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INDONESIAN CUSTOMER PERCEPTIONS OF CORPORATE SOCIAL RESPONSIBILITY THROUGH SOCIAL MEDIA

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ABSTRACT
This study aims to explore Indonesians' perceptions of Corporate Social Responsibility (CSR) through social media. It focuses on the awareness of customers in paying attention to a company's CSR or *vice versa*, and their perceptions of the CSR. Using the complexity of consumer behavior to address their perceptions supported by social media as a marketing communication medium is appropriate for describing the CSR phenomenon from e-business perspective. This paper will help companies describe the role of CSR through social media. It will address the influence of CSR on consumer loyalty and drive the increase of production. Research data were collected by using a questionnaire distributed to customers of CSR through social media. The questionnaire explored the consumers' perspective of CSR information given by companies through social media.

INTRODUCTION

Recently, people have recognized the impacts of company activities on the society and environment. Corporate Social Responsbility (CSR) issues have required companies to take more responsibility and a transparent role in their business sector (Panggabean & Pratiwi, 2011; Raar, 2002). In companies, there is a growing concern with the social and environmental impacts of their actions (Ferreira, Avila & de Faria, 2010). When the companies start taking actions related to social and environmental aspects, they have to publish their activities because CSR can have a big impact on developing and sustaining relationships with stakeholders. Based on the perspective of stakeholders, sustainability should include three components: natural environment, society, and economic performance. These components are commonly known as the triple bottom line (TBL) (Chowdhury & Shanmugan, 2015). This is the underlying reason why companies should know the perspectives of the stakeholders. Sustainable Development (SD) is an attempt and a need to create equilibrium between

the human need to improve lifestyles and wellbeing on the one hand, and the environmental need to preserve ecosystems and natural resources on the other, upon which present and future generations depend (Chinedu & Wan-Mohamed, 2017).

The number of CSR and sustainability reports issued by companies on their websites increases day by day. The companies are more committed to corporate social responsibility, sustainability and economic/social/governance (CSR/Sustainability/ESG) goals, requiring them to be more transparent. Therefore, all parties – not just stakeholders – know about the companies and they can use social media to discuss the goals, positively or negatively, for changes of how business is conducted (Wilburn & Wilburn, 2015).

Corporate Social Responsibility (CSR) of a company aims is to help the company arrange their social and environmental activities, and also give evidence of the company's influence on the surrounding community (Hendratno, 2016). The CSR information should be published not only on the company's website, but also in social media. Currently, ecommerce can be done through social media. It enables companies to reach to more potential buyers. Because of their role in connecting businesses directly to end-consumers in a timely manner and at a low cost (Kaplan & Haenlein, 2010), social media has given a great influence on customer perceptions and behaviors (Williams & Cothrell, 2000). Social media have become the center of attention in different industries in the last few years.

As per January 2017, the number of active social media users increased 21% since January 2016 (482,000,000 users) and the number of active mobile social media users increased 30% since January 2016 (581,000,000 users) (Kemp, 2017). This means people use social media in their daily life because the internet users only increased 10% (354,000,000 users) since January 2016. Thus, people generally communicate through social media. In Indonesia, as mentioned by Kemp, social media users grow 34% (27,000,000 users). The number of users ranked the third in terms of the growth of social media users from January 2016 to January 2017. On average, Indonesians spend 3 hours and 16 minutes each day in their social media. This places Indonesia the seventh rank in the world. Indonesia is also at the fourth rank in the world for Countries with the Largest Number of Active Facebook users (106,000,000 users) with Jakarta as a city having the largest number of Active Facebook Users which also ranked fourth in the world. This means that Indonesians often access social media in their daily life, especially the young generations. Therefore, companies can promote their products and services through social media.

There are many companies which use social media for promoting their CSR Activities. Unilever with their hashtag #brightFuture spread their CSR information through Facebook Fanpage; one of the messages is protecting the environment - *'Selamatkan Iklim* (Save the Climate)' campaign with WWF-Indonesia. The goal of the campaign is to protect trees by producing environment friendly products without damaging the forest. Their latest campaign is #brightFuture with the website www.brightfuture.unilever.co.id. In this campaign, Unilever educate Indonesian children by making them aware about their health, such as engaging them to wash their hands and brush their teeth properly.

Aqua (Danone Group), which produce and sell mineral water, also share information about their CSR activites through social media. One of their social media accounts is @sehataqua on Instagram with the campaign #1untuk10 (#1for10). The purpose of this campaign is to channel clean water into areas which need it. Their customers can get involved in this CSR activities by buying one litre of Aqua for 10 litre clean water channeled into the area. Their campaign not only spreads through instagram, but also in twitter (@sehatAQUA), Facebook Fanpage (Sehat AQUA), and website: www.sehataqua.com/1untuk10.

By observing those companies, their CSR programs are not only published on their websites, they are also shared on social media in order to increase the awareness of the public about CSR. One important part of a company's communication strategy is how CSR actions are presented and assimilated by different stakeholder groups (Zizka, 2013), including customers. CSR activities comprise CSR pratices implemented in order to increase the conformity between corporate behavior and the social expectations of stakeholders and to increase their legitimacy within the community (Colleoni, 2013). The purpose of this paper is to discuss customer perception of companies' CSR in Indonesia and CSR development through social media in the Indonesian context.

LITERATURE REVIEW
Customers have an important role in CSR research, besides the intense focus on investors, business partners, and government by both companies and academic practices (Schmeltz, 2012). Several studies have suggested that there is a positive relationship between a corporation's CSR activities and consumers' attitudes toward that corporation and its products (Brown & Dacin, 1997; Creyer & Ross, 1997; Ellen, Webb, & Mohr, 2006). Mohr, Webb & Harris (2001) examined the impact of CSR knowledge on consumers' attitudes and purchase decisions, and whether CSR will affect consumers' decisions and why it does or does not. Creyer & Ross (1997) indicated that consumers regarded ethical behaviour as an important consideration during their purchase decisions. Moreover, Sen and Bhattacharya's (2001) research on the reaction of consumers to CSR shows that CSR will directly affect consumers' intentions to purchase products. On the other hand, a company usually wants to know more about their customers' perceptions about the company's products, because the company knows that customers have an important role in the business. The more demands from customers, the more the company develops their eco-friendly products. This means, the company needs customers' awareness about the company's products and their activities, especially, CSR.

Legitimacy theory is theoretically defined as the conformity between stakeholders' social expectations and corporate CSR agenda and empirically as the quality of the match in terms of similarity of attention and affective orientation towards CSR related themes (Colleoni, 2013). The legatimacy from the customers will build the good image of the company. For example, Aqua with their #1for10 campaign can be in the customers' mind, if Aqua always gives clean water to people who need it, especially in Indonesia. If the company is successful in making the customers know or aware about Aqua's CSR activities, the customers will

believe that the CSR activities will be done by Aqua. The findings of Tay (2005) indicate that as the society becomes more affluent and faces an increase in the level of awareness among consumers, these consumers become more sensitive to the ways in which corporations behave, which in turn may influence their buying decision behaviour. Therefore, effective online communication strategies are very important for companies. Besides the fact that consumers have moved online for information about companies, they also want more and more information about the companies they are interested in. Without certain information, consumers do not trust companies anymore. This explains why information about Corporate Social Responsibility (CSR) has become so important. Companies need to include CSR in their communication strategies if they want to be successful. Now that consumers search online for information, CSR communication has moved from the traditional media to social media.

The transmission model of communication is prevalent in a large proportion of publications on CSR communication, especially in works originating in the fields of public relations, marketing communication, or management studies (Schoeneborn & Trittin, 2013). Customers today are able to control many marketing communications and relationships as a result of the increasing digitalization in consumer markets (Kucuk, 2012). Consequently, companies also give their information about CSR activities through social media. From an organizational point of view, social media are different from previous generations of information technology such as workflow systems, enterprise systems, knowledge management, or customer relationship systems (Bergquist, Ljunberg, Remneland & Rolandsson, 2015). Social media provides information, citizen dialogue and transparancy in the social media area (Bergquist, et al., 2015). On the other hand, social media also allow citizens to monitor the activities of public authorities (Bertot, Jaeger, & Hansen, 2012). In Indonesia, companies which sell their shares to the public can also use social media to tell the public about their activities, especially their CSR activities.

Today, social media opinions and reviews have started affecting the purchase decision process of consumers and allow consumers to make recommendations and evaluate products through status updates (Gupta, 2012). The unique aspects of social media and the immense popularity have revolutionized marketing practices, such as advertising and promotion (Hanna, Rohn & Crittenden, 2011). Social media have also influenced consumer behavior from information acquisition to post purchase behavior such as dissatisfaction statements or behaviors about a product or a company (Mangold & Faulds, 2009). Social media websites provide an opportunity for businesses to engage and interact with potential consumers, encourage an increased sense of intimacy with consumers, and build all important relationships with potential consumers (Mersey, Malthouse, & Calder, 2010). Besides that, consumers nowdays use social media to obtain information about companies before they make a purchasing decision.

People follow brands on social media because of the following reasons (Gupta, 2012):
1. To learn more about products and services of a brand
2. To keep up with the trends

3. To give feedbacks

4. To avail customer service via social media

5. To make purchases

6. To know more about the promotional campaigns and discounts

7. To join the fan community

Meanwhile in the companies, they focus on developing their own strategies to promote the performance of the brand through the channel and this can involve the social media initiatives (Rapp, Beitelspacher, Grewal & Hughes, 2013). The companies are benefited from social media (Gupta, 2012):

1. Brand Recognition-with social media, the companies can decide what they want to place their organization and tell people what activities that the companies do.

2. Community-When the followers become part of the companies community, the companies gain prompt entry to customers. The companies can know about their customers' likes, dislikes, and also about the challenges in the market. The companies can engage the customers in ongoing conversations that can be more inestimable than any kind of paid market research.

3. Website traffic-Social Media is a major traffic generator. When the companies share videos, blog posts and other contents from the website through social media, they give their audience an opportunity to visit their posts.

The various competitions, the gifts, and most importantly the viral effect of the messages which spread among social media users make a brand very quickly known, and discussed among a wide number of users (Tsimonis & Dimitriadis, 2014). Tsimonis and Dimitriadis also state that the direct way of communication can create a sense of engagement between people and brand. This means the company can gain the brand loyalty, the increase of sales, and the acquisition of new customers also stated as expected benefits for the companies. If the companies share information about their CSR activities, about caring surrounding communities or environment through social media, the customers can get more information quickly and be loyal to the companies.

MATERIALS AND METHODS

Social media are a relatively recent and rapidly developing environment for which both academics and companies have yet no solid knowledge (Tsimonis & Dimitriadis, 2014). Exploratory methodology with quantitative data was used in the research to achieve the objectives of the study. Exploratory design is implemented in two phases or sequential design. Qualitative data were obtained at the first phase. Then, the data collection proceeded with a quantitative phase. In this design, the results of qualitative data analysis were used to help determine the focus and type of data collection in the quantitative phase. The aim of this design is specifically used in the qualitative initial phase for identifying themes, ideas, perspectives, and beliefs coming from parts the largest of quantitative research. The population includes the Indonesian people who uses social media in their daily life. The questionaire was developed by using a questionnaire from Chen and Kong (2009) by replacing the questionaire in

part III with another questionaire about social media developed by Schmeltz (2012) and part VI which we developeded. The survey was randomly distributed online to Indonesian people who mostly live in Jakarta. There are 143 respondents that filled in the questionnaire. However, not all of the respondents fill the questionnaire completely. Some of them did not fill the parts related to gender and social media account. They just filled the questionnaire around 3-5 numbers. At the end, the respondents were 132 people. The female customers were the main customers in Indonesia with the sample dominated by 58 percent of the total sample. Their ages ranged from 18 to 60 years old, and 75 percent of the sample were 18-27 years and 83 percent of them were single with 61 percent female. The datawere treated with descriptive statistics.

RESULTS AND DISCUSSIONS
For the first part, there are statements about the customer for the CSR. The customers' behavior indicates the customers' knowledge about CSR. The knowledge can affect the decision to purchase from the customers and can improve their consumption of the product. The second part in the questionnaire is for telling the information about factors that the customers care more about CSR. The third part is about customers that become sceptical and their credibility. The last part is about the usage of social media by the customers, their perception about CSR in the social media, and the reasons underlying their decision to buy the product after knowing the company's CSR (see appendix). The likert scale is from strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5).

Tabel 1. *Statistic Descriptive Summary*

Item	Obs	Mean	Std. Dev.	Min	Max	Median	Modus
a1	132	3.689394	.7112249	1	5	4	4
a2	132	4.113636	.8879836	1	5	4	4
a3	132	3.621212	.9040224	1	5	4	4
a4	132	3.94697	.6803052	1	5	4	4
a5	132	4.280303	.6574807	2	5	4	4
a6	132	3.742424	.8963132	2	5	4	4
b1	132	3.840909	.8180179	2	5	4	4
b2	132	3.757576	.7217579	2	5	4	4
b3	132	3.727273	.7214374	2	5	4	4
b4	132	3.621212	.8428442	2	5	4	4
b5	132	3.871212	.7657287	2	5	4	4
b6	132	3.833333	.7327317	2	5	4	4
b7	132	3.931818	.7735433	1	5	4	4
c1	132	3.598485	.854801	1	5	4	4
c2	132	3.5	.8149369	1	5	4	4
c3	132	3.856061	.7924508	1	5	4	4
c4	132	3.727273	.731942	2	5	4	4
c5	132	3.234848	.8089183	1	5	3	3
d1	132	3.856061	.7630051	1	5	4	4
d2	132	3.613636	.9299735	1	5	4	4
d3	132	3.386364	.9134092	1	5	3	4
d4	132	3.431818	.8488266	1	5	4	4
d5	132	3.75	.7753354	1	5	4	4

d6 |	**132**	**3.378788**	**.833738**	**1**	**5**	3	3

We input the data in Table 1 and processes with STATA 12 and Excel for the statistic summary. For all the statements, as we can see, the mean from the questionnaire is more than 3, especially the highest in the first part about CSR knowledge. So, almost all respondents know about CSR. The highest point is 4.280303 for the staterment of A5 on the respondents' thought that the company should disclose the information about social responsibility. As stakeholders, they want to know more about CSR information from the company. The second highest point is A2 with a mean point of 4.113636. The respondents thought that the company should be responsible for the community and environment. The rest of the mean in the first part is above 3.6 with the modus of 4. This means that most of the people were aware and knew about CSR. Not only for the first part which has the mean more than 3.5, but also the rest of the parts. This means the respondents agreed with the CSR in the company and can affect their awareness and their purchase of the companies' products. Also, there are four numbers less than 3.5 point for the mean. They are C5, D3, D4, and D6. C5, as the lowerst point, is about the respondents becoming sceptical (doubt) when a company informs about its CSR – it is only doing it to gain more profits. This means that the respondents thought that the company is implementing CSR without the companies' ambition to gain more profits.

With regard to D3 (3.386364) and D4 (3.431818), the respondents were in doubt or neutral about how often they see CSR information from the products and brands at website and report. They often see CSR information from famous products and brands through social media. Maybe, this is because not all companies in Indonesia use social media to share their CSR activities to Indonesian people. This can happen if they prefer to share their activities in traditional media, like newspaper, television channel, or YouTube and Advertising on websites because Indonesian people prefer to watch videos or live streaming through YouTube. The respondents rarely see CSR activities which are published on the social media by the companies. This will affect their intention to buy the products or brands after they read about the companies' CSR activities in social media. If the companies do not post their CSR activities in the social media, the people will not know about the CSR activities and they cannot gain awareness about their brands and products. If the companies cannot gain awareness from the Indonesian people, the demand of their products will not be high. Then, there is a domino effect too in the product sales, in terms of quantity. When the product sales are fewer, the production of the products is also not as many as if the people have an awareness. The fixed cost of the product is still as same as before and it can only decrease if there is an increase of the quantity of production.

CONCLUSIONS

In Indonesia, there are only a few CSR studies in social media to gain more awareness of products or brands. This paper aims to explore the perceptions of the CSR activities published by companies on social media. If companies are successful in gaining product and brand awareness through social media because of the increasing number of users, the profits

of the companies will increase. In Indonesia, not all companies publish their CSR activities in the social media. The companies should publish their CSR activities on social media to gain more awareness, trust, and loyalty from customers with regard to their products and brands. For future research, researchers can use mixed method and focus on specific brands or product.

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