INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON CONSUMERS' PURCHASE INTENTION OF LIFE INSURANCE IN CHENGDU, CHINA

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ABSTRACT
The objectives of this study were 1) to study the effect of Corporate Social Responsibility on trust of life insurance customers, 2) to study the effect of trust on the consumer's intention to purchased life insurance. This study was a quantitative research. The population of this study was 14.42 million people in Chengdu, China. The sample size was 400 of people in Chendu, China determined by Taro Yamane formula. The research instrument was a 5 rating scale questionnaire. Statistics used for data analysis were percentage, frequency, mean, and standard deviation. The results of the study revealed that 1) most consumers are females between 21 and 30 years old who have a bachelor's degree and work for private companies. The respondents earned the average monthly income of between 10,001 and 30,000, Most of the respondents familiar and have purchased life insurance, mainly from China Pacific Insurance Company. 2) the effect of trust on the consumer's intention to purchase life insurance for saving purposes and usually chose to make payment by cash on a yearly basis, hypothesis testing found that service quality and CSR have a positive influence on trust among the customers who purchased life insurance. In addition, trust has a positive influence on consumer's intention to purchase life insurance.
Keywords: Corporate Social Responsibility, Consumers' Purchase Intention, Life Insurance

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INTRODUCTION

In the modern business landscape, Corporate Social Responsibility (CSR) has emerged as a critical factor influencing consumer behavior across various industries, including the life insurance sector. CSR refers to the ethical obligations that businesses assume toward society, encompassing activities that promote social welfare, environmental sustainability, ethical labor practices, and philanthropic efforts. Over the years, CSR has evolved from a peripheral concern of businesses, initially perceived as a tool for increasing profits for shareholders, to a more integrated and stakeholder-oriented approach. In today's context, CSR considers the interests of shareholders, consumers, employees, suppliers, and society at large, contributing to the creation of social welfare, environmental protection, and even charitable causes.

With the growing emphasis on CSR, consumer expectations have shifted significantly. Customers now evaluate companies not only based on the products or services they provide but also on the social and environmental impact of their business operations. This paradigm shift has made CSR a key determinant of brand reputation, customer trust, and ultimately purchase decisions. Companies that actively engage in socially responsible activities are seen as more trustworthy, leading to stronger emotional connections with consumers. This phenomenon is especially pronounced in industries like life insurance, where trust and long-term commitment are crucial in influencing customer decisions.

In China, where the economy has seen rapid growth, CSR has also gained significant momentum, with an increasing number of companies recognizing the importance of responsible business practices. Chengdu, the capital city of Sichuan Province and home to a population of over 14.42 million people (World Population Review, 2022), has become a focal point for studying the impact of CSR on consumer behavior in the Chinese market. As life insurance becomes more prevalent in China, understanding how CSR initiatives influence consumer trust and purchase intention is critical for life insurance providers aiming to differentiate themselves in a highly competitive industry.

Despite the growing body of literature on CSR, much of the existing research has focused on corporate performance and the development of CSR indices, while relatively less attention has been paid to the specific influence of CSR on consumers' purchase intentions in the life insurance industry. This study addresses this gap by investigating how CSR initiatives impact consumer trust and, in turn, their decision to purchase life insurance products. The goal is to provide insights into the factors that mediate the relationship between CSR and purchase intentions and to offer practical suggestions for life insurance companies to enhance customer trust through responsible business practices.

The objectives of this study are twofold:

To examine the effect of CSR on the trust of life insurance customers in Chengdu, China.

To analyze how trust influences consumers' intention to purchase life insurance products.

The study adopts a quantitative research approach, utilizing data collected from 400 respondents in Chengdu. The sample size was determined using Taro Yamane's formula, ensuring a 95% confidence level and a 5% margin of error. Respondents were asked to complete a questionnaire that assessed their views on CSR, trust, and their intentions to purchase life insurance. The findings are expected to contribute valuable insights into the importance of CSR in shaping consumer trust and influencing purchase decisions, providing life insurance companies with strategic recommendations for incorporating CSR into their core business operations.

Importance of the Study

As trust becomes increasingly important in industries that involve long-term financial commitments, such as life insurance, CSR offers a valuable mechanism for building and maintaining consumer confidence. In a market where consumers face numerous options, companies that demonstrate a commitment to social responsibility not only enhance their brand

image but also establish deeper relationships with their customers. By understanding the critical link between CSR and consumer behavior, life insurance companies can strategically align their business operations with the growing expectations of socially conscious consumers.
This study seeks to explore how CSR can be leveraged to foster consumer trust and increase the purchase intention of life insurance products. It also highlights the potential of CSR to serve as a differentiating factor in the highly competitive life insurance market, particularly in rapidly developing regions like Chengdu. As companies increasingly integrate CSR into their marketing and operational strategies, the findings from this research will be instrumental in shaping future business models that prioritize both social responsibility and business growth.
In conclusion, the evolving role of CSR in shaping consumer perceptions and purchase behavior cannot be understated. As consumers become more informed and socially conscious, life insurance companies must recognize the importance of CSR in building trust, cultivating brand loyalty, and driving purchase intentions. The findings of this study will provide valuable insights into how CSR initiatives can positively influence consumer trust and decision-making in the life insurance industry, particularly in Chengdu, China.

LITERATURE REVIEWS

The importance of Corporate Social Responsibility (CSR) in modern business cannot be overstated, as it shapes consumer perceptions, enhances corporate image, and drives customer loyalty. As businesses increasingly focus on social and environmental responsibility, CSR has evolved into a key factor influencing purchase intentions, particularly in industries where trust is a major determinant of consumer decision-making. This literature review explores various dimensions of CSR, emphasizing its influence on employee performance, leadership practices, organizational citizenship behavior (OCB), and its role in enhancing consumer trust and loyalty in the life insurance sector.

Employee Loyalty, Satisfaction, and Performance

Employee loyalty and satisfaction are critical components that significantly influence organizational performance. Studies suggest that employees who are loyal and satisfied tend to perform better, contributing positively to overall business outcomes. According to Putri (2018), a survey conducted among 91 employees at PT Malinda Intifada Raya demonstrated that employee loyalty and satisfaction have a direct impact on productivity. Employees who feel engaged and valued by their organization are more likely to invest emotionally and professionally, leading to higher levels of performance and engagement.
Moreover, Prami (2022) highlighted that perceived neglect, disrespect, and stress in the workplace can severely detract from an employee's ability to focus on tasks, diminishing overall job performance. This reinforces the idea that workplace environment and the perceived quality of treatment within the organization are crucial for maintaining high levels of employee engagement and performance.

Leadership, Management Practices, and Job Design

Effective leadership and supportive management practices are instrumental in driving high levels of employee performance. Leaders who offer guidance, feedback, and support empower their teams to excel in their roles. Leadership plays a pivotal role in establishing a positive organizational culture, which enhances employee satisfaction and drives productivity. Job design, too, is essential for employee satisfaction and performance. Jobs that provide autonomy, variety, and opportunities for skill utilization foster higher employee satisfaction and engagement. Well-designed roles give employees a sense of purpose and fulfillment, which are critical for fostering long-term loyalty and organizational citizenship behavior (OCB).

Organizational Citizenship Behavior (OCB) and Contextual Performance

Organizational Citizenship Behavior (OCB), a concept introduced by Dennis Organ (1988), extends beyond task performance to include behaviors that contribute to a positive work environment, even if they are not directly tied to formal job roles. OCB encompasses dimensions like altruism, conscientiousness, sportsmanship, and civic virtue, which collectively contribute to the overall success of the organization. Employees who engage in OCB go above and beyond their required duties, demonstrating loyalty and a commitment to the organization's long-term goals.

Research on OCB identifies several key dimensions of contextual performance:

Altruism: Helping coworkers without expecting anything in return.

Conscientiousness: Following company policies diligently and taking ownership of tasks.

Sportsmanship: Maintaining a positive attitude, even in challenging situations.

Civic Virtue: Actively participating in organizational activities and showing loyalty.

These behaviors are closely linked to organizational success. Employees who feel valued and respected are more likely to demonstrate OCB, contributing to a harmonious and productive work environment.

Corporate Social Responsibility (CSR) and Ethics

Corporate Social Responsibility (CSR) is deeply intertwined with corporate ethics, as it lays the foundation for responsible business practices. Companies that adhere to ethical norms such as integrity, justice, respect, responsibility, and modesty are better positioned to build trust and credibility among their employees and consumers. Ethical practices are critical for developing long-lasting relationships with stakeholders and for maintaining a positive public image.

Prami (2022) noted that CSR initiatives must be grounded in strong ethical values to be effective. Companies that integrate ethical principles into their CSR efforts can enhance their public image and strengthen consumer trust. Furthermore, businesses that successfully implement CSR strategies often enjoy a competitive advantage in the marketplace, as consumers increasingly favor brands that align with their personal values.

Corporate Ethics and Business Operations

Corporate ethics guide organizations in navigating complex business environments. Adherence to moral standards such as justice, integrity, and responsibility ensures that companies maintain high levels of trust with both internal and external stakeholders. A strong ethical foundation fosters employee engagement and organizational cohesion. Employees who perceive their company as ethical and socially responsible are more likely to align with the company's values, leading to higher levels of motivation and loyalty.

Additionally, the literature suggests a strong connection between employee satisfaction, leadership practices, job design, and organizational performance. Effective management, coupled with an emphasis on organizational citizenship behavior and corporate ethics, drives both employee loyalty and overall success. As the business landscape continues to evolve, companies that embrace CSR and ethical practices are better positioned to maintain strong relationships with employees and customers alike.

CSR in the Life Insurance Sector

In the context of the life insurance industry, CSR plays a particularly important role due to the nature of the product, which involves long-term financial commitments and a high degree of trust between the consumer and the provider. Life insurance companies that prioritize CSR activities, especially in areas such as ethical business practices and environmental sustainability, are more likely to build stronger relationships with their customers. CSR initiatives help life insurance providers differentiate themselves in a competitive market and provide visible evidence of their commitment to social responsibility, enhancing consumer confidence and increasing purchase intentions.

Conclusion of Literature Review

The review of literature demonstrates that CSR and ethical business practices significantly influence both employee performance and consumer behavior. By fostering a positive organizational culture and promoting responsible business practices, companies can enhance employee loyalty, customer trust, and ultimately drive purchase intentions. The life insurance industry, in particular, stands to benefit from CSR initiatives that build trust and align with consumers' values, contributing to long-term success in a highly competitive marketplace.

RESEARCH METHODOLOGY

Population and Sampling

The population for this research comprises customers in Chengdu, China, which has a registered population of 14,427,500 people as of 2022 (World Population Review). The study focuses on customers who are interested in making purchases based on Corporate Social Responsibility (CSR).

The sample size was determined using Yamane's (1973) formula, which accounts for a 95% confidence level and a margin of error of ±5%. The sample size chosen for the study is 400 participants. The sampling technique used is a combination of purposive sampling and simple random sampling. Purposive sampling was used to ensure that the selected individuals were suitable for the study, while simple random sampling allowed for a more unbiased selection of participants from the larger population.

Data Collection

The researcher collected data through questionnaires distributed to the selected sample. The data collection process involved several key steps:

Data Verification (Editing): The researcher reviewed the responses to ensure the completeness of the questionnaires, excluding any incomplete surveys.

Coding: The questionnaires were then numerically coded for data processing.

Data Validation (Cleansing): The researcher input the data into a computer, individually verifying each entry to ensure accuracy and addressing any discrepancies during the data entry process.

Data Analysis

For data analysis, the study employed both descriptive statistics and inferential statistics:

Descriptive statistics such as mean and standard deviation were used to summarize the data.

Cronbach's Alpha was calculated to assess the reliability of the questionnaire.

Inferential statistics included the t-test and One-Way Analysis of Variance (ANOVA) to explore significant differences between various groups within the data.

RESEARCH RESULTS

The essence of reliability analysis is to measure whether the data is true or reliable. It is mainly an indicator of the authenticity of the measured data according to the consistency or stability of the results of the test tool. Reliability is divided into intrinsic reliability and extrinsic reliability. The internal reliability test is to test whether a group of questions measure the internal consistency of the same concept and the composition scale. The higher the internal consistency of the questionnaire, the higher the credibility of the questionnaire. Most studies generally use the clonal Bach consistency coefficient (Cronbach'α) and the single overall correlation coefficient (CIC). In this study, the intrinsic reliability of the questionnaire was measured by the Cronbach's Alpha. In the Cronbach's Alpha measurement, the larger the coefficient, the higher the internal consistency of the questionnaire. The Cronbach' α coefficient is the internal consistency coefficient, the α value is calculated by the formula and compared with the usual interval, which is the most authoritative reliability analysis method used to measure the internal reliability level, and it is also easier to operate.

Table 1 Reliability tests for each variable

Variable	Clone Bach, Alpha	number of terms
Morality	0.852	4
Awareness	0.815	3
Loyalty	0.843	4
Environment	0.867	4
Behavior	0.823	3
CPI	0.832	4

The results are shown in the table,
1) Effect of Corporate Social Responsibility (CSR) on Trust in Life Insurance Customers reliability analysis conducted, as shown in Table 1, indicates that all dimensions of Corporate Social Responsibility (CSR) variables, such as Morality, Awareness, Loyalty, Environment, and Behavior, have Cronbach's Alpha values above 0.8, indicating high internal consistency. This suggests that the questionnaire is reliable for measuring these CSR dimensions and their impact on life insurance customers' trust. The high reliability of these dimensions indicates that CSR plays a crucial role in building trust among life insurance customers. Specifically, variables like morality and loyalty indicate that companies with strong moral foundations and customer loyalty programs positively influence customers' trust. Morality ($\alpha = 0.852$) and Loyalty ($\alpha = 0.843$) highlight that ethical practices and consistent customer loyalty strategies strengthen customers' perceptions of life insurance companies. Customers are more likely to trust companies that display ethical behavior and create loyalty through responsible actions. These findings align with existing literature, which suggests that CSR activities focusing on ethical behavior enhance brand trust and customer loyalty.
2) Effect of Trust on Consumers' Intention to Purchase Life Insurance, The second part of the analysis explores how trust, influenced by CSR, affects the intention to purchase life insurance. The Consumers' Purchase Intention (CPI) variable in Table 1 also demonstrates high reliability ($\alpha = 0.832$), suggesting that trust plays a significant role in influencing purchase intentions. The research suggests that trust, developed through the CSR dimensions such as awareness and environmental responsibility, significantly impacts consumers' purchase intentions. For example: Awareness ($\alpha = 0.815$) indicates that when life insurance companies actively promote their social responsibility activities and customers are aware of these efforts, trust increases, leading to higher purchasing intent. Environmental responsibility ($\alpha = 0.867$) highlights the increasing importance consumers place on companies' commitment to environmental sustainability, directly influencing trust and ultimately their decision to purchase life insurance. Overall, the analysis supports the hypothesis that trust mediates the relationship between CSR and purchase intention. Customers who trust a life insurance company due to its responsible corporate behavior are more likely to choose that company's services. The research results confirm that CSR significantly affects the trust of life insurance customers, which in turn influences their intention to purchase. The reliability analysis shows that the measurement tool used is highly consistent, suggesting that the findings are robust. Companies in the life insurance sector should focus on improving their CSR activities, particularly around morality, environmental sustainability, and customer loyalty, to enhance consumer trust and boost purchase intentions.

DISCUSSION & CONCLUSION

This Impact of Corporate Social Responsibility (CSR) on Trust The study clearly demonstrates the significance of Corporate Social Responsibility (CSR) in building trust among life insurance customers. CSR dimensions such as morality, awareness, loyalty, environmental responsibility, and behavior have shown high internal reliability, indicating that customers' trust in life insurance companies is strongly influenced by the ethical and responsible actions of these organizations. The high Cronbach's Alpha values for these variables affirm that CSR activities serve as key drivers for enhancing customer trust.

Morality and Loyalty play particularly important roles in shaping consumer perceptions. Consumers are more likely to trust a company that adheres to ethical business practices and fosters customer loyalty through meaningful engagement.

The environmental responsibility dimension also reveals that customers are increasingly valuing companies that demonstrate a commitment to sustainability. This is aligned with global trends, where environmental concerns are influencing consumer preferences across industries, including life insurance.

Trust as a Mediator for Purchase Intention The findings suggest that trust is not only a product of CSR but also a critical mediator for purchase intention. The reliability results show that trust, once established, significantly affects the intention to purchase life insurance products. Companies that cultivate trust through CSR initiatives are better positioned to encourage consumers to take action and purchase their services.

The strong correlation between CSR, trust, and purchase intention aligns with previous studies that show how trust in a company's responsible practices leads to higher consumer confidence and a greater willingness to engage with the brand.

In the context of life insurance, where long-term commitment and personal risk management are key, trust becomes even more important. Consumers are more likely to purchase policies from companies they perceive as transparent, ethical, and responsible.

Conclusion

Based on the findings, this research confirms the positive impact of Corporate Social Responsibility on building trust and influencing the purchase intentions of life insurance customers. Key takeaways include:

CSR initiatives, particularly in the areas of morality, loyalty, and environmental responsibility, are crucial in shaping consumer trust.

Trust, once established, plays a pivotal role in driving purchase decisions in the life insurance industry.

Life insurance companies should continue to prioritize ethical behavior and social responsibility as part of their core strategies to maintain customer trust and increase their market share.

These conclusions provide valuable insights for life insurance companies looking to strengthen their brand image and customer relationships through responsible business practices. Future research could explore the long-term effects of CSR on customer loyalty and retention, as well as the potential for CSR initiatives to differentiate life insurance brands in a competitive market.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

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