

EE489 Literature review

Paper: What are the factors that affect willingness to pay when consumers purchase drinking water from socially responsible firm?

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Review

According to this seminar paper, this paper aims to study the factors that affect willingness to pay of Thai consumers in beverage industry. The crucial questions are: Is CSR one of the most important factors on buying drinking water? Next part is about describing the meaning of CSR, the Corporate Social Responsibility (CSR) is the activity that employing resources within or outside the organization to generate harmony and happiness in society. Thai corporate social responsibility (CSR) has spread globally, including Thailand. Consumers are classified into four kinds by Carrigan, and Attala (2001) based on their ethical awareness and buying intention. "Confused and Uncertain" buyers have low ethical awareness but strong ethical purchasing intent. "Cynical and Disinterested" consumers are ethically conscious but not inclined to buy. Many companies in Thailand are actively engaged in CSR operations. Siam Cement Group advocates recycling cement bags into purses. Thai Namthip has also implemented environmental CSR. Quality and price are the most significant variables in purchasing goods and services. "Corporate social responsibility" is rapidly taking precedence over pricing in purchasing decisions. CSR initiatives like eco-friendly products, donations, and energy-saving policies influence consumer attitudes and purchases. CSR Thai Network recently showed the 2015 CSR trend in Thailand. With the help of many reputable organizations, CSR is becoming one of the most important components in global business. Next is the research question that the author concerns 1. What types of CSR activity in beverage industry does consumers really concern about? (People concern on environment CSR due to the 277 respondents' surveys that the author provided), 2. What are the factors that affect willingness to pay when consumers purchase drinking water from socially responsible firm? (It depends on the brand image to lead customers make the decision to purchase the goods instead of the CSR activity), 3. Is CSR one of the most important factors on buying drinking water? (CSR has least influence factor due to the polls 'result) so, these lead to the methodology including data collection: in-depth interviews which the questionnaire is mainly sectioned into three parts: personal information, factors on purchasing drinking water, and consumers' perspective on CSR in beverage industry. For the first part, gender, age, occupation, education, and monthly salary are asked. Besides, types of CSR, willingness to pay, how do they react towards socially responsible firm are mentioned, also collected the data from online research, journal, master's degree thesis, and related books. Samples: 277 Bangkok Metropolitan Region respondents chose the participants at random. A group of people aged 10 to 60 who buy water and can understand CSR information from public sources. They are mostly officials and students from universities and secondary schools. Results suggest 79.42 percent of respondents think organizations should practice CSR or CSR is a significant factor influencing consumer responses. Consumers care deeply about society and community, and want to donate, volunteer, or donate items to those in need. Up to 41.88 percent are willing to pay more for socially responsible drinking water. The poll found that quality trumps CSR when it comes to purchasing drinking water. Consumers are willing to pay extra if they believe CSR does not add unnecessary costs to the goods. The low and high impacts of CSR come from respondents ranking the factors that influence their purchase decisions.

In conclusion, the author said she believed that enterprises should advertise and educate their target markets on the importance of CSR to build communication, connection, and credibility with their own consumers. According to the survey, 45 percent of participants choose environmental activities, and 69.64 percent get CSR information through television (40.69 percent), the internet, or social media (28.95 percent). So, these two replies may help increase consumer awareness in the beverage business. People are willing to pay for the drinking water provided by socially responsible businesses because they are aware of the importance of CSR.

Comment

According to the research paper, the overall of this paper is quite well organized, the author provided the paper's structure which have seven pieces, including the introduction which begins with the purpose of this study which is the factors (CSR) that affect willingness to pay of Thai consumers in beverage industry. The following part discusses understanding corporate social responsibility, including the definition and theory of CSR, as well as the history of CSR in Thailand. The third and fourth sections go into the study topics and methodology—how the author collect data—as well as statistics tables of the respondents' attributes which the data that the author provided are perfect and the results are answer the doubt that the author have as the research question. The last two sections are the study's findings and suggestions which the details that she provided is quite well, also the author provided the limitation of this research which is the number of samples gathered is insufficient and may not represent the entire Thai population. The respondents gathered may not accurately represent Thai customers' perspectives or willingness to spend in the beverage business. Second, there is a disconnect between respondents' attitudes and their actual purchase actions. Customers may not behave as they state on the questionnaire. This is known as the "attitude-behavior gap". As a result, the findings of this paper may be skewed. On the Citations that the author did are good.