

Research Article

THE IMPACT OF CSR AND PRODUCT INNOVATION ON BRAND IMAGE AND PURCHASE INTENTION

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ABSTRACT

Corporate social responsibility (CSR) and product innovation are two important goals in management field to improve profitability and reputation of businesses as well as influencing consumer perceptions and purchase intention. Therefore, for businesses and managers in general, and in the cosmetic industry in particular, this field needs more research and development. However, at present this relationship is rarely resolved in literature, especially for research in Vietnamese market. Therefore, this study was carried out to investigate the impact of CSR and product innovation on brand image and purchase intention, in order to clarify the characteristics of the cosmetic market in Vietnam. Based on the advanced research, a questionnaire consisting of 19 questions and 5 hypotheses was designed to identify the 4 variables that were conducted. The study was conducted with a focus on students at universities in Hanoi, and a total of 429 valid responses were collected. Research results show that: (1) consumer perceptions about CSR and product innovation for Korean cosmetics have a positive effect on brand image, in which product innovation has a stronger impact than CSR.(2) Symbolic brand image has a stronger impact than functional brand image on consumer purchase intention; (3) Similarly, technological innovation is stronger than new product in increasing purchase intention.(4) Consumer awareness of social CSR tends to increase considered to buy, meanwhile environmental CSR has a stronger impact in increasing intended to buy. From the research results, researchers can refer to their experimental research. In addition, this study has shown the specific characteristics of the Korean cosmetic market in Vietnam, thereby helping the managers to define goals and development directions in the future.

Keywords: Product innovation, CSR, brand image, customer behavioral intentions, cosmetics industry.

INTRODUCTION

Today, the more important the appearance is, the more developed the cosmetic industry than ever. Schneider et al. (2001) claim that Greece and Egypt were the first known of using cosmetics. The main consumers of the cosmetic industry are young girls (Anderson, 2014). According to The Statistics Portal (2019), the world cosmetic industry in 2018 grew at a rate of 5.5%.As well as the development of the cosmetic industry in the world, nowadays in Vietnam, the cosmetic industry is very developing. Currently, Vietnam has more than 400 cosmetic enterprises, of which 90% is the market share of foreign businesses. Most of the popular domestic brands only achieved low sale volume and mainly export to neighbor Asian markets. Over the years, among the popular cosmetic brands in Vietnam, it is impossible not to mention Korean cosmetics. According to a report by the Ho Chi Minh City Chemical and Cosmetic Association in 2018, Korean cosmetics accounts for 30% of the Vietnamese cosmetic market share, ranking first among imported brands. It can be seen that, for the economic growth, the cosmetic industry is playing an increasingly large role. Therefore, the study of this field will help managers and researchers found the characteristics of consumers and the development of appropriate direction for the business goals. Currently, there is more research on the role of CSR and product innovation in marketing and business management. The importance of consumer CSR perceptions in previous studies has shown positive reviews and results. Consumers, for companies that participate in CRS, would take actions to support those companies (Sen, Du, and Bhattacharya, 2016). Chu and Lin (2013) study the cosmetics industry and show positive effects of CSR on consumer behavior. Shiau (2014) argues that product innovation helps consumers to better understand product features and improve their satisfaction for

that product. Wahyuni (2019) points out the positive effects of product innovation on purchase decisions but find that brand image do not influence purchase intention However, current studies on the relationship between CSR, product innovation, brand image and purchase intention are limited. Moreover, there have been no specific studies on CSR and product innovation of Korean cosmetic brands in Vietnam. Therefore, conducting investigations in this area is important for experimental research. Currently, young Vietnamese consumers increasingly prefer imported cosmetic products, especially Korean cosmetics (Luong et al., 2017). To face this situation, what business managers need to do to understand the characteristics of their consumers in the cosmetics market? What are the roles of CSR and product innovation in enhancing brand image and understanding consumer purchase intention? Which factors have the stronger influence? Which areas should businesses focus on to develop a specific goal of improving brand image and purchase intention? To address the research question, we decided to study the impact of CSR, product innovation on brand image and purchase intention to: (1) Explore the impact of CSR and product innovation on brand image; (2) Explore the impact of a brand image on a purchase intention; (3) Explore the impact of CSR and product innovation on purchase intention.

LITERATURE REVIEW AND HYPOTHESIS INFERENCCE

Korean Cosmetic industry in Vietnam

According to Luong et al. (2017), with its unique climatic and environmental characteristics, Vietnam has become a potential competitive market to attract foreign cosmetic brands. Along with that, the domestic cosmetic companies have not met the needs of consumers so imported products are increasingly dominant. In particular, young Vietnamese consumers have increasingly high demand for beauty products. Therefore, participating in a market like Vietnam will bring more profits to foreign cosmetic enterprises.

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According to a research by Suh et al. (2016), Vietnamese consumers tend to prefer to buy Korean cosmetic products over other cosmetic products.

Corporate Social Responsibility

There are many different theories about the conceptual interpretation of CSR to meet research needs. However, there are differences between researchers in the determination of CSR (Pelozo and Shang, 2011). Carroll (1979, 1991) argue that, for a certain time, society expects enterprises in the following four aspects: economic, legal, ethical and charitable. Carroll's studies have made a very important contribution to the conceptual framework of CSR for the researches. Carroll (2016) suggests that CSR has become an important part of the development strategy and the setting of policies, goals and operations of enterprises. According to Dahlsrud (2008), CSR has five main content dimensions: environmental, social, economic, stakeholder and voluntariness. Bognar(2011) shows the view that CSR mainly develops in favor of social and environmental values. According to Taghian et al. (2015), businesses implementing CSR aim to protect social and environmental issues, along with engaging stakeholders through ethical and transparent processes. Thus, the definitions of CSR show that: businesses always combine social and environmental goals according to economic orientation, cooperation with stakeholders, serving the interests of consumers and comply with the provisions of the law. This study examines and evaluates CSR in two aspects: environmental CSR and social CSR.

Product Innovation

For some brands, product innovation has a positive impact on their success. According to Hanaysha (2014), product innovation including new product and technological innovation will help businesses to promote product quality and functionality. Drucker (1985) mentions that innovation is the emergence of new products, services, new technological processes, or new business models. According to Rainey (2006), the focus of product innovation is on differentiation from existing products in the market, through new product features and functions that have never been offered. Leow and Ng (2016) point out that conducting product innovation is to improve or apply a new production method for an enterprise. Product innovation can be analyzed by looking at the inside and outside of the products. For the inside, where depends on the knowledge, capabilities, resources and technology used in the company; while the outside will be the consumer needs and owner expectations for the products of the company. As such, product innovation does not go beyond developing new products, or using new technologies in products in existing production methods. This research paper focus on product innovation in terms of new products and new technologies.

Brand Image

According to Dobni and Zinkhan (1990), brand image is the subjective perception of consumers, which they understand according to awareness or emotion. Furthermore, brand image is often influenced or shaped by relevant marketing activities and advertising content or perceptions of each customer. Park et al. (1986) say that brand image is not only based on consumer perceptions, but it is also based on business operations of enterprises, which both bring profits to the business and satisfy consumers. Shamma and Hassan (2011) show that when a brand image is strong in consumer perception, it could attract their attention, thereby create consumer buying intention. Saydan (2013) suggests that brand image helps managers and marketing professionals in creating differentiation of their products, thereby expanding the brand and benefit business. In addition, brand image is essential to consumer buying behavior by building consumer

subjective perception and giving them benefits when buying those products. Thus, according to Lee et al (2014), building brand image for the purpose of product development and profitability is important for businesses. Enhancing brand image, creating brand superiority and prominent in consumer awareness are always the top goals of any business manager. Keller (1993) defines brand image in three categories: nature, interest and attitude. In the concept of interest, a brand image is defined by: functional, symbolic, and experiential. According to Rahi (2017), in order to distinguish a product from other products, businesses should create different and unique characteristics for their products. Thus, it can be seen that the brand image is built according to the goals of marketers and businesses, and is subjectively perceived through consumer perception. This research examines brand image on two aspects: symbolic and functional by the perception and evaluation of consumers, in order to find out the role of brand image in the relationship between CSR, product innovation and purchase intention.

Purchase intention

Consumers purchase many items with different values and functions every day. Before making a buying decision, they often start by looking for information about the products then evaluating products from alternative brands (Engel, 1995). Schiffman and Kanuk (2000) argue that buying intention positively determines the ability of consumer purchase. According to Kimmerly and Marcord (2002), researchers often predict purchase intention because consumer behavior is difficult to measure. Zeithaml (1988) divides purchase intention in three levels: intended to buy, impossible to buy and considered to buy. Kamarudd in and Kamarulzaman (2009) state that depending on product categories, demographics and consumer perception, the tendency of buying a product in the future would be different. That means, after knowing about the product, consumers will decide whether to buy it or not (Waheed, 2018). Ma and Yang (2018) show that consumers will be satisfied if the product they receive is of good quality. According to Xiao (2018), defining purchase intention is important because it is difficult to assess consumer expectations while businesses tend to recognize only after a product has been on sale. This study focus on measuring purchase intention based on Zeithaml's recommendations about consumer purchase intention with two levels used: intended to buy and considered to buy.

CSR and Brand Image

According to Popoli (2011), depending on stakeholders, it can be seen that CSR affects brand image. Wu and Wang (2014) suggest that the influence of CSR on brand image would be different depending on its different aspects. Overall, the researchers agreed that CSR has a certain influence on brand image when businesses build reputation and trust of their products to consumers (Maldonado et al., 2017). CSR plays an important role in creating positive attitudes and perceptions of consumers towards products, leading to a close relationship between consumers and brand image. Therefore, CSR can be considered as a useful tool for business managers in enhancing brand image. Casado Diaz et. al. (2014) suggest that when companies participate in CSR, their image in consumer perceptions increases positively and they tend to buy those companies' products. Thus, in order to reach consumers' buying intention, the development of CSR strategies will generate positive results. According to Ramesh et al. (2018), consumer perception will be one of the key factors in determining a strong brand image, and CSR plays an important role in this impact. Based on the above research results, this study hypothesized: Hypothesis 1: CSR of Korean cosmetics has a significant positive impact on brand image.

Product Innovation and Brand Image

According to research by Keller (2003), product innovation would help businesses gain competitive advantage, strengthen relationships with their stakeholders, attract new customers and retain existing ones. The company profits and brand image will be significantly increased if business managements develop new products (Pauwels et al., 2004). Andrews and Kim (2007) believe that the feature innovation and new product innovation would bring the business brand value as well as long-term financial efficiency. Thus, it can be said that product innovation brings brand value, attracts and retains customers, and makes businesses profitable (Ottenbacher and Gnoth, 2005). Moreover, Shiau (2014) shows the positive effects of innovation on brand image. Thus, product innovation and brand image have a positive and complementary relationship. In other words, product innovation helps to improve the brand image of the business. If a business has a high brand image, the consumer acceptance of its products will also be higher (Liu et al., 2014). Based on the above studies, we have hypothesized the relationship between innovation and brand image: Hypothesis 2: Product innovation of Korean cosmetics has a significant positive impact on brand image.

Brand Image and Purchase Intention

Aaker and Keller (1990) argue that consumer confidence will increase if they are aware of a product well, thereby increasing their buying intent. It can be said that a good brand image will positively impact purchase intention of consumers. Thus, when making buying decisions, brand image is one of the factors that positively impacts consumer behavior (Adenan, 2018). Shoaib and Ali (2018) find a positive impact between brand image and purchase intention, and concluded that the difference in brand image between companies leads to difference consumer purchase intention. Furthermore, some researchers argue that product innovation is a factor that weighs and influences consumer purchase intention (Boyd and Charlotte, 1999; Shiau, 2014). Waluya et al. (2018) show that in purchasing decision of consumers, brand image has a certain positive effect. In particular, in researching on cosmetics, Kim (2016) studies the preference for imported and domestic cosmetics and argues that the better brand image and perceived value of their quality, the higher the brand preference. It can be seen that the positive consumer perception of a brand image creates a significant positive effect on their purchase intention. From the aforementioned research results on the relationship between brand image and purchase intention, we come up with the following inference for this study:

Hypothesis 3: Brand image of Korean cosmetics has a significantly positive impact on purchase intention.

CSR and Purchase Intention

In a study by Creyer and Rose (1997), the results indicated that consumers always want businesses to perform CSR activities. To encourage businesses to implement CSR, consumers often consider buying those companies' products or willing to buy their products at a high price. Consumers are concerned about companies' CSR but react differently through their buying behaviors; and companies with CSR are more appealing to consumers. Lee and Shin (2010) say that when it comes to factors that directly and positively affect purchase intention, it is impossible not to mention CSR. It appears that a customers' purchase intention increases if they learn that the business is running CSR. This shows that consumers seem to expect businesses to implement CSR, and when they realize that the purchase will be a positive move for the business products. This impact will help companies boost their revenue and increase their profits (Agus and Salas, 2017). Kim and Lee (2012) study how CSR affects the purchase of cosmetics and proposed the fact that social,

emotional and functional values influence intention to buy cosmetic consumers. For companies that doing environmental CSR, customers tend to prioritize their products (Grimmer and Bingham, 2013). Also, the research by Luo and Bhattacharya (2013) reveals that actions related to social welfare could influence consumer buying behavior. Therefore, we assert that: Hypothesis 4: CSR Korean cosmetics has a significantly positive impact on purchase intention.

Product Innovation and Purchase Intention

Among the factors influencing consumer purchase intention, product innovation is a significant positive influence. According to Tidd (1997), to create innovation for businesses and new values for products, managers often conduct product innovation. Innovation through features, function or creation completely new products creates positive effects to the interests of companies. At the same time, consumers also perceive certain benefits through product innovation, which in turn tends to prioritize buying those products (Holak, 1988). New products on the market always have an attraction to consumers, this is one of the first requirements to attract the attention of consumers in the context of many different products coexisting today. Shiau (2014) shows that a company with good product innovation improves consumer willingness to pay. Through brand image, product innovation also has a positive impact on consumer perception, leading to an increase in the likelihood of buying that product. Realizing customer expectation by prototyping new products would increase company profits. Leow (2016) suggests that in order to increase buying intention, businesses need to focus on understanding consumer perceptions and perform solutions to both advance and innovate reasonably to meet the needs of market. Based on the descriptions of the aforementioned relationship, this study hypothesized:

Hypothesis 5: Product innovation of Korean cosmetics has a significant positive impact on purchase intention.

RESEARCH METHOD

Sample and Data Collection

Samples are taken from universities in Hanoi city, where the students have to answer the questions in the same questionnaire. The answers are provided in the expectation of achieving high reliability. The object of this study is students who are studying at universities in Hanoi, aged 18-35 and using any Korean cosmetics. Questionnaire is distributed to students to evaluate the impact of CSR perception and product innovation on purchase intention of customers. Details and scales have detailed in the following section of the research. An online questionnaire is created to test the conceptual framework and the hypotheses. In this thesis, primary data is collected through an online questionnaire via Facebook and Gmail. Also, the questionnaire link in Google Drive is sent to the students and some university lecturers. The survey was conducted from January 2020 to November 2020. This study receives total 603 responses. More than 88.1% of the respondents are between 18 to 35 years old. About 8% of participants are under 18 years old, and 3.9% are above years old. Although the total number of respondents is 603, the valid sample consists of 429 respondents. The majority of the respondents (87.9%) are female, 11.6% are male, and 0.5% would prefer to not comment. About 86 % of respondents reported that their income is under 7.000.000 VND per month, while 1.4% earn more than 15.000.000 VND per month. About 12.6% of the participants have an income of 7,000,000-15,000,000 VND per month. The majority of the respondents (96.3%) is studying for a bachelor's degree and approximately 3.7% are studying for a master's degree.

Variable Operation and Measurement

All respondents have used the same online arrangement and they will be required to use a 5-point Likert scale was used to measure scale items, which ranged from 1 (strongly disagree) to 5 (strongly agree). The variable operation is described as follows: CSR: based on the definition of Dahlsrud (2008), CSR in this study is evaluated on environmental CSR and social CSR. Four questions, after appropriate editing for research papers, were selected references from Menon and Kahn (2003). Product innovation: Drucker (1985) mentions that innovation is the emergence of new products, services, new technological processes, or new business models. Refer to the above content, two aspects: technology innovation and new products have been used for this paper. Four questions, after appropriate editing for research papers, are selected references from Shiau (2014). Brand image: three types of brand image are shared by Keller (1993) in previous research: nature, interest and attitude. For the interest in brand image, three factors are mentioned: functional, symbolic, and experiential. In this research paper, the brand image is divided into: symbolic and functional. Questions about brand image are referenced from Shiau (2014) and edited to make sense with this research paper. Purchase intention: Zeithaml (1988) divides purchase intention into three aspects: intended to buy, possible to buy and considered to buy. In this study, purchase intention is divided into two dimensions: intended to buy and considered to buy. Four questions are referenced from Bian and Forsythe (2012) and based on this definition.

RESULTS

Reliability and Validity Analysis

We first run the reliability test of the scales to check internal consistency, thereby checking whether these scales could be suitable

for data analysis. We used SPSS Cronbach's Alpha to test the reliability of the scale to examine the variables that can be used for measurement. According to Peterson (1994), a good Cronbach's Alpha coefficient should be above 0.7. Table 1 shows the Cronbach's Alpha coefficients for all the items of CSR, product innovation, brand image and purchase intention are larger than 0.7 (the lowest is 0.836 and the highest is 0.885). The Corrected Item - Total Correlation coefficients of these component measurement variables are greater than the minimum standard of 0.3. The scales ensure reliability for subsequent analyzes. Thus, the component criteria are appropriate based on the analysis results from the survey data. Next, we checked the Kaiser-Mayer-Olkin coefficient (KMO) to evaluate the appropriateness of the factors analyzed. KMO coefficients for all variables in this study are greater than 0.8, factor analysis is acceptable with research data, suitable for use of exploratory factor analysis(EFA). Bartlett test results of all observed variables have significance level $p < 0.05$, so they have a linear correlation with the representative factors. Table 1 shows the two factors of CSR scales. The first factor dimension includes of one questions (CSR1) and the second factor dimension consists of three question (CRS2, CSR3, CSR4)). Factor 1 is named "environmental CSR" and factor 2 is named "social CSR". From the Product innovation scale, two factors are extracted. Factor 1 is named "technological innovation", consists of three questions (PR1, PR4, PR5); factor 2 is named "new product", consists of two questions (PR2, PR3). In Table 1, brand image scale is extracted into two factors. The first factor dimension consists of five questions (BI1, BI3, BI4, BI5, BI6), is named "symbolic"; the second factor dimension includes one question (BI2), is named "functional". Finally, purchase intention scale has two dimensions. The first dimension consists of three questions (PU1, PU2, PU4), is named "considered to buy"; the second dimension consists of one question (PU3) is named "intended to buy".

Table 1: Reliability of the measurement items

Variables	Scales	Cronbach's Alpha
CSR perception		0.885
Environmental CSR	The Korean cosmetic brands are highly concerned about environmental issues. (CSR1)	
Social CSR	I think that the Korean cosmetic brands act with society's interest in mind. (CSR2)	
	The Korean cosmetic brands integrate philanthropic into its business activities. (CSR3)	
	The Korean cosmetic brands are genuinely concerned about consumer welfare. (CSR4)	
Product innovation		.836
Technological innovation	The Korean cosmetic brands readily update their product functions to meet the market needs. (PR1)	
	The Korean cosmetic brands regularly update their production technology to manufacture products. (PR4)	
	The Korean cosmetic brands often lead over other brands in launching new products. (PR5)	
New product	The Korean cosmetic brands' new products emphasize on product innovation (PR2)	
	The Korean cosmetic brands whom I buy from often launch unique new products worthy of collection. (PR3)	
Brand Image		0.868
Symbolic	Korean cosmetic brands' products are excellent in quality. (BI1)	
	Korean cosmetic brands' products are realistic and moving. (BI3)	
	Korean cosmetic brands' products are the leading popular brand in the market. (BI4)	
	Korean cosmetic brands' products can meet my need to have multiple selection choices. (BI5)	
	Korean cosmetic brands' products can reflect my personal style. (BI6)	
Functional	Korean cosmetic brands' products possess a good reputation. (BI2)	
Purchase intention		0.875
Considered to buy	If I were going to purchase a cosmetic product, I would consider buying Korean cosmetic brands' products. (PU1)	
	If I were shopping for a cosmetic brand, the likelihood I would purchase Korean cosmetic brands' products is high. (PU2)	
	The probability I would consider buying Korean cosmetic brands' products is high. (PU4)	
Intended to buy	My willingness to buy Korean cosmetic brands' products would be high if I were shopping for a cosmetic brand. (PU3)	

There is no possibility of multi-co linearity because the independent variables are relatively weakly correlated. The first order correlation does not occur because the test results show that the Durbin-Watson coefficient is in the appropriate range (1.5 - 2.5). All models have F-test at significance level $p < 0.001$ so multiple linear regression models are suitable and can be used for data analysis. Table 2 shows the results of testing on Hypothesis 1 and Hypothesis 2, the effect of CSR and product innovation on brand image. Model 1 and 4 show that both CSR dimensions have positive effects on symbolic, specifically environmental CSR is significant with $p < 0.001$, $\beta = 0.245$; social CSR is significant at $p < 0.01$, $\beta = 0.164$. For functional, the results show that social CSR is strongly significant at $p < 0.00$, while no environmental influence is found. Thus, Hypothesis 1 is supported in this study. It shows that customer perceptions about CSR have a positive effect on the brand image, and it seems that student consumers in Vietnam are more interested in social CSR than environmental CSR in perceiving a cosmetic brand image.

Model 2 and 5 present the estimation of Hypothesis 2. The results show positive effects of product innovation on symbolic brand image. Specifically, two product innovation dimensions are significant at $p < 0.001$; in which, technological innovation $\beta = 0.544$, new product $\beta = 0.176$. However, while technological innovation is still maintaining its significant impact on functional, new product does not show any impact. As such, Hypothesis 2 is partially supported; and it shows a stronger impact of new product than technological innovation to the customer perception of Korean cosmetic brand image. Model 3 and 6 test the combination effects of CSR and product innovation on brand image. The results show that customers are more aware of product innovation than CSR when they perceive the symbolic brand image through the quality, popularity and variety of Korean cosmetics. When evaluating brand reputation through a functional brand image, consumers tend to pay attention to social CSR and new products.

Table 2: Pooled data estimation of Hypothesis 1 and 2. Respective effects of CSR and product innovation on brand image.

	<i>Symbolic</i>		<i>Functional</i>			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
CSR						
<i>Environmental CSR</i>	0.245***		0.065	0.069		-0.047
<i>Social CSR</i>	0.164**		0.060	0.218***		0.105*
Product innovation						
<i>Technological innovation</i>		0.544***	0.514***		0.101	0.097
<i>New product</i>		0.176***	0.156**		0.484***	0.468***
F-value	32.826	174.385	90.412	16.040	94.804	48.770
Adj.R ²	0.129	0.448	0.455	0.066	0.305	0.309

Sig. at * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3: Pooled data estimation of Hypothesis 3, 4 and 5. Respective effects of brand image, CSR and product innovation on purchase intention.

	<i>Considered to buy</i>			<i>Intended to buy</i>		
	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Brand image						
<i>Symbolic</i>	0.607***			0.550***		
<i>Functional</i>	0.152***			0.156***		
CSR						
<i>Environmental CSR</i>		0.172**			0.200***	
<i>Social CSR</i>		0.205***			0.156**	
Product innovation						
<i>Technological innovation</i>			0.321***			0.318***
<i>New product</i>			0.268***			0.268***
F-value	208.547	26.494	81.644	156.376	23.763	66.857
Adj.R ²	0.492	0.108	0.274	0.421	0.096	0.235

Sig. at * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3 presents the pooled data estimations of the regression models were used to test Hypothesis 3, 4 and 5, the effect of CSR product innovation and brand image on purchase intention. Model 7 and 10 indicate that Hypothesis 3 is supported in this study, brand image has a positive impact on purchase intention ($p < 0.001$). The results show that consumer perception of Korean cosmetic brand image positively influences their intention to buy those products. In particular, symbolic perception seems to have better results than functional.

Models 8 and 11 provide the results of testing Hypothesis 4 and suggest that Hypothesis 4 is supported in this study. In particular, consumer awareness of social CSR ($p < 0.001$) has a stronger impact than environmental CSR ($p < 0.01$) on considered to buy; In contrast, the results show that environmental CSR ($p < 0.001$) has a stronger impact than social CSR ($p < 0.01$) on intended to buy Korean cosmetics of young consumers in Vietnamese market. Models 9 and 12 present the estimation of Hypothesis 5. The results indicate that product innovation has positive impact on purchase intention at $p < 0.001$. Thus, Hypothesis 5 is supported in this study. However, with

the larger value of β coefficient, Korean cosmetic technological innovation shows a stronger impact on purchase intention of Vietnamese consumers compared to new products.

CONCLUSION

Theoretical implications

Currently, there are very few studies on the relationship of CSR and product innovation to brand image and purchase intention. It is mainly about relationship studies either of CSR, or of product innovation to brand image or/and customer purchase intention. On the other hand, there seems to be no research on CSR and product innovation affecting brand image and purchase intention in the Vietnamese market, especially in the Korean cosmetic market area. The purpose of this study is to verify the influence relationship of young consumer perception in Vietnam about CSR and product innovation on brand image and purchase intention of the Korean cosmetics market. The research findings are as follows: First, for Korean cosmetics, consumer perception of CSR including environmental CSR and social CSR have a positive effect on brand image. The results of the study once again suggest the findings of Ramesh et al. (2018) that CSR plays an important role in providing valuable content to build brand image. To consumer perception of symbolic brand image, it seems that both environmental CSR and social CSR have a significant positive impact. However, environmental CSR still shows a greater impact than social CSR. While the functional brand image of Korean cosmetics in Vietnam is effectively supported by social CSR, environmental CSR does not seem to play a role in influencing consumers. Second, product innovation of Korean cosmetics has positive effects on brand image in the assessment of young Vietnamese consumers. Researches by Shiau(2014) and Liu et al. (2014) are once again demonstrated in this study. The results show that technology innovation and new product have had a very clear impact on enhancing the symbolic brand image of Korean cosmetic brands. We find that technological innovation has a stronger impact than new cosmetic products. On the contrary, in the impact on functional brand image, it seems that product innovation is perceived more positively by consumers than technological innovation. Third, in the comparative correlation between the impact of both CSR and product innovation on brand image, the results show the change in the impact of each factor. To symbolic, Vietnamese consumers do not seem to be interested in the CSR of Korean cosmetic companies and no impact of CSR was found on this factor. On the contrary, product innovation shows a clear impact on brand image, in which the impact of technological innovation was more positive than new product. For functional, there is no sign of influence of environmental CSR and technological innovation. Vietnamese consumers seem to be more interested in new product and social CSR, in which new product plays a more important role in enhancing Korean cosmetic brand image. Fourth, from a good perception of brand image, Vietnamese consumers tend to buy more Korean cosmetics. Specifically, the symbolic brand is the factor that makes Vietnamese consumers tend to spend more money. This further contributes to Kim's (2016) studying the preference for imported and domestic cosmetics and arguing that the better brand image and perceived value of their quality, the higher purchase intention. Fifth, SCR shows a positive effect on brand image but there are differences between factors. While the Korean cosmetic social CSR increases considered to buy of Vietnamese customers more than environmental CSR, at intended to buy that impact is the opposite. Research results also indicate that the research of Kim and Lee (2012) on CSR and cosmetic purchase intention is further strengthened. Sixth, product innovation has a positive impact on Vietnamese customer intention to buy Korean cosmetics. They seem more willing to spend money on a product

when there is a technological innovation that increases product functionality rather than choosing an entirely new product. Horn and Salvendy(2006) show that if consumers are given more detailed information about innovative products, their purchase intention will be positively stimulated. This relationship once again was contributed in this study.

Management implications

This study shows that consumer perception of CSR has a positive effect on brand image and purchase intention. However, depending on the fields and development goals of the business managers, the research results suggest different strategies. First, for managers of Korean cosmetic brands, the results suggest different ways of developing brand image and enhancing consumer purchase intention. To promote brand image in Vietnamese market, Korean cosmetic investors should focus on product innovation rather than CSR because of its positive research results. Specifically, Korean cosmetic companies should promote technological innovation if they want to enhance their symbolic brand image. Contrary, in order to have a high functional brand image, businesses should invest in developing new products. In case it is necessary to implement CSR, the implementation of environmental CSR will have a better impact on symbolic, whereas social CSR will make Vietnamese consumers appreciate functional brand image. To promote purchase intention of Vietnamese consumers, Korean cosmetic managers have more choices. Symbolic brand image shows the strongest impact on consumer purchase intention. Therefore, managers can choose indirectly to invest in environmental CSR or technological innovation in order to increase the influence of symbolic or they could also invest directly in symbolic. However, from research results, product innovation has a direct positive impact on purchase intention. In order to improve investment efficiency, managers can invest in product innovation, particularly in technology innovation. These both directly increase consumer purchase intention and also indirectly affect through the symbolic brand image. Second, for managers of other foreign cosmetic brands, the results from this research can become a reference for market development strategies to capture consumer characteristics and boost business profits. In the emerging context of the cosmetic market, Vietnamese consumers, especially the younger generation, tend to purchase foreign brands (Luong, 2017). Therefore, capturing the characteristics of customers and making the right strategy are advantages of management. Third, for Vietnamese domestic cosmetic brands, this research can provide them with the results needed to formulate competitive strategies in the market, in the context of competitive advantage is leaning towards imported brands.

Limitations and future research

This study has produced positive results and has made contributions to the research but some limitations still exist. The study focuses on consumers who are students at Hanoi universities, so the results do not represent the consumer characteristics in Vietnamese cosmetic market. Due to the influence of COVID-19, Vietnamese students had to leave school for about four months, so questionnaire collection was interrupted and restricted. Currently, with the variety of imported cosmetic products, researching on Korean cosmetics cannot fully assess the characteristics of the Vietnamese cosmetic market. In the future, a research can be developed by adding the number of questions in the questionnaire and control variables to the research model. In addition, researching cosmetic customers according to women and men is a good way to better understand consumer characteristics. Finally, due to the time fluctuations of the market and customers, future research should be updated to make the better results.

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