

# THE IMPACT OF CREATING SHARED VALUE ON PURCHASE INTENTION AND RECOMMENDATION INTENTION: A STUDY IN VIETNAM

Nguyen Ha Thu<sup>a\*</sup>, Le Phong Lam<sup>a</sup>

<sup>a</sup>The Faculty of Economics and Business Administration, Dalat University, Lam Dong, Vietnam

\*Corresponding author: Email: [thunh@dlu.edu.vn](mailto:thunh@dlu.edu.vn)

## Article history

Received: September 27<sup>th</sup>, 2021

Received in revised form: November 6<sup>th</sup>, 2021 | Accepted: November 15<sup>th</sup>, 2021

Available online: August 10<sup>th</sup>, 2022

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## Abstract

*Creating shared value (CSV) has been predicted as the next evolution of corporate social responsibility. Companies that follow the CSV approach integrate economic, societal, and environmental objectives in their strategy to pursue sustainability and competitive advantages. This study investigates the effects of CSV contributions (which are framed as economic, social, and environmental contributions) on brand attitude, and then the effects of brand attitude on consumer purchase and recommendation intentions. This research also examines the moderating role of perceived personal relevance on the relationships between economic, social, and environmental contributions and brand attitude. The proposed model was empirically tested on a sample of 234 consumers in a metropolitan city in Vietnam. The results confirm that positive links exist between the three CSV contributions and brand attitude as well as between brand attitude and consumer intentions of purchasing and recommending. The study also finds that perceived personal relevance moderates the effect of environmental contribution on brand attitude. These effects help us better understand previous findings in the literature regarding the influence of CSV on consumer intentions and enrich the limited CSV research. Moreover, this study also provides managerial suggestions for companies in making their CSV decisions.*

**Keywords:** Brand attitude; Creating shared value; Perceived personal relevance; Purchase intention; Recommendation intention.

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DOI: [http://dx.doi.org/10.37569/DalatUniversity.12.4S.971\(2022\)](http://dx.doi.org/10.37569/DalatUniversity.12.4S.971(2022))

Article type: (peer-reviewed) Full-length research article

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## 1. INTRODUCTION

Corporate social responsibility (CSR) has been increasingly considered a vital part of the business world. Since many studies confirm that consumers will likely be willing to pay more for goods produced by companies implementing CSR activities (Chuah et al., 2020; Kim, 2017; Sen & Bhattacharya, 2001), many firms have increased their CSR practices (Deng & Xu, 2017). However, the practical results of CSR activities are diverse, which causes both managers and researchers to doubt their effectiveness (Deng & Xu, 2017; Ham et al., 2020). Many studies have explored this issue and concluded that CSR does not always influence consumer responses (Janssen & Vanhamme, 2015; Öberseder et al., 2011). Moreover, questions about the sustainability of the CSR strategy have been asked and remain as many corporations adopt CSR as a marketing tool (Ham et al., 2020). Because of these concerns, CSR has been reviewed and modified to be more appropriate for real markets. It has been proposed that more dimensions besides the social dimension be added to CSR to achieve a sustainable objective (Currás-Pérez et al., 2018; Kim, 2017). In 2011, Porter and Kramer (2011) introduced a new concept, creating shared value (CSV), to replace CSR. Porter and Kramer (2011) argued that companies should integrate both economic and social objectives in their strategy and consider these two factors as investments with long-term benefits.

Since CSV was popularized, there have been actual successful cases in the business field, such as Nestlé, Unilever, Walmart, Google, IBM, Johnson & Johnson, and Intel (Porter & Kramer, 2011). This topic has also drawn the attention of researchers. Most recent studies have focused on the relationship between CSV and company performance, especially financial effectiveness (Fernández-Gámez et al., 2019; Laudal, 2018; Schmitt & Renken, 2012). In other fields of study, research on CSV has just started (Ham et al., 2020; Yoo & Kim, 2019). In particular, the role of CSV in the marketing and communication fields has not been widely explored. Some remarkable CSV studies in these fields are Ham et al. (2020) and Jin (2018). Ham et al. (2020) proved the positive impact of CSV (with two dimensions: economic and social) on purchase intention and customer citizenship behavioral intention in an empirical study in South Korea. Jin (2018) investigated the positive effects of CSV on consumer self-brand connection, which in turn influences brand loyalty. These studies attempted to affirm a positive relationship between CSV and consumer behavior. However, given the early stage of CSV research on consumer behavior, there should be more studies exploring this linkage from diverse perspectives and in various markets. Therefore, the present study addresses this research gap by developing a framework that clarifies how creating shared value leads to consumer intentions of purchasing and making recommendations. In particular, this research examines the following three effects: (1) the effect of CSV (which is framed by economic, social, and environmental contributions) on the attitude toward a brand; (2) the effect of brand attitude on purchase and recommendation intentions; (3) the moderating role of perceived personal relevance on the linkages between the three CSV dimensions and brand attitude. The findings of this study also provide suggestions for companies in making their CSV decisions.

## 2. THEORETICAL MODEL AND HYPOTHESES

### 2.1. Creating shared value and signaling theory

The concept of creating shared value was first introduced by Porter and Kramer (2011) in the *Harvard Business Review*. They defined shared value as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (Porter & Kramer, 2011, p. 6). From this perspective, a company that creates shared value can focus on both benefits to society and corporate profits and then create sustainable competitive advantages. Porter and Kramer (2011) argued that CSV is different from and would replace corporate social responsibility, which distinguishes between CSR activities and a company’s profit. While CSR relies on a company’s budget and is considered a cost, CSV is integrated into the business model and becomes a part of the company’s strategy (Laudal, 2018).

According to Porter and Kramer (2011), addressing and solving social issues can improve a firm’s productivity. These issues can include resource use, environmental protection, the growth of partners and supporting organizations, employee development, worker health, and safety (Porter & Kramer, 2011). In the CSV approach, social issues are considered potential benefits for the corporation (Wójcik, 2016). For example, a company assists its supplier in improving a production procedure that increases the quality of the company’s inputs, and the company can then produce and sell higher-quality goods at a favorable price. Therefore, firms that follow a CSV strategy can contribute to a better society and simultaneously enrich themselves.

Many suggestions based on the research of Porter and Kramer (2011) have been made regarding the CSV framework. Ham et al. (2020) proposed that CSV include two dimensions, economic and social, in which the economic dimension focuses on the firm’s ability to provide high-quality products and gain greater profits. Meanwhile, the social dimension includes the firm’s practices to improve productivity, the policies for employee well-being, and community relations. This approach lacks the environmental contribution, which is emphasized as important in the study by Porter and Kramer (2011). From another viewpoint, Schmitt and Renken (2012) and Wu et al. (2020) proposed three dimensions: economic value, social value, and core business value for the CSV framework of a corporation. This framework focuses on the value orientation of a firm. Therefore, each firm would create different types of value for its customers based on its core business. For instance, Schmitt and Renken (2012) recruited companies with fair-trade and organic labels for their research. Because of that, the third dimension in the framework is environmental value. Wu et al. (2020) explored the relationship between CSV perception and job performance in marathon training. They identified sports value as the third dimension. This approach is appropriate for research that focuses on a specific company or field rather than an organization in general.

In this paper, we focus on the competitiveness and sustainability goals of the Porter and Kramer (2011) theory. The objective of pursuing a CSV strategy is to achieve

sustainability; therefore, a proposed CSV framework should be based on a sustainability framework. Hahn et al. (2014) theorized two frames for corporate sustainability: a business case frame, which is aimed at economic goals such as maximizing profits, and a paradoxical frame, which is a combination of economic, social, and environmental attributes (Hahn et al., 2014). In the first frame, companies align social and environmental objectives into their strategy while still prioritizing the economic objective. Companies that follow the paradoxical strategy accept the tensions among the three dimensions and may reduce profits in favor of long-term development (Hahn et al., 2014). The paradoxical strategy is the most closely aligned with Porter and Kramer (2011) and is also adopted in this research. The current study adopts a framework with three CSV dimensions, (i.e., economic, social, and environmental contributions), following the sustainable approach of Hahn et al. (2014). The economic contribution reflects the profit-seeking activities of enterprises and focuses on products and services. The social contribution concerns company policies that focus on employee and community development. The environmental contribution refers to environmentally friendly practices that contribute to profit in the long term. In Porter and Kramer (2011), the environmental contribution is a part of the social objectives. However, this study argues that, although both human beings and the environment belong to nature, activities nurturing humans and protecting the environment differ. Therefore, environmental responsibility should be separated as a distinct part when measuring CSV. This argument is also consistent with previous studies (Currás-Pérez et al., 2018; DesJardins, 1998).

Following signaling theory, we argue that CSV can be seen as a signal to help consumers favor a brand. In signaling theory, there are two parties: the senders, who are companies in the marketing context, and the receivers, who are customers (Connelly et al., 2011). The senders, who own the information or signals, select which signals should be sent to the receivers to induce the desired outcomes (Connelly et al., 2011). In business contexts with high levels of asymmetric information, the firm can communicate its practices about its employees, its customers, or its social public welfare to the community in order to convey positive organizational attributes (Zhang et al., 2020). Therefore, the CSV strategy, which focuses on the economic, social, and environmental orientation of the company, signals that the company provides values and differentiates it from others. As a result, CSV is expected to draw consumer attention and enhance the firm's organizational attractiveness and brand attitude.

Brand attitude is a “summary evaluation of the brand that presumably energizes behavior” (Spears & Singh, 2004, p. 55). Based on this definition and combined with signaling theory, enterprises engaging in CSV activities can signal to their customers that they provide valuable services to society. They provide high-quality products and services; they have convenient and accessible channels to connect with customers; they offer good working conditions; and they apply new production techniques to protect the environment. These activities can be effective signals that help consumers evaluate the company and form a good attitude toward it. Therefore, the following hypothesis is derived

*H1: There is a significant and positive effect of (H1a) economic, (H1b) social, and (H1c) environmental contributions of CSV on brand attitude.*

## 2.2. Brand attitude, purchase intention, and recommendation intention

Purchase intention and recommendation intention are the focus of both researchers and marketers because they are the prioritized objectives of any firm. Therefore, the relationships between brand attitude and purchase and recommendation intentions have been explored in the marketing literature for many decades. Purchase intention is defined as a customer's plan to buy goods (Hazel & Kang, 2018). From this definition, individuals with high purchase intention will be actual or potential customers and contribute to the company's profits. Recommendation intention refers to the intention of customers to voluntarily spread positive recommendations by various means, such as word of mouth or online community platforms (Chang et al., 2018). Positive word of mouth can be a constructive introduction that benefits the company, advice that assists other customers in using the company's products, or recommendations to families and friends (Deng & Xu, 2017).

Ajzen (1991), who introduced the well-known theory of planned behavior, stated that a person with a more positive attitude toward a behavior would have a stronger intention to perform the behavior. Based on this theory, a customer with a positive brand attitude would be more likely to have the intention to purchase and make a recommendation. Moreover, previous studies of corporate social responsibility prove and confirm the positive links between brand attitude and purchase intention and recommendation intention (Currás-Pérez et al., 2009; Ham et al., 2020; Kang et al., 2013; Lii & Lee, 2012; Spears & Singh, 2004). Thus, we hypothesize

*H2: Brand attitude has a positive effect on (H2a) purchase intention and (H2b) recommendation intention.*

## 2.3. The moderating role of perceived personal relevance

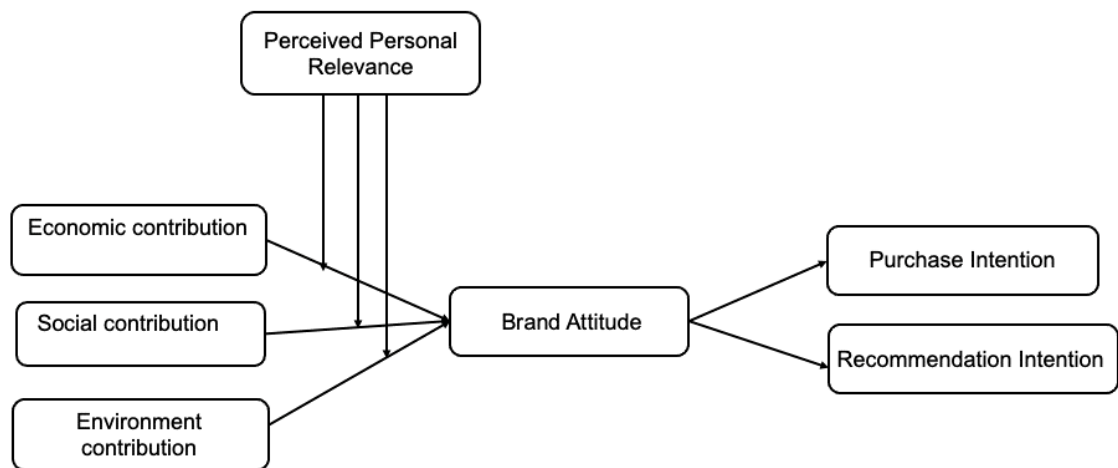
Thus far, we have argued that CSV acts as a signal to deliver values that assist consumers in evaluating a brand and then energizes them with the intention of purchasing the brand and recommending it to others. We further argue that the effect of each CSV dimension on consumer behavior via brand attitude is not homogeneous across all consumers. Consumers have different concerns. Previous research reveals that when consumers pay attention to a specific issue relevant to themselves, they tend to be more involved in that issue (Celsi et al., 1992; Kang et al., 2013). For instance, a person who is enthusiastic about sports or the environment is likely to engage in related activities. Similarly, consumers with a CSV orientation could have a high level of personal relevance to CSV practices.

Perceived personal relevance refers to an individual's "knowledge and beliefs about the instrumental associations between objects, actions, or events and self-relevant goals and values" (Celsi et al., 1992, p. 167). Xue and Zhou (2019) proved that a person with high perceived personal relevance will make more effort to understand the relevant information and then confirm the brand attitude. We conjecture that the effects of the three dimensions of CSV on brand attitude depend on perceived personal relevance. Since

brand attitude is the evaluation of a brand, when such an evaluation is considered of high personal relevance to CSV activities, consumers will have a stronger connection between the CSV contribution and their attitude toward that brand.

*H3: Perceived personal relevance moderates the effects of (H3a) economic, (H3b) social, and (H3c) environmental contributions to brand attitude such that the effects are stronger when perceived personal relevance is high than when perceived personal relevance is low.*

Figure 1 provides the conceptual framework.



**Figure 1. Conceptual framework**

### 3. RESEARCH METHODOLOGY

#### 3.1. Research instrument

A self-administered questionnaire was used in this study. Before the participants answered the questions, we asked them to recall a company with CSV activities so that they could focus on the answers. The definition of CSV was provided at the beginning of the survey to ensure the understanding of the participants. All measures were taken from well-established scales in previous research. The perceptions of consumers on the economic contribution (3 items), social contribution (5 items), and environmental contribution (4 items) were adapted from Currás-Pérez et al. (2018), Ham et al. (2020), and Walsh and Beatty (2007). We measured brand attitude with three items based on Ham et al. (2020). Perceived personal relevance was adapted from Celsi et al. (1992). Similarly, recommendation intention (3 items) and purchase intention (3 items) were measured following Deng and Xu (2017) and Ham et al. (2020).

All items, except the demographic items, were measured using a 7-point Likert scale, ranging from 1 – strongly disagree to 7 – strongly agree.

### **3.2. Samples and procedure**

The survey was conducted in Vietnam since Vietnam is considered an emerging Asian economy with rapid and dynamic development (The World Bank, 2021). With high growth in market and living standards, Vietnam is suitable for empirical study.

Before constructing the survey questionnaire, we consulted with two researchers, two language teachers, and the founders of three companies active in CSV activities to review and refine the composition and clarity of the questionnaire. The next step was to launch a pilot test with 50 university students in business administration to ensure the comprehensibility of each question.

The survey questionnaire was distributed via Google Forms. By using this online channel, we could reach a large number of potential participants regardless of geographic distance, differences in individuals' spare time, and the effect of the COVID-19 epidemic. Moreover, errors that might occur when entering data into software could be reduced. In addition, all questions were set as compulsory so that there would be no missing answers. The respondents included consumers living in Ho Chi Minh City since this is the biggest industrial city with the largest population in Vietnam and the gathering place of all types of companies and consumers. We used a snowball sampling technique to collect data. First, we sent 100 questionnaires to individuals in our networks living in Ho Chi Minh City and then asked them to forward the questionnaire to 10 of their friends.

The responses were collected within a two-week period in March 2021. The average time required to complete the questionnaire was estimated to be 15 minutes. After 2 weeks, we received 234 full responses. Of the respondents, 58.1% were female. Respondents 18-25 years old accounted for 55%, 26-35 years old for 27%, 36-45 years old for 9.4%, and 8.6% of respondents were more than 45 years old. Regarding income, 19.6% of participants earned less than 5 million VND per month, 43.1% had average incomes from 5 to 10 million VND, 24.8% earned 10 to 15 million VND, and 12.5% had a monthly income of more than 15 million VND. The distribution of the respondents was 9.9% students, 4.2% unskilled laborers, 66.2% office employees, 17.1% managers, and 2.6% other professions. In terms of education, most participants hold a bachelor's degree (69.2%). Participants having only a high school degree accounted for 17.5%, those with a degree from a master's program or equivalent were 6%, and others were 7.3%.

## **4. DATA ANALYSIS AND FINDINGS**

### **4.1. Assessment of the measurement model**

This study used SmartPLS 3.3.3, a software tool for partial least squares-structural equation modeling, to test the proposed model. Before testing the proposed structural model, we evaluated the measures by examining reliability, convergent validity, and discriminant validity.

As shown in Table 1, factor loadings ranged from 0.60 to 0.93 for all items. As all factor loadings are at or above 0.60, all are significant (Hair et al., 2016). The composite reliabilities of all constructs exceeded the threshold of 0.70, and hence construct reliability was demonstrated (Hair et al., 2016). The average variance extracted (AVE) of all constructs was above the recommended threshold of 0.50. Therefore, convergent validity was satisfactory (Hair et al., 2016). To evaluate discriminant validity, we used the Fornell-Larcker criterion and the heterotrait-monotrait (HTMT) ratio criterion (Fornell & Larcker, 1981; Hair et al., 2016).

As for the Fornell-Larcker criterion, the square roots of AVE were greater than the correlations between any pairs of constructs (Table 2), indicating that the measures exhibit discriminant validity (Fornell & Larcker, 1981). Regarding the HTMT ratio criterion, as indicated in Table 2, all values of HTMT were lower than the conservative threshold of 0.85, successfully establishing discriminant validity (Hair et al., 2016). Combined, the results confirm the satisfactory convergent validity, discriminant validity, and reliability of the measurements.

We then examined the variance inflation factor (VIF) values to ensure no multicollinearity issue. We found that VIF scores ranged from 1.21 to 3.65. As are under the critical value of 5 (Hair et al., 2016), multicollinearity was not a serious problem.

**Table 1. Scale items and latent variable evaluation**

Constructs and items		Loadings
Economic contribution (CR = 0.81; AVE = 0.58)		
EC1	The company offers high-quality products to customers.	0.83
EC2	The company's products seem to be sold more than other companies with the same or similar products.	0.67
EC3	The company has a formal procedure for interaction and dialog with its customers, suppliers, and other stakeholders.	0.78
Social contribution (CR = 0.83; AVE = 0.51)		
SC1	The company creates jobs.	0.66
SC2	The company improves the economic welfare of the community.	0.77
SC3	The company fosters residents' training and development (education).	0.63
SC4	The company helps create a better society.	0.82
SC5	The company strives to enhance stable relationships through collaboration with its suppliers.	0.64
Environmental contribution (CR = 0.88; AVE = 0.65)		
EVC1	The company would reduce its profits to ensure a clean environment.	0.60
EVC2	The company seems to be environmentally responsible.	0.84
EVC3	The company's products seem to be environmentally friendly.	0.88
EVC4	The company applies new technology to reduce waste in the environment.	0.87

Note: CR: Construct reliability.



**Table 1. Scale items and latent variable evaluation (cont.)**

Constructs and items		Loadings
Brand attitude (CR = 0.93; AVE = 0.82)		
BA1	I like the company.	0.91
BA2	I have positive feelings toward the company.	0.91
BA3	The company seems to be a good company for customers and society.	0.90
Purchase intention (CR = 0.94; AVE = 0.83)		
PI1	I am willing to purchase the products of the company when shopping.	0.92
PI2	I plan to purchase the products of the company when shopping.	0.93
PI3	I will make an effort to purchase the products of the company when shopping.	0.89
Recommendation intention (CR = 0.91; AVE = 0.78)		
RI1	I will say positive things about corporation X to other people.	0.85
RI2	I will recommend corporation X to someone who seeks my advice.	0.89
RI3	I will encourage friends and relatives to do business with corporation X.	0.90
Perceived personal relevance (CR = 0.90; AVE = 0.65)		
PPR1	The concern of CSV activities lets others see me as I ideally would like them to see me.	0.68
PPR2	The purchase and use of CSV-oriented products help me attain the type of life I strive for.	0.70
PPR3	I can make connections or associations between the purchase and use of CSV-oriented products and other experiences and/or behaviors in my life.	0.87
PPR4	The purchase and use of CSV-oriented products are of personal importance to me.	0.90
PPR5	The purchase and use of CSV-oriented products help me to express who I am.	0.84

Note: CR: Construct reliability.

## 4.2. Assessment of the structural model

The constructs' coefficient of determination ( $R^2$  value) was examined to check the model's ability. The results indicated that the  $R^2$  in the current model has a high value of 0.63 for brand attitude, followed by recommendation intention (0.47), and purchase intention (0.39), which proves that the proposed model has a strong predictive capability (Hair et al., 2011). In the next step, a bootstrapping procedure with 5000 subsamples was used to test the hypothesized direct and moderated effects, as discussed below.

**Table 2. Discriminant validity**

Measure	EC	SC	EVC	BA	PI	RI	PPR
Fornell-Larcker criterion							
EC	0.76						
SC	0.47	0.71					

Note: EC = Economic contribution; SC = Social contribution; EVC = Environmental contribution; BA = Brand attitude; PI = Purchase intention; RI = Recommendation intention; PPR = Perceived personal relevance.

**Table 2. Discriminant validity (cont.)**

Measure	EC	SC	EVC	BA	PI	RI	PPR
EVC	0.39	0.55	0.81				
BA	0.54	0.63	0.64	0.91			
PI	0.38	0.46	0.50	0.62	0.91		
RI	0.54	0.65	0.63	0.69	0.59	0.88	
PPR	0.32	0.43	0.37	0.56	0.43	0.44	0.81
Heterotrait-Monotrait ratio (HTMT)							
EC							
SC	0.63						
EVC	0.49	0.67					
BA	0.69	0.71	0.73				
PI	0.49	0.52	0.60	0.70			
RI	0.71	0.77	0.73	0.78	0.67		
PPR	0.44	0.50	0.43	0.62	0.48	0.51	

Note: EC = Economic contribution; SC = Social contribution; EVC = Environmental contribution; BA = Brand attitude; PI = Purchase intention; RI = Recommendation intention; PPR = Perceived personal relevance.

### 4.3. Hypothesis testing

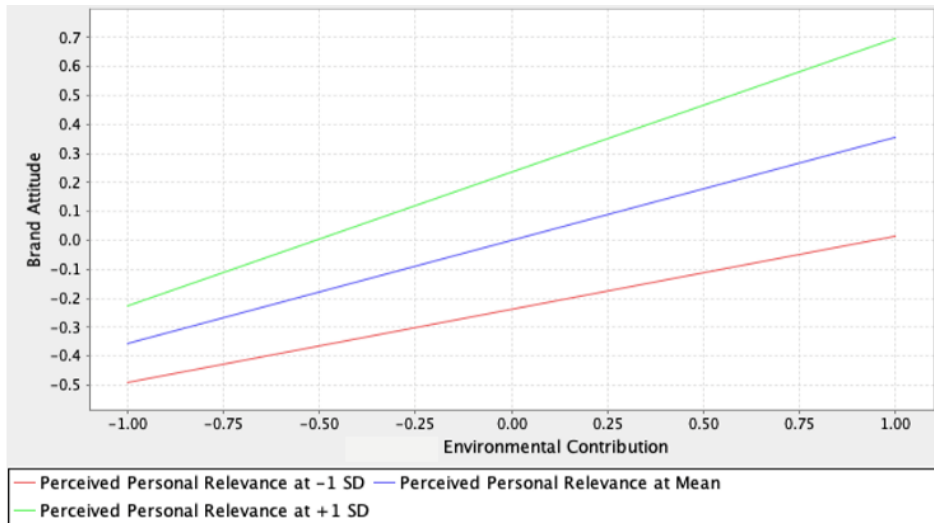
We employed the bootstrapping procedure of Hair et al. (2016) with 5000 subsamples to estimate the 95% bias-corrected confidence interval of the direct effects and moderation effect.

Hypothesis 1 predicts that each CSV contribution has a positive effect on brand attitude. As shown in Table 3, the results reveal that the direct pathways running from the economic, social, and environmental contributions to brand attitude are all significant ( $\beta = 0.20$ ,  $\beta = 0.23$ ,  $\beta = 0.36$ , respectively, and  $p < 0.01$ ). Similarly, Hypothesis 2 predicts positive relationships between brand attitude and purchase intention and between brand attitude and recommendation intention. The results indicate that these effects are significant ( $\beta = 0.62$  for purchase intention and  $\beta = 0.69$  for recommendation intention;  $p < 0.01$ ).

Furthermore, we tested the moderating role of perceived personal relevance on the link between CSV contribution and brand attitude (H3). As demonstrated in Table 3, only the effect moderating the relationship between environmental contribution and brand attitude is significant ( $\beta = 0.11$ ,  $p < 0.05$ ). These results lead us to support H1, H2, and H3c, and to reject H3a and H3b. As depicted in Figure 2, the green line representing the slope at a high level of perceived personal relevance is steeper than the slope at a low level of perceived personal relevance (the red line), which suggests that the effect of environmental contribution on brand attitude is stronger when perceived personal relevance is high than when perceived personal relevance is low.

**Table 3. Results of hypothesis testing**

Hypotheses	Parameters	$\beta$	SE	t-value	p-value	Remarks
Direct effect						
H1a	Economic contribution → Brand attitude	0.20	0.05	3.88	0.00	Supported
H1b	Social contribution → Brand attitude	0.23	0.05	4.54	0.00	Supported
H1c	Environmental contribution → Brand attitude	0.36	0.05	6.62	0.00	Supported
H2a	Brand attitude → Purchase intention	0.62	0.06	9.67	0.00	Supported
H2b	Brand attitude → Recommendation intention	0.69	0.04	17.26	0.00	Supported
Moderating effect (Perceived personal relevance)						
H3a	EC*PPR → Brand attitude	-0.05	0.05	0.84	0.40	Not significant
H3b	SC*PPR → Brand attitude	-0.05	0.06	0.94	0.35	Not significant
H3c	EVC*PPR → Brand attitude	0.11	0.05	2.03	0.04	Significant



**Figure 2. Moderating effect of perceived personal relevance on the relationship between environmental contribution and brand attitude**

## 5. DISCUSSION AND IMPLICATIONS

### 5.1. Theoretical implications

Since CSV was presented and predicted to replace CSR (Porter & Kramer, 2011), CSV has been the focus of both researchers and managers. In business, the number of companies applying the CSV strategy is increasing (Ham et al., 2020; Porter & Kramer, 2011). However, studies of CSV are still limited (Ham et al., 2020; Yoo & Kim, 2019).

Therefore, by examining the CSV framework, this research attempts to contribute to CSV theory. Based on previous discussions of CSR and CSV, we proposed a model that integrates CSV dimensions, brand attitude, purchase intention, recommendation intention, and perceived personal relevance. The study investigated the effects of three CSV dimensions (economic, social, and environmental) on the consumers' attitudes toward a brand and the effects of brand attitude on purchase intention and recommendation intention (H1 and H2). In addition, the study examined the moderating effect of perceived personal relevance on the relationships between the three CSV dimensions and brand attitude (H3). On the basis of survey data from consumers in Ho Chi Minh City, a large, fast-developing city in Vietnam, we contribute to the existing literature in several ways.

First, our results indicate that a company that follows the sustainable construct, which contains the three dimensions of economic, social, and environmental objectives, will enhance consumers' brand attitude toward the company, and that brand attitude will affect consumers' intentions of purchasing and recommending to others. This is consistent with previous marketing research (Ajzen, 1991; Currás-Pérez et al., 2018; Deng & Xu, 2017; Ham et al., 2020; Kang et al., 2013; Lee et al., 2012; Spears & Singh, 2004; Zhang et al., 2020). Although CSR has been confirmed as the key driver of brand attitude, the affirmation of the effects of CSV has not yet been widely explored. Therefore, our study enriches signaling theory and the CSV literature by showing that CSV contributions can be seen as an important signals that assist consumers in evaluating a brand.

Second, our study supports the idea that consumers' perceived personal relevance strengthens the effect of environmental contribution on brand attitude. Personal relevance has been confirmed to affect the extent of individual involvement in an issue and has been explored as a moderator in many marketing fields (Celsi et al., 1992; Xue & Zhou, 2019). Based on previous theoretical reviews, our findings provide new insight explaining the behavior of CSV-concerned consumers at different levels. However, the current study did not find empirical support for the moderating effect of perceived personal relevance on the relationships between economic contribution and social contribution to consumers' brand attitude. As an explanation, consumers may tend to pay more attention to the environmental dimension than the economic and social dimensions as they become aware of CSV. This tendency could explain the reverse effects of perceived personal relevance on these two linkages (economic contribution and social contribution to brand attitude), although the results show statistical insignificance. In other words, given their great environmental concern when they think of CSV, consumers are likely to evaluate environmental practices higher than economic and social practices. Based on signaling theory, another explanation could be that consumers lack economic and social information on companies; hence, they mainly evaluate a brand based on its environmental contribution.

## **5.2. Managerial implications**

Our findings suggest some important implications for managers in strategic decisions. First, our results encourage firms to implement CSV practices to enhance

consumer awareness of the economic, social, and environmental contributions of the company, which increases brand attitude and therefore improves purchase and recommendation intentions. Some suggested activities include investing in the quality of products, services, and customer experiences (economic dimension); having policies of employee development and welfare, and creating values for the community and other partners, such as collaborating with local residents (social dimension); and creating environmentally friendly products, saving energy, and reducing waste (environmental dimension). Further, since CSV could be seen as a vital signal to attract customers, enterprises should also educate the community regarding CSV implementation by communicating activities to increase consumer perception of CSV. While communicating, companies should provide adequate information to their customers on all three aspects: economic (financial reports and advertisements emphasizing the profits and quality of products or services), social (human resource practices, community programs, and collaboration networks), and environment (environmentally friendly production, environmental certificate, and environmental values for long-term sustainable development).

Second, our study suggests that perceived personal relevance moderates the effect of environmental contribution on brand attitude. Therefore, while executing a CSV strategy, especially while implementing environmental practices, companies should communicate more with the CSV-concerned group since this group could potentially be sustainable customers of the firm. Moreover, when communicating with CSV-concerned customers, the company should focus more on environmental aspects. However, to convey a comprehensive awareness of CSV to customers, the firm should not only communicate its environmental activities but also carefully selected internal information, such as profits (economic contribution), partners, employees, and working conditions (social contribution) to the stakeholders. In addition, companies could consider creating and building a CSV-oriented community as their targeted customers.

## **6. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH**

Although this study makes meaningful contributions to the CSV literature, it has a number of limitations. First, the generalizability of the findings is limited as sampling consumers from a single city may raise concerns about the representativeness of the data. Thus, the findings might not be directly applicable to other cities. Therefore, future studies should explore different regions. Second, participants answering the survey unintentionally were 18 to 25 years old, and most of the participants were office workers. This limitation suggests that future research should collect data from a more diverse group of consumers. Third, the snowball sampling technique and the cross-sectional internet survey could also limit the generalizability and interpretation of the findings. Future research designs should use probability sampling techniques. Fourth, when investigating the relationship between CSV contributions and consumer intentions in making purchases and recommendations, our exclusive focus on brand attitude and perceived personal relevance, as well as on only direct and moderating effects, is a limitation. There could be other variables influencing this relationship or mediating influences that should be explored further.

## ACKNOWLEDGMENT

This work was supported by Dalat University (Decision 908/QĐ-ĐHĐL regarding approving and allocating funds for university-level research projects).

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