’ to society, and the other as to create competitive advantage (Gupta, 2002; Hult, 2011; Hunt, 2011; Huang & Rust, 2011).

This result confirms that instrumental motives revolve fundamentally around managerial beliefs that engaging in social initiatives can have a direct impact on profitability—improving revenue or protecting existing profit levels (Bronn & Vidaver-Cohen, 2009). In this research, Brand Attitude and Customer Loyalty, as a representation of business performance, can enhance revenue and profitability. Different paths in evaluating the CSR activities’ effectiveness indicate that different CSR motives will have different impacts on attitude and consumer behaviour (Becker-Olsen et al., 2006; Marin et al., 2015). Being socially responsible is important, but firms must also make a conscious decision about the ratio of doing good things to strategic benefits in their CSR activities. The sustainability concepts direct the need to harmonise the social aspect and the business aspect of the company in creating value.

Vlachos et al. (2009) find that egoistic-driven and strategic-driven attributions have negative effects on word-of-mouth and purchase intentions when consumers are suspicious of the business and the non-profit world. The stakeholders might have different perceptions of the reasons why a company is engaged in CSR activities (Ellen et al., 2006; Bronn & Vidaver-Cohen, 2009; Feldman & Vasquez-Parraga, 2013; Cantrell et al., 2014). In terms of positive motives in the attribution process of the consumers’ reactions to CSR action, consumers are likely to accept attributions because they consider companies to be acting with sincere and benevolent intentions, care to society, and tend to view CSR activities as being derived from the companies’ moral behaviour (Vlachos et al., 2009).

In this research, although customers perceived companies to have egoistic and strategic-driven attributions, such as Business Motives, the CSR activities still could increase the companies’ social performances. This might be caused by the customers’ perceptions of the companies’ sincerity in doing their social initiatives. The financial motive is not the only reason to contribute to CSR activities. Many companies have business cultures that commit to certain business principles and moral duties. This result confirms that instrumental motives revolve fundamentally around managerial beliefs that engaging in social initiatives can have a direct impact on profitability—improving revenue or protecting existing profit levels (Bronn & Vidaver-Cohen, 2009). In this research, Customer Loyalty, as a representation of business performance, can enhance the companies’ revenue and profitability. Interestingly, when considering the SWB of local communities, Moral Motive decreases the perception of the children’s QOL as recipient.

4.5 *Moderating effect of SWB*

There is no moderating effect of SWB in building Brand Attitude, but this constructs moderation on relationship between Moral Motive and Quality of Life. Thus, this result shows that H_3 is not supported, and H_4 is supported.

SWB is able to increase the positive impact of CSR on the child’s QOL. CSR activities that support social initiatives have an impact on society. The perception that a company participated in the public service will be able to influence customer evaluation, beliefs, attitudes, and intentions (Becker-Olsen et al., 2006). In this study, the perception of SWB is able to increase the positive influence of Moral Motive on Children QOL (social performance), but does not impact the relationship to Brand Attitude (business performance). When customers viewed a company’s social activities and concern to society, they tended to infer that these activities are on two main motives (i.e. firm self-serving in this study-related Brand Attitude, or public-serving—on this study of children’s QOL). Customers are simplistic in their judgments about CSR initiatives and view them as either serving economic ends or reflecting sincere social concerns (Ellen et al., 2006). When the outcome is Brand Attitude, the customer might see that CSR has business attribution and business objectives; therefore, SWB of society cannot increase the positive impact of CSR to Brand Attitude. The customer perceive Brand Attitude as the company’s objective that reflecting insincere motives of CSR activities.

Table 5. Mean difference of SWB and QOL.

Dimension	Firm	Respondents		Sig
		Customers	Societies	
SWB_Health	Pertamina	3.59	5.08	0.000
	Frisian Flag	3.86	4.79	
	Aqua	3.84	4.90	
SWB_Economic	Pertamina	3.67	4.54	0.000
	Frisian Flag	4.08	4.21	
	Aqua	3.88	4.81	
SWB_Social	Pertamina	4.13	4.95	0.000
	Frisian Flag	4.24	4.83	
	Aqua	4.24	4.98	
SWB_Hope	Pertamina	4.73	5.30	0.000
	Frisian Flag	4.63	5.47	
	Aqua	4.65	5.42	
QOL	Pertamina	4.25	5.17	0.000
	Frisian Flag	4.55	5.09	
	Aqua	4.39	5.15	

4.6 *The differences of customers' and society's perceptions on social performances*

From the perspective of Stakeholder Theory, the customers' perceptions of SWB and children's QOL are lower than society's perception. Park et al. (2014) state that ethical responsibilities require that businesses must abide by the moral rules defining appropriate behaviours in society, and that the law prescribes actions that a company must avoid. Ethical responsibilities cover the companies' activities which society expects them to undertake.

Table 5 shows that there are differences on perceptions of social performances between customers and societies, but not among all companies. The difference of SWB is only found in economic well-being. This result concludes that H_8 and H_8 are supported.

5 CONCLUSION

This research has argued that CSR activities related to children's health will create social and business performance. Kiessling et al. (2015) explain that although many companies conducted CSR activities, it must be recognised that such activities are driven directly or indirectly by the stakeholders. The stakeholders might have different perceptions towards the reasons why a company is engaged in CSR activities (Ellen et al., 2006; Feldman & Vasquez-Parraga, 2013; Cantrell et al., 2014). The results of this study are consistent with the findings that Health CSR activities will have positive and negative motives as perceived by customers.

The stakeholders might have different perceptions of the reasons why a company is engaged in CSR activities (Ellen et al., 2006; Bronn & Vidaver-Cohen, 2009; Feldman & Vasquez-Parraga, 2013; Cantrell et al., 2014). The results of this study are consistent with the findings that Health CSR activities have positive and negative motives as perceived by customers, namely Moral, Stakeholder, and Business Motives. Each motive has different impacts on social performance and business performance, indicating that there is still a strategic objective obtained, despite doing social initiatives. Companies that fulfil their responsibilities by carrying out Health CSR activities (social consideration) will be able to improve customer perceptions on the QOL in places where the company conducts its CSR activity (people consideration). This in turn will impact positively on Brand Attitude and Customer Loyalty (business considerations).

This research only focuses on philanthropic activities concerning the health of children. It is hoped that future research could investigate the effectiveness of other types of CSR activities or the combination of some activities. Regarding the QOL, future research should consider the difference of QOL in a different location and refine the measurement of child-QOL.

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