

# CSR builds Loyalty: The role of Awareness, Satisfaction and Trust

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## Abstract

Corporate social responsibility (CSR) is one of the tools that has strategic implications across the wide gamut of companies and industries. On one hand, the companies are investing in CSR initiatives either keeping in mind the strategic implications of CSR or to meet the regulations or to boost and embolden their image or to make the customers believe in the brand and the companies. On the other hand, it has been recognized by the academics and practitioners of marketing domain that consumers are on a regular look out for the brands that offer memorable and distinctive experiences to them. The main objective of the study was to study the effects of CSR advertising, awareness, satisfaction and trust on brand loyalty and for the same, a model was proposed to establish a relationship between corporate social responsibility and brand loyalty with an insight on the intermediary relationships. The present work also studied the mediation effect of trust on the relationship between satisfaction and loyalty. The study investigated the different relationships proposed in the model and it succeeded in establishing that CSR initiatives, awareness, satisfaction and trust are positively affecting brand loyalty. The data was collected from 150 respondents and the same was analyzed using PLS-SEM.

**Keywords:** CSR, loyalty, awareness, satisfaction, trust, PLS-SEM.

## Introduction

The competitive business environment of the new era has given the consumers the choice to select from many alternatives. Thus, the product and brand managers as well as marketing managers are working hard to ensure the loyalty of the customers and moreover, ensuring that their customers are not being grabbed by the competitors (Che et al., 2011). The activities related to marketing being undertaken by the firms are more focused on building the brand rather than the product, thus, prominent academics also work to discover the various factors that build strong brands (Aaker, 1996). The main goal of any company is to create a strong brand in the market since it can help the company in providing many benefits, ranging from less susceptibility to the marketing actions of the competition, higher margins and greater opportunities to extend brand (van Riel et al., 2005). More so, the companies now have realized the power of Corporate Social Responsibility (CSR) wherein they are investing huge amounts in CSR activities and initiatives. Luo and Bhattacharya (2006) opined that investments in CSR initiatives and activities lead to good reputation and image and finally brand building. They are investing in CSR to build their competitive advantage and do not take it either as a cost to reckon with or a legal binding (Porter & Kramer 2006). Efficient and effective usage of CSR by the companies and their brand managers help in differentiating them from their rivals and in longer term, facilitate them in acquiring the

sustainable competitive advantage (Porter & Kramer 2006; Smith & Higgins 2000). There exists an association between social attributes of CSR activities and company's brands which result in building either a differentiated product or a service (Varadarajan & Menon 1988).

Because of more competition in the markets, acquiring product differentiation has become hard to get and, in such scenarios, CSR helps the companies in differentiating the products/services. CSR initiatives more and less have become a part of strategic development wherein it helps in product and brand differentiation. The awareness of CSR initiatives and activities help a company develop purchase intention for its products leading to purchase and further on satisfaction and brand loyalty. Benefits cited above of CSR force the strategic managers of the companies to make CSR one of the cores of company's strategies and because of this, it is considered as investment from the strategic point of view comparable to advertising, R&D and any other investments (McWilliams et al. 2006; Gardberg & Fombrun 2006). As per McWilliams and Siegel (2001), a CSR of any company is dependent on its advertising and R&D. The initiatives taken by the companies under CSR help them to build brand loyalty as the CSR helps in differentiating the products/services of the respective companies.

Moreover, in the recent years, the focus of branding theory has been to develop the consumer-brand relationship. For the branding theory, the main input is the brand experience and for this relationship, brand loyalty is the main output. The individual gets the experience of the brand once he/she purchases the brand for his/her personal use. The purchasing behavior of the brand arises out of purchase intention. Even when the consumers are aware about any product and are also willing to buy that product, an important factor to influence purchase decision is still brand awareness (Macdonald & Sharp, 2000). The consumers' purchase decision to purchase a product can be influenced with higher levels of brand awareness (Grewal et al., 1998; Dodd et al., 1991).

The primary objective of the undergoing research work is to propose and test a conceptual framework related to CSR-Brand Loyalty relationship and also to find whether the relationship between satisfaction and loyalty has been mediated by "Trust". The paper starts by building the conceptual framework to be studied and tested after reviewing and understanding the literature on brand loyalty, satisfaction, purchase intention, brand experience, awareness and CSR advertising leading to development of hypotheses. The conceptual framework also involves the role of trust as a mediator between satisfaction and brand loyalty.

## **Review of Literature**

### **CSR activities**

The investments in CSR activities and initiatives are taken as a basis of competitive advantage and an instrument to build up the financial performance of the company who is doing the CSR activities (Porter & Kramer 2006; Smith 2003; Varadarajan & Menon 1988). But, from the earlier studies, it is not clear and proved that whether the firms should indulge in CSR activities to have an advantage which can enhance its competitiveness and financial performance or not. Since the 1960s, there are divergent views about whether the financial outcomes provide any evidence of a strong positive relationship between competitive advantage and CSR (Cochran &

Wood 1984). Bhattacharya and Sen (2004) has opined that as the consumers react to promotions leading to purchases and financial growth of the company, rather than the consumers directly and evidently reacting to CSR initiatives. As per Bhattacharya and Sen (2004), the internal outcomes (awareness) are more impacted by CSR rather than external outcomes (purchase behavior). Thus, the earlier researches have failed to establish that whether there exists any strong link between CSR and external outcomes or not, thus, further strengthening the fact of not so strong relationship between factors like CSR and financial outcomes. McWilliams and Siegel (2001) also postulated a model to establish that there exists no relationship between financial performance and CSR.

### **Awareness**

The aptitude of a consumer to identify and recollect a brand even when put in different situations is called Brand awareness (Aaker, 1996). The main two components of brand awareness are brand recall and brand recognition. The meaning of Brand recall is to exactly recollect a name of the brand when the consumers see the same product category and the meaning of brand recognition is the ability of the consumers to recognize a brand whenever the customer sees or hears about that brand (brand cue). Therefore, purchase decision will be affected by brand awareness through brand association, and the positive brand image will in turn help in marketing activities (Keller, 1993). A brand name is represented by a symbol/logo which helps the consumer in identifying the service/product providers and also helps the consumer in envisaging the results of the service/product (Janiszewski & Van Osselaer, 2000).

One of the important antecedents of purchase intention is brand awareness since consumers are more inclined towards buying a renowned and known product/brand (Macdonald & Sharp, 2000; Keller, 1993). Brand awareness also aids the consumers in recognizing a brand from the dearth of product categories and thus helps the consumer in deciding either to purchase a product or to avail the service (Percy & Rossiter, 1992). As opined by various researchers, brand awareness acts as one of the important deciding factors in the consumer purchase intention, and because of that, certain brands will assimilate in consumers' mind and will finally affect the purchase decision of the consumer.

### **Satisfaction**

Satisfaction can be opined as an emotional response to a purchase situation (Bennet et al., 2005; Babin & Griffin, 1998). As per Ganesan (1994), positive affective reaction results in satisfaction because of a previous experience. Some opine that satisfaction can lead to relationships that can last for long (Anderson & Narus, 1990; Gladstein, 1984). Agustin and Singh (2005) believe that satisfaction is needed for loyalty but is not an adequate and only component of loyalty. But, most of the previous studies suggest that one of the antecedents of brand loyalty is satisfaction and with increasing satisfaction, the brand loyalty is also increased (Bennet et al., 2005; Bolton, 1998). As per Morgan & Hunt (1994), customer satisfaction is an important precursor of loyalty. The experience of surge in satisfaction leads to surge in loyalty. Some studies concluded that loyalty is affected by satisfaction (Eggert & Ulaga, 2002).

On one side, customer satisfaction is considered as one of the significant determinants of long-term consumer behavior (Oliver, 1980) whereas, on the other hand, consumer satisfaction is also important for the companies as it ensures long lasting business success for them (Janghyeon et al., 2011). Dimitriadis (2006) studied that prices have no effect on satisfied consumers, are less affected by attack of competitors and the satisfied consumers also remain loyal to the firms for a longer duration than the customers/consumers who are dissatisfied. Customer who are satisfied and loyal affect profitability and market share in a positive way (Anderson et al., 1994; Reichheld, 1993). Many other studies also support that there is a positive relationship between consumer satisfaction and consumer loyalty (Lai et al., 2009; Lee & Back, 2009)

## **Trust**

As per Agustin and Singh (2005), trust is consumer's belief system that the seller will deliver the promised services and the consumer himself can rely on the seller for the fulfillment of the services promised by him. As opined by Amine (1998), more the trust on the purchased brand, more credible the brand will be which will reinforce the behavior of repurchase in the customers leading to loyalty behavior.

Chaudhuri and Holbrook (2001) defined brand trust as the customer's willingness to rely on the brand's ability to perform its stated function. To build strong relationships between brand and consumer, trust plays an important part (Urban, Sultan & Qualls, 2000), and the same also leads to brand loyalty (Lau & Lee, 1999). In the longer period, trust becomes loyalty for the products that are either high-involvement or belong to high-service product markets (Chiou & Chen, 2006). 'Trust' in this study highlights its importance in building the loyalty of the companies who are indulged in CSR activities.

## **Brand Loyalty**

Aaker (1996) proposes that when a consumer becomes loyal to a particular brand, it becomes a barrier to entry, the companies can also charge a premium price or it takes more time to for the competitors to respond and thus, brand loyalty becomes a core facet of brand equity. Brand loyalty is a consumer attitude towards preference of the brand that can be assessed from the shopping experience and previous uses of that brand (Deighton et al., 1994) and the same can also be assessed from the repurchase rate of that similar brand. Assael (1998) opines that brand loyalty introduces repurchase behavior in the customers who are showing brand loyalty towards a specific brand. As per Baldinger and Rubinson (1996), brand loyalty represents the preferences given to a brand. It entails that the consumers are neither looking nor buying any other brand in any specific product category when they are buying any specific brand. Brand loyalty showcases a commitment towards repurchase behavior of the customer for a specific brand in the future assuring that the brand loyalty of the consumers will not be affected in different situations and they will still buy their favored brands (Oliver, 1999).

In addition, Bloemer and Kasper (1995) suggests that an actual brand loyalty should have the dimensions of repurchase behaviors and brand preferences that should be exhibited in brand commitment and psychological processing (decision making and evaluation) function while Fornell (1992) suggests that to measure brand loyalty, one should measure customer repurchase intention and price tolerance. Consumers who are strongly

committed to any brand will continuously look for any promotional activity and advertising related to the brand of their love (Baldinger & Rubinson, 1996; Chaudhuri, 1995; Barwise & Ehrenberg, 1987). Peng (2006) indicates that brand loyalty can be affected with brand awareness, i.e. higher the brand awareness, more the brand loyalty. When business develops a new market or a new product, for getting the best results either for the new product or in new market, the companies should increase the brand awareness by marketing and promotional activities as brand loyalty is positively influenced by brand awareness (Peng, 2006; Chou, 2005; Wu, 2002; Aaker & Keller, 1990). Wu (2007) ascertains that the consumers perception towards a particular will either increase or decrease brand loyalty.

## Research Methodology

The present study was mainly undertaken to ascertain the effect of CSR initiatives on brand loyalty with the intermediary relationships of awareness, satisfaction and trust. The questionnaire that was self-administered in nature was floated online to collect the data.

A thorough review of literature was done to study the effect of CSR initiatives on brand loyalty with intermediary relationships of awareness, satisfaction and trust and it also studied whether 'Trust' plays a role of mediator between satisfaction and loyalty. The constructs and the related items to measure those constructs were developed by using measurement scales adopted from previous studies.

- 1) *Research Model*: The proposed model studies the relationship between CSR initiatives, awareness, satisfaction, trust and brand loyalty and the role of trust as a mediator between satisfaction and loyalty. The conceptual model to study the above-mentioned relationships are depicted in Fig. 1. It describes the relationship among the important variables of this research that includes CSR, awareness, satisfaction and trust as independent and dependent variables to one another and brand loyalty as the final dependent variable and trust as mediator variable. The study is planned as follows. Firstly, thorough review of literature was done to develop a conceptual model by analyzing various constructs and their underlying relations with one another. The association of each construct with other constructs was studied and based on that, research hypotheses were proposed. Secondly, the descriptive statistics of the sample was given, and measures employed in the study were also described, and at the end, the research results were reported. The managerial implications of the findings were also discussed based on the results.

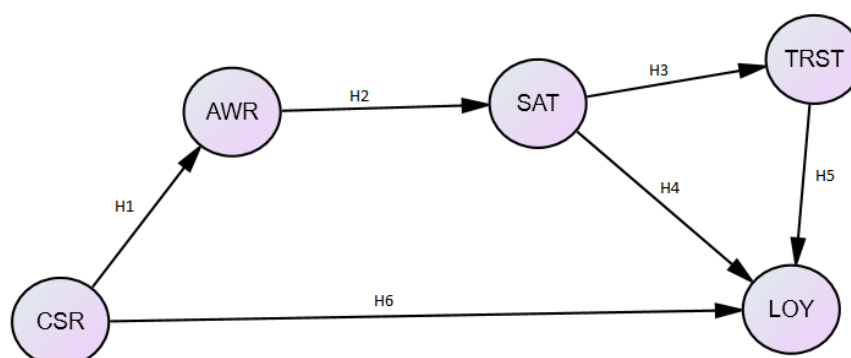


Fig.1 Conceptual Model

The proposed hypotheses in the present research work are as follows:

Hypothesis 1 (H1): Awareness has been positively and significantly affected by CSR initiatives.

Hypothesis 2 (H2): Satisfaction has been positively and significantly affected by awareness.

Hypothesis 3 (H3): Trust has been positively and significantly affected by satisfaction.

Hypothesis 4 (H4): Loyalty has been positively and significantly affected by satisfaction.

Hypothesis 5 (H5): Loyalty has been positively and significantly affected by trust.

Hypothesis 6 (H6): Loyalty has been positively and significantly affected by CSR initiatives.

Trust acts as a mediator between Satisfaction and Loyalty.

- 2) *Questionnaire design and Sampling*: The data for the study was gathered through the self-administered questionnaire. Introductory statement was given at the beginning of the questionnaire that assured the respondents about the confidentiality and further on, also sought their support in finishing this research work. This was followed by a series of item statements seeking information about different constructs of the study and in the end; demographic information was requested for. Non-random convenience sampling technique was used to collect the data from 150 respondents that constituted the sample size for the present research work. The validity of the instrument was ascertained through face validity. The questionnaire was shown to 10 experts for the face validity and after incorporating the changes suggested, the instrument was used to collect the data from different cities of India to bring generality in the results. The 5-point Likert scale was used to collect the data wherein '1' was labelled as strongly disagree '2' as disagree, '3' as neutral, '4' as agree and '5' as strongly agree. The details about the gender, age, marital status and education of the respondents were asked at the end of the questionnaire that constituted their demographic information. The respondents were predominantly males (70%), remaining being the females (30%). As per the respondents, the maximum respondents were in the age group of 20-25 yrs. (46.67%) followed by 25-30 yrs. (20%), whereas rest were in the age group of 30-35 (13.33%) and 35-40 yrs. (11.33%). From the educational point of view, maximum respondents were having post-graduation or higher degrees (73.33%) whereas rests of the respondents were graduates in nature (26.67%). Most of the respondents were having private jobs (40%) as occupation, wherein the second highest occupation of the respondents was students (30%) and the rest of the respondents were having the occupation of self-employed (13.33%), govt. job (6.67%) and retired (6.67%)

## Analysis and Results

The technique of PLS-SEM was employed to test the proposed hypotheses in the present study. The processes starting from model specification to outer model evaluation and finally, inner model evaluation was followed using PLS-SEM.

The validity of the scale was established by establishing the convergent validity of the individual constructs and discriminant validity among the constructs. Reliability of the scale (Cronbach alpha) and the overall significance of the different relationships between items & constructs and between different constructs were also established using PLS-SEM 2.0. The in-depth introduction to each of the PLS-SEM stages and their uses was provided by Hair et al. (2014)

**1) Model Specification:** The stage of the model specification involved the development of inner as well as outer models. The inner model or the structural model, highlighted the relationships between the constructs being conceptualized on the basis of the theory or the logic whereas, the outer models or the measurement models, studied the association between the items/indicator variables and their respective constructs (Hair et al., 2014). Once the inner model establishing the relationship between constructs was designed, the outer models were conceptualized, establishing the relationship between indicators/items and their respective constructs by using a scale that can either be single item or multi-item. (Diamantopoulos et al., 2012).

**2) Outer Model Specification (Measurement Model):** Once the inner as well as outer models were developed at the initial stage, the next step involved was the analysis of the measurement model (Henseler et al., 2012). The validity and reliability of the constructs were established through this step.

- a) Composite reliability of all the constructs was checked before checking the validity and reliability of the different constructs. The composite reliability and the internal consistency of the constructs were measured through Cronbach alpha and the same was showcased in Table 1. As the values of composite reliability, as well as Cronbach alpha (internal reliability) for all the constructs, were more than 0.7, the internal reliability for all the constructs were being established through both the reliability measurements.
- b) After the constructs' internal reliability was established, the next step was to establish scale's validity. Scale validation was done by examining and establishing the convergent validity and discriminant validity of all the constructs. Average Variance Extracted (AVE) of any construct is the measurement of convergent validity and the convergent validity of the construct is established, if AVE of that construct is at least 0.5 or more than 0.5 (Hair et al., 2014). The convergent validity of the scale was established through AVE values of the constructs which were more than 0.5 for all the constructs under study (Table 1). (Fornell & Larcker, 1981)

**Table 1 (Measurement Model: Composite & Internal Reliability and Convergent Validity)**

|     |      |        | AVE    | Composite Reliability | Cronbachs Alpha |
|-----|------|--------|--------|-----------------------|-----------------|
| AWR | AWR1 | 0.7349 | 0.5901 | 0.8773                | 0.825           |
|     | AWR2 | 0.8593 |        |                       |                 |
|     | AWR3 | 0.7738 |        |                       |                 |
|     | AWR4 | 0.677  |        |                       |                 |
|     | AWR5 | 0.7841 |        |                       |                 |
| CSR | CSR1 | 0.7591 | 0.5864 | 0.8948                | 0.8589          |

|      |       |        |        |        |        |
|------|-------|--------|--------|--------|--------|
|      | CSR2  | 0.7845 |        |        |        |
|      | CSR3  | 0.7501 |        |        |        |
|      | CSR4  | 0.7831 |        |        |        |
|      | CSR5  | 0.781  |        |        |        |
|      | CSR6  | 0.7358 |        |        |        |
| LOY  | LOY1  | 0.7854 | 0.6204 | 0.9072 | 0.8768 |
|      | LOY2  | 0.8548 |        |        |        |
|      | LOY3  | 0.7153 |        |        |        |
|      | LOY4  | 0.7741 |        |        |        |
|      | LOY5  | 0.8308 |        |        |        |
|      | LOY6  | 0.7576 |        |        |        |
| SAT  | SAT1  | 0.8444 | 0.7106 | 0.9245 | 0.8976 |
|      | SAT2  | 0.8673 |        |        |        |
|      | SAT3  | 0.769  |        |        |        |
|      | SAT4  | 0.8585 |        |        |        |
|      | SAT5  | 0.8715 |        |        |        |
| TRST | TRST1 | 0.8602 | 0.756  | 0.9393 | 0.9191 |
|      | TRST2 | 0.8706 |        |        |        |
|      | TRST3 | 0.9101 |        |        |        |
|      | TRST4 | 0.8443 |        |        |        |
|      | TRST5 | 0.8608 |        |        |        |

The discriminant validity showcases how much one construct is diverse from other constructs. The discriminant validity of all the constructs is given in 2 respectively. As per table 2, the discriminant validity of all the constructs is established as per the criterion suggested by Fornell and Larcker (1981).

**Table 2 (Discriminant Validity)**

|      | AWR   | CSR   | LOY   | SAT   | TRST  |
|------|-------|-------|-------|-------|-------|
| AWR  | 0.768 |       |       |       |       |
| CSR  | 0.636 | 0.766 |       |       |       |
| LOY  | 0.612 | 0.708 | 0.788 |       |       |
| SAT  | 0.680 | 0.652 | 0.758 | 0.843 |       |
| TRST | 0.676 | 0.745 | 0.720 | 0.788 | 0.869 |

- c) **Inner model evaluation:** After establishing the reliability and validity of the outer models, the significance of relationships (hypothesis testing) within the inner model was to be proved. For establishing the significance of hypothesis, assessment of path coefficients, coefficient of determination ( $R^2$ ) and cross-validated redundancy ( $Q^2$ ) was done. But before the steps mentioned above were followed, the potential collinearity issues among the constructs of the inner model was also tested. Since the Tolerance value was greater than 0.2 and the value of VIF was less than 5, there was no issue of collinearity among the constructs in the inner model. (Table 3).



**Table 3: Tolerance and VIF Values for Collinearity**

| Coefficients <sup>a</sup> |            |                             |            |                           |       |       |                         |       |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|-------|-------------------------|-------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig.  | Collinearity Statistics |       |
|                           |            | B                           | Std. Error | Beta                      |       |       | Tolerance               | VIF   |
| 1                         | (Constant) | -4.639E-06                  | .056       |                           | .000  | 1.000 |                         |       |
|                           | TRST       | .325                        | .115       | .325                      | 2.829 | .006  | .241                    | 4.146 |
|                           | SAT        | .300                        | .101       | .300                      | 2.970 | .004  | .312                    | 3.210 |
|                           | CSR        | .291                        | .085       | .291                      | 3.428 | .001  | .442                    | 2.265 |

**a. Dependent Variable: LOY**

$$LOY = .325(TRST) + .300(SAT) + .291(CSR) + SE$$

- d) **Coefficient of determination ( $R^2$ )**. The value of  $R^2$  denotes how accurate the prediction of the model is. The same is also called model's predictive accuracy. Since there is no fixed rule regarding the usage of  $R^2$  value for predicting the model's accuracy,  $R^2$  values ranging from 0.25, 0.50, 0.75, respectively, describing weak, moderate, or substantial levels of predictive accuracy were used (Hair et al., 2011). Table 4 provides the  $R^2$  value which denotes the collective effect of exogenous variables on different endogenous variables. Since the value of  $R^2$  is all three cases is more than 0.4, we can substantiate that the predictive accuracy for all the three relations is between weak and moderate.
- e) **Cross-validated redundancy ( $Q^2$ )**. The predictive relevance of the inner model was represented by the value of  $Q^2$ .  $Q^2$  value is built on the technique of sample re-use. If the  $Q^2$  value for an endogenous variable is more than zero, it indicates the predictive relevance of the path model for that construct. As the value of  $Q^2$  (Table 4) is more than zero for all the endogenous variables, inner model's predictive relevance was proved.

**Table 4 : Values of  $R^2$  (co-efficient of Determination) and  $Q^2$  (Predictive Relevance)**

| Total | $R^2$  | Relationship     | SSO | SSE      | 1-SSE/SSO |
|-------|--------|------------------|-----|----------|-----------|
| AWR   | 0.4045 | Weak to Moderate | 500 | 382.6592 | 0.2347    |
| LOY   | 0.6952 | Moderate         | 600 | 344.1973 | 0.4263    |
| SAT   | 0.4624 | Weak to Moderate | 500 | 335.9292 | 0.3281    |
| TRST  | 0.6857 | Moderate         | 500 | 241.9271 | 0.5161    |

- f) **Path Co-efficients**: After running a PLS model, estimates (T-stats) were studied for the path coefficients. The value of the t-stats (estimates) determines the significance of the hypothesis proposed for the different relationships. The estimate of value more than 1.96 signifies that the relationship between the constructs is significant at 95% level of confidence and estimate more than 1.645 signifies that the relationship is significant at 90%. Table (5a) illustrates the path-coefficients (t-stats) of all the relationships of the conceptual model without studying the mediation effect of Trust. All the relationships mentioned in the hypothesis are established and found to be significant, establishing the fact that the constructs of CSR and SAT are positively influencing loyalty and AWR is also influencing

Loyalty through Satisfaction. The relationships are found to be significant establishing that the CSR initiatives, awareness about such initiatives, and satisfaction are the affecting loyalty on a positive note.

**Table 5a: Path Co-efficient (Path Model) without Mediation**

|            | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics ( O/STERR ) |
|------------|---------------------|-----------------|----------------------------|------------------------|--------------------------|
| AWR -> SAT | 0.6788              | 0.6715          | 0.0852                     | 0.0852                 | 7.9708                   |
| CSR -> AWR | 0.6361              | 0.6305          | 0.0887                     | 0.0887                 | 7.1734                   |
| CSR -> LOY | 0.4049              | 0.3957          | 0.1174                     | 0.1174                 | 3.4501                   |
| SAT -> LOY | 0.4965              | 0.5071          | 0.1139                     | 0.1139                 | 4.3604                   |

Table (5b) illustrates the path-coefficients (t-stats) of all the relationships of the conceptual model while studying the mediation effect of Trust. All the relationships are found to be significant, thus confirming the positive and significant influences of CSR and SAT on loyalty. It also established the fact that 'trust' acts as a mediator in the relationship between satisfaction and loyalty as the T stats of SAT--> LOY has reduced from 4.3603 (without Trust) to 2.172 (with Trust). The relationships between satisfaction n trust and between trust n loyalty are also found to be significant. The relationships are found to be significant establishing that the CSR initiatives, awareness about such initiatives, satisfaction, and trust are the affecting loyalty on a positive note.

**Table 5b: Path Co-efficient (Path Model) with TRUST (TRST) as Mediator**

|             | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics ( O/STERR ) | Relationship |
|-------------|---------------------|-----------------|----------------------------|------------------------|--------------------------|--------------|
| AWR -> SAT  | 0.68                | 0.6729          | 0.0826                     | 0.0826                 | 8.232                    | Significant  |
| CSR -> AWR  | 0.636               | 0.6352          | 0.087                      | 0.087                  | 7.310                    | Significant  |
| CSR -> LOY  | 0.2907              | 0.2766          | 0.115                      | 0.115                  | 2.528                    | Significant  |
| SAT -> LOY  | 0.2999              | 0.3117          | 0.1381                     | 0.1381                 | 2.172                    | Significant  |
| SAT -> TRST | 0.8281              | 0.8248          | 0.0435                     | 0.0435                 | 19.037                   | Significant  |
| TRST -> LOY | 0.3246              | 0.3242          | 0.1325                     | 0.1325                 | 2.450                    | Significant  |

AWR: Awareness, SAT: Satisfaction, CSR: Corporate Social Responsibility, LOY: Loyalty, TRST: Trust

### Variance Accounted For (VAF)

The VAF for the mentioned study is 57% which makes the mediation as partial mediation.

### Discussion and Managerial Implications

The proposed study was to examine the effect of CSR initiatives, awareness, satisfaction and trust on one another and ultimately on brand loyalty. The present study establishes the facts about the positive affect of CSR initiatives on awareness, satisfaction and loyalty, thus helping the marketing managers to justify the expenditures on CSR initiatives that help in building long-term relationships with consumers leading to brand satisfaction and help in also building brand loyalty. The result also supports the suppositions that there exists a positive and significant relationship between CSR initiatives and awareness, satisfaction and brand loyalty and among themselves. The study also establishes the fact that satisfaction leads to trust and with trust comes loyalty (Sahin et al., 2011). As per table 3, the unstandardized co-efficient of trust is 0.325 which is highest among the unstandardized co-efficient of satisfaction (0.300) and CSR activities (0.291) highlighting the importance of

trust in making the consumers loyal towards the brands. The study and the findings of this study shall be identified as primary and important as the earlier researchers have done less work on evaluating the effect of CSR and satisfaction on brand loyalty. The result indicates that consumers will eventually buy a product and will also be loyal to the product with whom they are more familiar (Macdonald & Sharp, 2000; Keller, 1993). The research also confirms that there is significant and positive effect of satisfaction on loyalty. The previous studies also confirm the same (Han & Back, 2008; Kandampully & Suhartanto, 2000; Hallowell, 1996). The Loyalty has been positively and significantly affected by trust (Sahin et al., 2011). The study also confirms that satisfaction entails the feeling of trust among the consumers which eventually lead to loyalty (Martínez & Bosque, 2013). It paves a new working for the marketing managers and product developers which encourages them to either develop products or provide services that will entail the feeling of satisfaction and then, trust in consumers. It confirms that for long-term business, consumer satisfaction is essential for building trust which leads to increase in loyalty.

As studied, that customer satisfaction has been strongly affected by CSR, the companies should invest a good chunk of their resources viz. money, time and involvement to improve the level of satisfaction among their target consumers. The companies should invest more on CSR initiatives as the consumer feel more satisfied towards the companies who take CSR initiatives. In this sense, any awareness initiative that makes people aware about the CSR programs will considerably improve the image of the company in the minds of the consumers which will eventually help in making them loyal towards such companies.

The results of this study have thrown light on several factors that will play an important role in impacting the marketing and strategic decisions of the managers of product manufacturers as well as service providers. The conclusions of the study confirm the overall hypotheses that there is a significant effect of CSR initiatives on awareness leading to satisfaction and brand loyalty. The model in this paper identifies CSR initiatives leading to awareness which in turn impacts satisfaction, trust and loyalty. The findings provide enough evidence that companies who spend money on CSR initiatives can lead to satisfaction and brand loyalty. The companies should invest on regular basis on CSR activities, making the customers aware about the activities thus leading to satisfaction and making the customers more loyal to the company.

### **Limitation and Future Research**

This study has been conducted under several constraints leading to several limitations. One of the basic limitations of the present research work is small sample size. Thus, the present research work shall be supported either by increasing the number of respondents or by including the respondents from other geographical areas. With bigger sample size, a more comprehensive understanding of independent variables and the dependent variable and the relationships between all the variables can be done which can lead to generality of the result of the present study.

The usage of the self-administered measures in the present research work may not help in fully predicting and understanding the future behavior of the consumers. The present research showcases and confirms that there

are strong relationships and inter-relationships among CSR initiatives, awareness, intention, experience, brand satisfaction and loyalty. But the present study did not look upon the other factors like personal factors or brand involvement or other aspects of brand equity like brand associations, perceived quality and brand personality. Overall, the present study still needs to explore the work related to developing a new and more thorough knowledge of the association among brand loyalty and other variables relating to marketing.

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