

## Philanthropic Program and Consumer Brand Evaluation of Transnational Companies: Basis for Strategic Plan

Wu Qiuping<sup>1\*</sup>, Fronda, Jennifer G.<sup>2</sup>

<sup>1</sup> *Guangdong University of Science and Technology*

<sup>2</sup> *Nueva Ecija University of Science and Technology, Cabanatuan City, Nueva Ecija, Philippines*

\*1820198107@qq.com

**Abstract.** This study delved into the repercussions of transnational companies' philanthropic endeavors on consumer brand evaluations in China, shedding light on key insights. It emphasized the critical nature of disaster relief and environmental protection as focal points for corporate philanthropy, stressing the necessity of financial and technological support in these realms. The study highlighted the pivotal role of social media in disseminating information about philanthropic activities effectively. Additionally, it identified education, healthcare, and poverty alleviation as paramount areas for corporate philanthropy, aligning with consumer expectations and societal imperatives. Through rigorous quantitative analysis, the research revealed that corporate philanthropy positively impacts various facets of brand performance, encompassing satisfaction, loyalty, attractiveness, competitiveness, and innovativeness. Strategic philanthropic donations and well-timed initiatives were found to significantly bolster brand image and trust among consumers. However, the study underscored the importance of sustaining engagement in philanthropic efforts over the long term to avert stakeholder scepticism. It also illuminated significant challenges in executing global philanthropy strategies, ranging from regulatory hurdles and cultural disparities to communication barriers and operational complexities. The study advocated for a nuanced global-local approach for transnational companies to effectively embed social responsibility within their international strategies, emphasizing the alignment of philanthropic initiatives with the company's overarching identity and purpose to authentically resonate with stakeholders and unlock strategic value. Overall, the research contributes valuable insights into crafting effective philanthropic strategies that enhance global reputation while meeting societal expectations and addressing crucial social issues.

**Keywords:** Brand evaluation; Consumer perceptions; Corporate philanthropy program; Satisfaction; Transnational companies

## 1. Introduction

In today's interconnected global landscape, transnational companies play a pivotal role not only in economic spheres but also in shaping societal perceptions through their philanthropic endeavors. The evolution of corporations into transnational entities has expanded their responsibilities beyond profit-making to include international humanitarian efforts. This shift has attracted significant attention from academia and the corporate sector alike, as companies strategically leverage cross-border philanthropy to enhance their brand image and gain support from foreign consumers. Robertson et al. (2019) highlight how globalization has redefined the relationship between business and society, emphasizing the strategic importance of philanthropy in corporate global strategies. Such initiatives go beyond altruism, serving as tactical maneuvers that positively influence consumer perceptions and evaluations of brands, thus impacting brand loyalty and market competitiveness.

As consumer awareness and concern for corporate social responsibility continue to rise, understanding the influence of global philanthropy on customer perceptions of brands becomes paramount. Consumers today are more informed and discerning, evaluating companies not only based on product quality but also on their ethical and moral standings. Research indicates that consumers closely associate brand trust with perceived value, service quality, and satisfaction, with philanthropic activities serving as a significant driver in shaping these perceptions. This study aims to delve into the relationship between consumer brand assessments and transnational corporations' global philanthropic activities, shedding light on how such initiatives contribute to brand loyalty and market success.

## 2. Methodology

The study employed a descriptive-quantitative research design, which was highly suitable for systematically describing the philanthropic behavior of transnational companies in China and quantifying its impact on consumers.

### 2.1. Sampling Procedure

The study utilized purposive sampling to select its respondents, a method chosen for its alignment with the research's specific objectives. In this study, the researcher had 200 respondents who were consumers of transnational companies in China. They were chosen as respondents since they were

knowledgeable when it came to philanthropic benefits provided by the different companies. Purposive sampling is a non-probability sampling technique employed to select participants (Crossman, 2018).

## 2.2. Respondents

The respondents for this study comprised consumers of 10 transnational companies that engaged in philanthropic initiatives as part of their corporate social responsibility (CSR) efforts. The researcher drawn 20 consumers from each company with a total of 200 consumers.

### 2.2.1 Research Site

The study was conducted in Guangzhou City, Guangdong Province, China, focusing on Chinese consumers and the philanthropic efforts of transnational corporations. Guangzhou holds strategic significance as a comprehensive gateway city and international transport hub due to its roles in various economic initiatives such as the Greater Bay Area and the Belt and Road initiative.

## 3. Results and Discussion

### 3.1. *The Corporate Philanthropy Programs of Transnational Companies*

Disaster relief emerges as the predominant focus area for transnational companies' philanthropic initiatives, with 40% expressing strong interest in this scope. Regarding structure, corporate philanthropy programs primarily emphasize funding (40%), followed by workforce (30%) and technology (20%) as key structural focuses among transnational companies.

### 3.2 *The Philanthropic Activities of Transnational Companies*

The following were the marketing strategies focusing on the 4Ps of marketing that includes product, price, place and promotion.

#### 3.2.1 Donations

The analysis indicates high mean scores ranging from 3.23 to 3.26, with an average weighted mean of 3.24, highlighting the strong influence of philanthropic initiatives on consumer behavior. Consumers show a frequent inclination to support companies that exceed their expectations in resource donations, as this reflects positively on the company's social responsibility and care for stakeholders.

**Table 1** The Philanthropic Donations of Transnational Companies

Variable	Items	Mean	Verbal Description
Donations	A1 If a company gave resources that exceeded my expectations, I would be more likely to purchase their goods.	3.24	Frequently
	A2 The amount of resources supplied by the organization will have an impact on how I feel about it.	3.24	Frequently
	A3 I'm curious about what kind of materials the company is donating.	3.24	Frequently
	A4 I am aware of the donations of the company.	3.26	Always
	A5 I am encouraged to patronize the company because of their donations to the needy.	3.23	Frequently
	<b>Average Weighted Mean</b>	<b>3.24</b>	<b>Frequently</b>

*Legend: Always 3.25 - 4.00; Frequently 2.50 - 3.24; Sometimes 1.75 - 2.49; Never 1.00 - 1.74*

The study underscores the strategic importance of corporate social responsibility (CSR) in shaping consumer perceptions and preferences (Kannaiah & Jayakumar, 2018).

### 3.2.2 Timing

**Table 2** The Philanthropic Timing of Transnational Companies

Variable	Items	Mean	Verbal Description
Timing	B1 I would be more inclined to purchase a product from a business that assists those in need.	3.26	Always
	B2 I'll have a positive impression of a company if it reacts quickly to a disaster.	3.27	Always
	B3 The company needs to pick the perfect occasion for charity.	3.17	Frequently
	B4 I prefer companies that prioritize emergencies and act charitably.	3.21	Frequently
	B5 I would be favorably disposed of if that company was always on the alert for disasters and took charitable acts.	3.25	Always
	<b>Average Weighted Mean</b>	<b>3.23</b>	<b>Frequently</b>

*Legend: Always 3.25 - 4.00; Frequently 2.50 - 3.24; Sometimes 1.75 - 2.49; Never 1.00 - 1.74*

The analysis reveals high mean scores ranging from 3.17 to 3.27, with an average weighted mean of 3.23, showcasing the significant impact of well-timed corporate philanthropic actions on consumer perceptions and behaviors. Consumers consistently prioritize businesses that assist those in need and react promptly during crises, as indicated by the "always" responses for items B1 and B2. This highlights the strategic value of disaster-responsive philanthropy in enhancing consumer attitudes, fostering goodwill, and promoting brand loyalty, aligning with previous research emphasizing the positive effects of strategic disaster aid on corporate branding and stakeholder relationships (Muller & Kräussl, 2011).

### 3.2.3 Charity Period

**Table 3** The Philanthropic Charitable Period of Transnational Companies

Profile Variable	Items	Mean	Verbal Description
Charitable Period	C1 Corporate philanthropy is long-term, not transitory.	3.28	Always
	C2 The business's continual charitable endeavors assist consumers in understanding and supporting the product.	3.19	Frequently
	C3 Companies that have planned numerous charitable activities have my respect.	3.22	Frequently
	C4 Long-standing involvement in charity endeavors by businesses strengthens my faith in the group.	3.25	Always
	C5 When I choose a business to support, the business's past history of philanthropic involvement is of paramount importance to me.	3.23	Frequently
<b>Average Weighted Mean</b>		<b>3.23</b>	<b>Frequently</b>

*Legend: Always 3.25 - 4.00; Frequently 2.50 - 3.24; Sometimes 1.75 - 2.49; Never 1.00 - 1.74*

The analysis indicates that consumers highly value companies with a sustained, genuine commitment to philanthropy, as reflected in the high mean

scores ranging from 3.19 to 3.28 and an average weighted mean of 3.23. This underscores the importance of long-term corporate philanthropic initiatives in shaping positive consumer perceptions and fostering enduring relationships with companies. Consistency in charitable efforts is crucial, as it enhances stakeholder support, corporate reputation, and trustworthiness, aligning with research highlighting the benefits of ongoing CSR involvement (Fisher, 2014).

3.2.4 Campaign

**Table 4** The Philanthropic Campaign of Transnational Companies

Variable	Items	Mean	Verbal Description
Campaign	D1 If the business doesn't promote it, I might not be able to understand it.	3.25	Always
	D2 I am more inclined to purchase a product after a company promotes a charitable event.	3.13	Frequently
	D3 My opinion of the company will be enhanced because it has publicly promoted its humanitarian endeavors numerous times.	3.25	Always
	D4 The company shall inform the public about its charity works.	3.22	Frequently
	D5 I think the fact that companies use different media to promote their activities affects my understanding of their charitable activities.	3.14	Frequently
	<b>Average Weighted Mean</b>		<b>3.20</b>

*Legend: Always 3.25 – 4.00; Frequently 2.50 – 3.24; Sometimes 1.75 – 2.49; Never 1.00 – 1.74*

The analysis of items with "Frequently" results shows that corporate promotion and publicity of philanthropic initiatives significantly impact consumer attitudes and behaviors, with means ranging from 3.13 to 3.25 and averaging at 3.20. Consumers highly value informative promotion of charitable activities, which enhances their understanding and perception of the company, while proactive messaging of charitable events and consistent public promotion of humanitarian efforts positively influence opinions and purchase intentions toward a company. Effective CSR advertising across diverse media channels plays a crucial role in conveying companies' dedication to social responsibility and fostering positive consumer sentiments.

### 3.2.5 Motivation

**Table 5** The Philanthropic Motivation of Transnational Companies

Variable	Items	Mean	Verbal Description
Motivation	E1 I become energized when engaged in tasks that are beneficial to others.	3.25	Always
	E2 I enjoy doing things that benefit others.	3.27	Always
	E3 I prefer to do tasks that have a positive impact on others.	3.24	Frequently
	E4 I do my best to do things that benefit others.	3.16	Frequently
	E5 It is important to me to have the opportunity to use my abilities to help others.	3.17	Frequently
	<b>Average Weighted Mean</b>	<b>3.21</b>	<b>Frequently</b>

*Legend: Always 3.25 - 4.00; Frequently 2.50 - 3.24; Sometimes 1.75 - 2.49; Never 1.00 - 1.74*

The analysis reveals that respondents' support for corporate philanthropy stems from intrinsic, prosocial motivations, with means ranging from 3.16 to 3.27 and averaging 3.21. Consumers value genuine altruism in charitable actions, prioritizing societal impact and endorsing businesses that embed citizenship intrinsically through values-centric activities. Positive consumer reactions to corporate generosity are largely driven by innate prosociality, highlighting the importance of understanding how intrinsic motivations and external CSR initiatives intersect to shape attitudes and behaviors.

### 3.3 The Brand Evaluation of Transnational Companies

#### 3.3.1 Customer Satisfaction

Respondents frequently prefer brands that implement charitable initiatives, believing they have better images and can reflect their social status. They also give higher evaluations of product quality and are more willing to assess these corporate brands positively, indicating that engaging in philanthropic activities can enhance brand image and social status, leading to increased consumer recognition and satisfaction. Customer satisfaction can rise when transnational companies participate in charitable endeavors, impacting consumer attitudes and

behaviors positively, as validated by previous research linking charitable endeavors to increased consumer satisfaction.

### 3.3.2 Loyalty

Consumers frequently trust and exhibit high loyalty to transnational companies engaged in charitable activities, perceiving their products as safe and reliable. These perceptions lead to increased customer loyalty, regular purchases, and enhanced brand recognition, benefiting companies by establishing positive images, improving sales, and expanding market share.

### 3.3.3 Attractiveness

Consumers consistently show a strong inclination to support multinational brands known for their charitable actions, as evidenced by their willingness to buy, try new products, switch brands, pay premium prices, and make repeat purchases from these companies. Corporate social responsibility initiatives significantly enhance brand image, consumer affinity, and various purchasing behaviors, highlighting their strategic value in bolstering brand equity and attractiveness.

### 3.3.4 Competitiveness

The data reveals that engaging in philanthropic activities significantly boosts brand competitiveness, as consumers consistently show a strong willingness to recommend, remain loyal to, and choose charitable brands over competitors. This aligns with existing research indicating that Corporate Social Responsibility (CSR), particularly through charitable initiatives, can enhance brand image, consumer loyalty, and positive evaluations.

### 3.3.5 Innovativeness

The data indicates a positive association between corporate philanthropy and perceptions of brand innovativeness among consumers. This is evident in their beliefs regarding product benefits, technology adoption, uniqueness of offerings, and new concept development by charitable companies.

## *3.4 Challenges Encountered by Transnational Companies in the Implementation of Corporate Philanthropic Programs*



**Table 21** The Challenges Encountered by Transnational Companies in the Implementation of Corporate Philanthropic programs

Profile Variable	Frequency	Percent	Verbal Description
Cultural and value differences	6	60%	Minimally Challenging
Regulatory and legal differences	7	70%	Moderately Challenging
Language barriers and communication issues	6	60%	Moderately Challenging
Transparency and regulatory issues	5	50%	Slightly Challenging
Social justice and equality	8	80%	Extremely Challenging
Management of social expectations	3	30%	Slightly Challenging
Sustainability and long-term commitment	6	60%	Moderately Challenging
Social Complexity	2	20%	Minimally Challenging
Risk management	6	60%	Moderately Challenging
Public Feedback	7	70%	Moderately Challenging
Partner Relationships	2	20%	Minimally Challenging

\*\*\*Multiple response

The data highlights that transnational companies face significant challenges in implementing philanthropic programs, including social justice issues, legal differences, and sustainability concerns. These obstacles underscore the complex nature of corporate social responsibility on a global scale, requiring companies to navigate diverse regulatory environments, cultural differences, and stakeholder expectations effectively.

### 3.5 Proposed Philanthropic Program Plan

Based on the findings of the study, a proposed strategic plan was made. This strategic corporate philanthropy plan stands out for its emphasis on stakeholder participation, leveraging government, employees, and the public for a broader impact. It strategically focuses on disaster relief, education, and healthcare based on research, ensuring alignment with societal needs and corporate capabilities. The plan combines a clear strategic vision with actionable tactics, promoting cross-departmental collaboration and sustained commitment for meaningful societal impact and reputational benefits.

#### 4. Conclusions

The survey highlights strong consumer interest and positive attitudes toward transnational companies' philanthropic initiatives, particularly in disaster relief, environmental conservation, education, healthcare, and poverty alleviation. Consumers value financial support and rely on social media and news reports for information. However, transnational companies face challenges such as managing social justice issues, regulatory complexities, language barriers, and sustainability concerns.

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