

Research article

The pivotal role of CSR perception on consumer behavior

Ethan Christopher^{a,*}, Madison Luke^b

^a Salem International University, USA

^b Marquette University, USA

* Corresponding author: E-mail address: ethan.christopher@ymail.com

Article history:

Received 5 March 2013; Received in revised form 26 March 2013.

Accepted 28 March 2013; Available online 1 April 2013.

Abstract

Corporate social responsibility is an increasingly important construct in academia, as well as a pressing item on the practical corporate agenda. Many firms do not recognize CSR activities as investments in improving company values both internally and in the eyes of consumers. This study examines how the perceived fit between consumers and CSR activities influences consumer loyalty through such mediating variables as consumer perception of CSR activities and consumer company attachment. The empirical findings inform the suggestion that perceived consumer fit influences consumer perception of CSR activities and, consequently, on CC identification and consumer loyalty.

Keywords: Corporate social responsibility, values, customer attachment, consumer loyalty.

© 2013 Knowledge Journals. All rights reserved.

1. Introduction

Corporate social responsibility (CSR) is an important construct in academia; concurrently, CSR is becoming a pressing item on corporate agendas as well (Harrison and Freeman, 1999; Waddock and Smith, 2000). Carroll (1979) proposes a popular four-part definition of CSR, suggesting that corporations have four responsibilities to be good corporate citizens: economic, legal, ethical, and philanthropic. Based on these components, a socially responsible firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen (Carroll, 1991, p. 229). Concepts of CSR range from a wide view of “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (McWilliams and Siegel, 2001, p. 118) to one that narrowly focuses on maximizing shareholder wealth (Goodpaster, 1991).

These conceptual variations reflect different degrees of responsibility ascribed to a firm beyond its role as an economic institution (Hemphill, 1997). Because CSR encompasses a whole set of philosophical and normative issues related to the role of business in society, CSR should be understood to be a broad concept (Maignan and Ferrell, 2001). The study here adopts the societal perspective, defining

CSR as the company's activities and status related to its perceived societal or stakeholder obligations (Brown and Dacin, 1997; Sen and Bhattacharya, 2001; Varadarajan and Menon, 1988). Under this definition, a company has an obligation to take action in order to “protect and improve both the welfare of the society as a whole and the interest of the organization” (Davis and Blomstrom, 1975, p. 5). As consumer interest in CSR activities continues to rise, companies are dedicating more attention and resources to defining and communicating company values.

However, much remains to be done. Those activities require additional exploration and evaluation. Some research findings suggest that the effect of CSR activities on relevant outcomes remains sluggish, particularly in studies that use financial performance as the critical criterion (Griffin and Mahon, 1997; Pava and Krausz, 1996). Lee et al. (2008) suggest that many companies use the “department store” approach to CSR activities, which means that they employ various kinds of CSR activities without focusing on or targeting specific consumers. In other words, even though many companies are involved with CSR activities in such areas as social welfare, education, volunteering, and global CSR, consumers' awareness remains low and the firms still have unsatisfactory performance despite the

dedication of large amount of resources to the cause. Therefore, researchers should explore other implementation tactics that may prove highly effective in connecting with consumers. In particular, the phenomenon of strategic “fit” warrants consideration, given the success of other targeted marketing initiatives both in the extant literature and in industry. In the context of the CSR literature, a match, or fit, between consumer and corporate values may be of benefit. Previous research suggests that the perceived fit between the firm and CSR activities have a positive effect on consumer response (Becker-Olsen et al., 2006; Lee et al., 2008; Menon and Kahn, 2003; Sen and Bhattacharya, 2001).

Although most previous studies consider only dimensions of perceived fit from the corporate perspective, consumers represent an important stakeholder group. Thus, companies should consider adopting a consumer-centered focus in directing their CSR activities. Prior research shows that consumers' values and lifestyles are important determinants in their acceptance and overall perceptions of a company's controversial advertisements (Lass and Hart, 2004). In addition, the perceived fit between a company's product and its cause-related marketing initiatives significantly affects consumer evaluations of that product (Hamlin, 2004). However, little to no research examines the perceived fit of a company's CSR activities with consumers' values and lifestyles—especially from the consumers' perspective. The research here investigates alternative constructs, such as consumer–company (C–C) identification and consumer loyalty, a focus of investigation receiving little to no prior research attention.

Research objectives

To begin with, this study focuses on consumer perceptions of CSR activities, providing additional insight that enhances our understanding of the impact CSR tactics may have on consumers. The examination of methods to persuade consumers to pay more attention to CSR activities is more important than ever. Second, this study examines which factors affect consumer perception of CSR activities. Although the research from a consumer perspective is necessary and timely, previous research centers primarily on dimensions of perceived fit from the corporate perspective (Becker-Olsen et al., 2006; Forehand and Grier, 2003; Jang, 2008; Lee et al., 2008; Menon and Kahn, 2003; Sen and Bhattacharya, 2001) and little or no empirical research focuses on dimensions of that fit from a consumer perspective. To overcome such a limitation, this study considers how corporate responsibility activities correspond to consumers' lifestyles and values.

Finally, prior research implies that when consumers perceive CSR activities positively, they

identify with—and remain loyal to—that company. Thus, consumer perceptions of CSR activities play an important role in C–C identification and company loyalty (Brown and Dacin, 1997; Lichtenstein et al., 2004; Sen and Bhattacharya, 2001). However, the relationship between perceived consumer fit and consumer loyalty remains ambiguous. Therefore, this study explores a consumer perspective by examining how perceived fit between consumers' values and lifestyles and companies' CSR activities influence consumer loyalty through such mediating variables as consumers' perceptions of those activities and C–C identification. In summary, the research objectives are threefold. First, the intent is to build on the extant literature by exploring the consumer in relation to CSR. Second, the study explicitly examines these values in terms of consumers in relation to CSR. Lastly, the study examines the values in terms of loyalty through such mediating variables as consumer perception of CSR activities. Fig. 1 provides empirical validation for the suggested conceptual framework, based on findings that emerge from the consumer survey data. The following section discusses the model in detail by providing specific hypotheses and theoretical development.

2. Background and hypotheses

2.1. Influence of perceived fit with consumer lifestyles on consumer perception of CSR

In the management literature, the fit construct embodies the idea of transferability of expertise or synergies in activities, such as when a similarity among products, technologies, or markets exists (Rumelt, 1974), or when compatibility between skills and activities is present (Porter, 1987). A similar concept underlies Sen and Bhattacharya's (2001) examination of fit in the domain of internal social initiatives. In the brand extension and brand alliance literature, the focus is often on consumers' perceptions of fit. Although ideas of transferability and synergy are assumed to often underlie perceived fit, often intangible associations surrounding those ideas exist (Aaker and Keller, 1990; Broniarczyk and Alba, 1994; Lichtenstein et al., 2004; Loken and John, 1993; Simonin and Ruth, 1998).

“Fit” is defined in a social marketing context as the perceived link between a cause and the firm's product line, brand image, position, and/or target market (Varadarajan and Menon, 1988). In the advertising and marketing literature, “congruence” indicates consumers' perception of similarity in various ways; in the sponsorship literature, congruence is “relatedness” and “relevance” (Johar and Pham, 1999) or “compatibility” (Ruth and Simonin, 2003); in cause-related marketing research, congruence is a “fit” (Bainbridge, 2001; Gray, 2000).

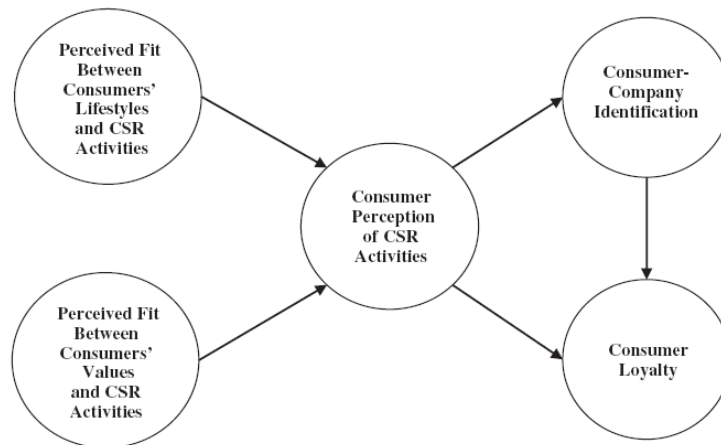


Fig. 1. Conceptual model

The fit between a firm and a sponsored cause is high when the two are perceived as congruent, whether that congruity is derived from mission, products, markets, technologies, attributes, brand concept, or any other key association (Bridges et al., 2000; Park et al., 1991). This issue of the effect of the compatibility between company and cause is proposed to influence consumer choice through associative learning (Till and Nowak, 2000) and perceived belongingness—a greater match-up between two stimuli that should make the development of an associative link easier (McSweeney and Bierley, 1984; Till and Nowak, 2000). Prior research (Becker-Olsen et al., 2006; Dacin and Brown, 2002; Forehand and Grier, 2003; Menon and Kahn, 2003; Sen and Bhattacharya, 2001) examines whether or not the level of fit, or congruence, between a company and a CSR activity affects consumer attitude and response.

The research here focuses on the effect of “perceived consumer fit”—that is, the extent to which the CSR activity is seen as being congruent with the lifestyle and values of the consumer. Lifestyle variables offer in-depth knowledge of individuals, allowing their characteristics to relate to their behaviors (Gonzalez and Bello, 2002). Lifestyle has also become a synonym for the concept of behavior patterns and refers to the degree of coherence that can be found in an individual's behavior (Spaargaren and van Vliet, 2000). Today's research now includes other more salient lifestyle information, such as people's interests, attitudes, and opinions (Moore and Driver, 2005; Vyncke, 2002). Therefore, a lifestyle reflects a person's choice of activities that represents the way in which that person wishes to live (Honkanen et al., 2004). According to Fraj and Martinez (2006), values and lifestyles influence ecology, and some researchers find positive relationships between values/lifestyles and ecological behavior. In green consumerism research,

the concept of lifestyle is connected to the process of consuming, individual choice, and decision-making (e.g., Sanne, 2002; Southerton et al., 2004), but also to the social or symbolic dimensions of consumption (Spaargaren and van Vliet, 2000). De Young (1985–1986) suggests that an austere and moderate lifestyle is positively related to glass and paper recycling, while Kim and Jia (2005) identify Chinese consumers' brand purchasing behavior according to their lifestyles. Said differently, lifestyle is seen as a mental construct that explains human behavior (Brunso and Grunert, 1998), and consumers' values and lifestyles are important determinants of their overall perceptions (Lass and Hart, 2004). Therefore, the perceived fit between consumers' lifestyles and company CSR activities should lead to a more favorable perception of CSR activities.

H1. The perceived fit between consumers' lifestyles and company CSR activities has a positive effect on consumer perception of CSR activities.

2.2. Effect of perceived fit with consumer values on consumer perception of CSR activities

Schwartz (1994, p.88) defines human values as “desirable goals, varying in importance, that serve as guiding principles in people's lives.” Values serve as a guiding principle for selecting or evaluating behavior, people, and events. Although values are related to behavior, this relationship is generally rather weak. Prior research suggests that values affect behavior indirectly—that the relationship between values and behavior is supposed to be mediated by more specific factors, such as individual beliefs (Ajzen, 1985; Stern et al., 1999). Values directly influence an individual's beliefs on a wide range of topics, which in turn affect the individual's (environmentally or socially directed) behavior. Values are criteria individuals use to select

and justify their actions and to value objects and others' conduct (Fraj and Martinez, 2006). Every individual has a specific value structure. Kahle (1996) claims that values are shaped through individuals' experiences and learning processes; thus, people who behave, for example, in an environmentally friendly way express their value of respect toward nature by having a positive attitude toward buying ecological products, recycling, and taking part in activities that seek environmental protection (Fraj and Martinez, 2006). Research in the social sciences suggests that values do affect a wide variety of attitudes and behaviors (Mayton et al., 1994). More recently, models of ethical decision-making in organizations recognize the influence of personal values on ethical judgments (Shafer et al., 2001). Koo (2000) suggests that values have positive effects on the formation of environmental attitudes, which subsequently lead to pro-environmental behavior. Consumers' own value orientations determine their appreciation for CSR actions (Basil and Weber, 2006; Siltaoja, 2006).

Consumers perceive CSR activities more positively when the perceived fit between their values and company CSR activities is high versus low.

H2. The perceived fit between consumers' values and company CSR activities has a positive effect on consumer perception of CSR activities.

2.3. Effect of consumer perception of CSR activities on C–C identification

C–C (consumer–company) identification is defined as the degree of overlap in a consumer's self-concept and his or her perception of the corporation (Dutton et al., 1994). For example, the degree to which a consumer evaluates certain aspects of a company's CSR initiative as similar to his/her own values often affects how likely he or she is to support the company (Lichtenstein et al., 2004). A corporation's socially responsible behavior can also affect C–C identification positively (Bhattacharya and Sen, 2003; Brown and Dacin, 1997; Du et al., 2007; Lichtenstein et al., 2004; Sen and Bhattacharya, 2001; Becker-Olsen et al., 2006). Given that favorable CSR beliefs are likely to be a key driver of C–C identification (Bhattacharya and Sen, 2003; Lichtenstein et al., 2004), such beliefs can be expected to strengthen the consumer–brand relationship. For example, the relationship between consumers' CSR beliefs and their C–C identification is stronger for a CSR brand than for competitors' brands (Du et al., 2007). Marin et al. (2009) suggest that the C–C relationship strengthens as the consumer associates more strongly with the company's CSR initiatives.

According to Lichtenstein et al. (2004), perceived corporate social responsibility affects not only consumer purchase behavior through C–C identification, but also customer donations to

corporate-supported nonprofit organizations. They further suggest that consumer perception of CSR is related to C–C identification. Sen and Bhattacharya (2001), suggest that a company's CSR initiatives increase consumer perceptions of C–C congruence and propose that consumers' reactions to CSR are contingent on the amount of congruence or overlap they perceive between the company's character and their own.

H3. Consumer perception of CSR activities has a positive effect on consumer–company identification.

2.4. Effect of consumer perception of CSR activities on consumer loyalty

Academic research on consumers' reactions to CSR reveals the potential benefits on behavioral (e.g., loyalty) outcomes (Barone et al., 2000; Bhattacharya and Sen, 2003; Brown and Dacin, 1997; Klein and Dawar, 2004; Lichtenstein et al., 2004). Additionally, CSR has a positive effect on consumer evaluations of the company or product and the consumers' willingness to purchase the company's product (Sen and Bhattacharya, 2001; Brown and Dacin, 1997). CSR also directly influences loyalty (Sureshchandar et al., 2002; Maignan and Ferrell, 2001). More specifically, socially responsible behavior has a direct and positive influence on consumers' loyalty to a firm (Garcia et al., 2005), and social responsibility associations may be useful in strengthening trust and the consumer's union with the company (Aaker, 1996; Maignan et al., 1999). Therefore, the perception of socially responsible behavior can strengthen commitment toward a brand, since the behavior transmits character (Brown and Dacin, 1997), a system of differentiating values (Turban and Greening, 1997), respect for customers, and a concern for serving them correctly, as well as complying with the quality standards. On the other hand, a large number of consumers claim to be more willing to buy products from companies involved versus not involved in social causes (Ross et al., 1992; Jones, 1997). Thus, some individuals likely value companies' efforts in donation programs, energy conservation, or local event sponsorship, among other actions, and that this support may materialize in stronger loyalty toward the firm (Maignan et al., 1999).

H4. Consumer perception of CSR activities has a positive effect on consumer loyalty toward the company.

2.5. Effect of C–C identification and consumer loyalty

Identification causes people to become psychologically attached to and care about an organization, which motivates them to commit to the achievement of organizational goals, expend more voluntary effort on behalf of the organization, and interact positively and cooperatively with organizational members (Bhattacharya and Sen, 2003).

Once individuals identify with an organization, they are likely to show their support in a variety of ways. In the employer–employee context, researchers demonstrate that members' identification with an organization results in lower turnover (Bergami and Bagozzi, 2000; Dutton et al., 1994) and increases rivalry with competitors. In the context of educational and cultural institution members, identification relates to greater financial membership-related support and relationship-oriented behavior (Bhattacharya et al., 1995; Suh and Kim, 2002).

In the customer context, C–C congruence has a positive effect on consumers' evaluation of a company because of their greater commitment toward the firm (Marin and Ruiz, 2007). Because consumption is the primary currency of C–C relationships, such identification-based commitment is likely expressible through a sustained, long-term preference for the identified-with company's products over those of its competitors. In other words, company loyalty is a key consequence of C–C identification (Bhattacharya and Sen, 2003). Brown and Dacin (1997) suggest that CSR-induced C–C congruence has a positive effect on consumers' evaluations of a company because of the consumers' greater commitment to the organization and the self-enhancing effects of identification.

H5. Consumer–company identification has a positive effect on consumer loyalty toward a company.

3. Method

3.1. Sampling

To select specific CSR activities to examine for this study, the researchers first made a list of 88 popular CSR activities compiled from a review of a diverse set of company websites. A questionnaire was then given to 200 consumers regarding their awareness of CSR activities as well as their preferences for certain companies. Initial results indicated that the average level of consumer awareness of the 88 CSR activities was very low (average of 2.5 on a 7-point Likert scale). Among the 88 activities, 12 showed comparatively high consumer awareness (over 3.5 on a scale of 7) and were used for the main study. A total of 218 usable responses were obtained from a sample of 250 consumers aged 18 or older USA.

Bueble (2008) suggests that female consumers in particular should be considered receptive toward CSR information due to their support of, and interest in, such corporate activities. In addition, Singhapakdi (1999) finds that women perceive ethics and social responsibility as more important relative to different aspects of organizational effectiveness than men. Similarly, Lamsa et al. (2008) find that contrary to men, women prefer stakeholder business models over shareholder models and place more importance on corporate environmental, societal, and ethical

responsibilities. Therefore, because of the value and opportunities for understanding women as a target market for CSR activities, this study surveyed only females and the majority of the sample (89%) is in the age group of 20–25 years old.

3.2. Measurement

Measures were adopted for the study that had been suggested and validated in the previous relevant literature, then modified in the context of the current study. All items were answered on a 7-point Likert-type scale ranging from “Strongly Disagree” to “Strongly Agree.” Perceived consumers' value fit was operationalized as the perceived similarity or relevance between the consumers' values and company CSR activities, and the construct was measured using five items (e.g., “This company's CSR activities are relevant with my values”) adapted from Darley and Lim (1992).

Perceived consumers' lifestyle fit, the degree of congruence perceived between consumers' lifestyle and company CSR activities, was measured by rated agreement with seven items (e.g., “This company's CSR activities are congruent with my interests”) adapted from Jain and Srinivasan (1990). The Cronbach's alpha values for the two constructs were 0.89 and 0.84, respectively, which provided scale reliability. Consumer perception of CSR activities was operationalized as the degree of consumer perception of a company's support of a social cause's activity. For this construct, six items were incorporated (e.g., “This company allocates some of their resources to philanthropic activities”) based on Maignan (2001) and Lichtenstein et al. (2004).

The Cronbach's alpha value for this construct was 0.91, showing scale reliability. C–C (consumer–company) identification was conceptualized as the degree of consumers' psychological attachment to a company based on a substantial overlap between their perceptions of themselves and their perceptions of the company. For this construct, researchers incorporated five items (e.g., “If someone criticized this company, I would feel embarrassed”) based on a scale from Mael and Ashforth (1992).

Finally, to assess consumer loyalty, four items (e.g., repurchase and recommendation intention) were employed based on Chaudhuri and Holbrook (2001) and Oliver (1999). The Cronbach's alpha values for the two constructs were 0.90 and 0.91, respectively, which once more provided scale reliability.

3.3. Measurement validity

Following the two-stage approach of model validation (Anderson and Gerbing, 1988), measurement validity of each construct appearing in the structural model was tested prior to estimating and

testing the hypothesized structural paths. Convergent validity was observed when the path coefficients from latent constructs to their corresponding manifest indicators were statistically significant (i.e., $t > 2.0$). To investigate the convergent validity of the scales, the researchers performed a confirmatory factor analysis (CFA) using AMOS 5.0. The results are shown in Table 1. All items loaded significantly on their

corresponding latent construct. According to Fornell and Larcker (1981), in order to obtain discriminant validity across all possible pairs of constructs, the average variance extracted (AVE) should exceed .50. The constructs from this study satisfied that criterion, thereby providing evidence of discriminant validity; see Table 1.

Table 1: Results of the confirmatory factor analysis

Construct	Estimates	T-value	AVE	CR
Consumers' lifestyle fit 1	.72	–	0.54	0.89
Consumers' lifestyle fit 2	.56	7.72		
Consumers' lifestyle fit 3	.73	9.91		
Consumers' lifestyle fit 4	.72	9.75		
Consumers' lifestyle fit 5	.69	9.34		
Consumers' lifestyle fit 6	.63	8.46		
Consumers' lifestyle fit 7	.53	7.38		
Consumers' value fit 1	.80	–	0.53	0.85
Consumers' value fit 2	.60	9.32		
Consumers' value fit 3	.50	7.59		
Consumers' value fit 4	.94	16.93		
Consumers' value fit 5	.95	17.09		
Perceived CSR activities 1	.74	–	0.66	0.92
Perceived CSR activities 2	.82	12.31		
Perceived CSR activities 3	.83	12.47		
Perceived CSR activities 4	.87	13.00		
Perceived CSR activities 5	.85	12.78		
Perceived CSR activities 6	.70	10.28		
C–C identification 1	.58	–	0.62	0.89
C–C identification 2	.81	8.72		
C–C identification 3	.79	9.34		
C–C identification 4	.93	9.50		
C–C identification 5	.81	11.68		
Consumer loyalty 1	.84	–	0.64	0.88
Consumer loyalty 2	.82	15.05		
Consumer loyalty 3	.88	16.29		
Consumer loyalty 4	.81	14.13		

The comparative fit index (CFI) and Tucker–Lewis Index (TLI) values were .92 and .91, respectively, which exceeded the .90 standard for model fit (McDonald and Marsh, 1990). The root mean square error of approximation (RMSEA) was .07, which is less than .08, representing a reasonable fit (Brown and Cudeck, 1993). Taken collectively, these indices suggest a good model fit.

3.4. Goodness of fit of the overall model

To examine the structural relationships, the hypothesized model was estimated. Fig. 2 reports the results. The overall fit of the structural model was highly acceptable. The comparative fit index (CFI) and Tucker–Lewis Index (TLI) values were .92 and .91, respectively, which exceeded the .90 standard for

model fit. Also, the root mean square error of approximation (RMSEA) was .07, representing a reasonable fit.

3.5. Hypothesis testing

Hypotheses were tested using structural equation modeling estimation. As the estimated results provided in Fig. 2 show, all the hypotheses were supported ($p < .05$), as detailed below.

H1 posits the impact of consumers' lifestyle fit on their perception of CSR activities. The results show a significantly positive impact ($\beta = .40$, $t = 4.56$). Thus, when consumers perceive that their lifestyle is congruent with company CSR activities, they see those activities as being genuine and favorable. A company

should therefore consider suitable CSR activities comparable to customer lifestyles.

H2 concerns the impact of consumers' value fit on their perception of CSR activities. The results show a significantly positive impact ($\beta=.16$, $t=2.10$). When consumers perceive that their values are congruent with or relevant to a firm's CSR activities, they see those activities as favorable and positive.

H3, which posits the impact of consumer perception of CSR activities on C–C identification, was also supported ($\beta=.32$, $t=4.23$). The favorable perception of CSR activities increases C–C identification. Thus, when consumers perceive CSR activities positively, they tend to identify their self-concept with their perception of the corporation.

H4 posits the impact of consumer perception of CSR activities on loyalty, which was statistically significant ($\beta=.22$, $t=3.51$). As consumers perceive CSR activities more positively, their loyalty toward the company increases.

Finally, H5 proposes the effect of C–C identification on consumer loyalty. The results support a significant positive relationship between them ($\beta=.63$, $t=8.75$). Thus, higher degrees of identification with a company increase consumer loyalty.

4. Discussion and implications

The study here examines how the perceived fit between a consumer and a company's CSR activities influences consumers' loyalty through the mediating variables of their perception of those activities and C–C identification. The empirical results support the hypotheses based on the suggested theoretical framework in Fig. 1. Regardless of the huge investments companies make in CSR activities, the preliminary study shows that consumers seldom perceive these efforts as satisfactory. Therefore, research should figure out not only how to draw consumers' attention toward CSR activities, but also how to make consumers positively perceive them. In other words, perceived consumer fit evidently becomes an important variable in consumer perception of CSR activities, while favorable perception of CSR activities plays an important role in opinions about C–C identification and consumer loyalty. This research offers both theoretical and managerial implications for CSR activities. First, most studies have considered only corporate points of view, with little or no empirical research focused on perceived consumer fit. However, these results support the argument that companies should also consider consumer-oriented CSR activities because consumers perceive such activities favorably when they think they relate to their values and lifestyles.

These findings can help companies develop their own CSR activity programs and achieve a competitive advantage. Knowing more about consumers' values and lifestyles can increase the capability and effectiveness of CSR programs. Understanding target consumers' values and lifestyles in advance will allow marketers to establish customized strategies through the development of CSR activities.

Hence, consumers can consider motives as altruistic and perceive the activities more positively when a company engages in them in line with their values and lifestyles. This research also focuses on subsequent effects arising from consumer perceptions of CSR activities. Existing research proposes that the relationship between company and CSR activities has a direct influence on consumer choice and evaluation. In the real world, however, thinking about a variable that mediates their relationship is necessary. The mediated variable at issue here—namely, consumer perception of CSR activities—connects those activities to C–C identification and, eventually, consumer loyalty.

In addition, these findings show that consumer perception of CSR activities has a positive influence on C–C identification and loyalty. This confirms the value of acquiring both of those qualities, building on earlier literature which explores the positive impacts of enhanced corporate image on brand trust and other important outcomes (Moon, 2007). These studies suggest that CSR activities have an important role in relationship management between consumers and companies.

Firms can establish a positive corporate image in order to create competitive differentiation in the marketplace. Finally, this research leads to recommendations for detailing plans for CSR activities. Companies can generate synergy from social and economic values through clear and accurate directions for CSR activities. By establishing thoughtful CSR activities, a company can build long-term and continuous relationships with consumers, thereby guides its long-term profit and value creation.

4.1. Limitations and further research

Despite the theoretical and managerial implications of this research, the current study has limitations and some key opportunities remain in need of further research. First, the consumer attribution process, which infers a company's intention toward CSR activities, can be an important variable to determine attitudes toward the company. Therefore, future research may need to investigate how consumers go through attribution processes regarding CSR activities. Second, the study incorporates a convenience sample of females, primarily within the age group of 20 to 25 years old. While the female represents a primary shopper across most categories,

these hypotheses need testing with a diverse set of samples in the future.

Finally, variables such as knowledge, expertise, familiarity, and experience affect information processing when consumers purchase certain products and services. These variables play important roles in product/service evaluation. Future studies should develop a more comprehensive framework of how these variables moderate the relationship between consumer perception of CSR activities and consumer loyalty.

In today's dynamic global marketplace, companies constantly seek opportunities to enhance their connections with consumers. Firms identify and build these connections on many levels: brand, category, and retail levels, to name a few. Corporate social responsibility initiatives provide a unique opportunity to connect companies and consumers in a meaningful way, building on the values and lifestyles of interest to consumers. This study explores an important pathway by which CSR activities can be effective: namely, that loyalty can be enhanced when a strategic fit between a firm's activities and the values and lifestyles of consumers is present.

References

- Aaker DA., (1996). Measuring brand equity across products and markets. *Calif Manage Rev* 38(3):102–20.
- Aaker DA, Keller KL., (1990). Consumer evaluations of brand extensions. *J Mark* 54(1): 27–41.
- Ajzen I., (1985). From intentions to actions: a theory of planned behavior. In: Kuhl J, Beckman J, editors. *Action-control: from cognition to behavior*. Heidelberg: Springer. p. 11–39.
- Anderson JC, Gerbing DW., (1988). Structural equation modeling in practice: a review and recommended two-step approach. *Psychol Bull*;103(3):411–23.
- Bainbridge J., (2001). Brand fit is crucial to the success of cause related ties. *Marketing*, 3:21–5.
- BaroneMJ,Miyazaki AD, TaylorKA., (2000). The influences of cause-relatedmarketing on consumer choice: does one good turn deserve another? *J Acad Mark Sci*, 28(2):248–62.
- Basil DZ, Weber D., (2006). Values motivation and concern for appearances: the effect of personality traits on responses to corporate social responsibility. *Int J Nonprofit Volunt Sect Mark*, 11(1):61–72.
- Becker-Olsen KL, Cudmore BA, Hill RP., (2006). The impact of perceived corporate social responsibility on consumer behavior. *J Bus Res*,59(1):46–53.
- Bergami M, Bagozzi RP., (2000). Self-categorization and commitment as distinct aspects of social identity in the organization: conceptualization, measurement, and relation to antecedents and consequences. *Br J Soc Psychol*, 39(4):555–77.
- Bhattacharya CB, Sen S., (2003). Consumer–company identification: a framework for understanding consumers' relationships with companies. *J Mark*, 67(2):76–88.
- Bhattacharya CB, Rao H, Glynn MA., (1995). Understanding the bond of identification: an investigation of its correlates among arm museum members. *JMark*, 59(4):46–57.
- Bridges S, Keller KL, Sood S., (2000). Communication strategies for brand extensions: enhancing perceived fit by establishing explanatory links. *J Advert*, 29(4):1–11.
- Broniarczyk SM, Alba JW., (1994). The importance of the brand in brand extension. *J Mark*, 31(2):214–28.
- Brown M, Cudeck R., (1993). Alternative ways of assessing model fit. In: Bollen K, Long J, editors. *Testing structural equation models*. CA: Sage, p. 136–62.
- Brown TJ, Dacin PA., (1997). The company and the product: corporate associations and consumer product responses. *J Mark.*, 61(1):68–84.
- Brunso K, Grunert K., (1998). Cross-cultural similarities and differences in shopping for food. *J Bus Res*, 42(2):145–50.
- Bueble E., (2008). *Corporate social responsibility: CSR communication as an instrument to consumer–relationship marketing*. München: GRIN Verlag.
- Carroll AB., (1979). A three-dimensional conceptual model of corporate performance. *Acad Manage Rev*, 4(4):497–505.
- Carroll AB., (1991). The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Bus Horiz*, 34:39–48.
- Chaudhuri A, Holbrook MB., (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *J Mark*, 65(2):81–93.
- Dacin PA, Brown TJ., (2002). Corporate identify and corporate associations: a framework for future research. *Corp Reputation Rev*. 5(2/3):254–63.
- Darley WK, Lim JS., (1992) The effect of consumers' emotional reactions on behavioral intention: the moderating role of personal relevance and self-monitoring. *Psychol Mark*, 9(4):329–46.
- Davis K, Blomstrom RL., (1975). *Business and society: environment and responsibility*. NY: McGraw-Hill.
- De Young R., (1986). Encouraging environmentally appropriate behavior: the role of intrinsic motivation. *J Environ Syst*, 15(4):281–92.
- Du S, Bhattacharya CB, Sen S., (2007). Reaping relational reward from corporate social responsibility: the role of competitive positioning. *Int J Res Mark*, 24(3):224–41.
- Dutton JE, Dukerich JM, Harquail CV., (1994). Organizational images and member identification. *Adm Sci Q*, 39(2):239–63.
- Forehand MR, Grier S., (2003). When is honesty the best policy? The effect of stated company intent on consumer skepticism. *J Consum Psychol*, 13(3):349–56.
- Fornell C, Larcker DF., (1998). Evaluating structural equation models with unobservable variables and measurement error. *J Mark Res*. 18(1):39–50.
- Fraj E, Martinez E., (2006). Environmental values and lifestyles as determining factors of ecological consumer behaviour: an empirical analysis. *J Consum Mark*. 23(3): 133–44.
- Garcia M, Crespo AH, Rodriguez I., (2005). Influence of corporate social responsibility on loyalty and valuation of services. *J Bus Ethics*. 61(4):369–85.
- Gonzalez AM, Bello L., (2002). The construct “lifestyle” in market segmentation: the behavior of tourist consumers. *Eur J Mark.*, 36(1/2):51–85.
- Goodpaster KE., (1991). Business ethics and stakeholder analysis. *Bus Ethics Q*. 1(1):53–73.
- Gray R. (2000). Developing a tight fit is crucial to CRM. *Marketing*; 4:37–9.
- Griffin J, Mahon J., (1997). The corporate social performance and corporate financial performance debate. *Bus Soc* 1997;36(1):5–31.
- Hamlin RP., (2004). The impact of cause branding on consumer reactions to products: does product/cause “fit” really matter? *J Mark Manage*;20(7/8):663–81.
- Harrison J, Freeman R., (1999). Stakeholders, social responsibility, and performance: empirical evidence and theoretical perspectives. *Acad Manage J*;42(5):479–85.
- Hemphill TA. (1997). Legislating corporate social responsibility. *Bus Horiz* ;40(2):53–9.
- Honkanen P, Olsen SO, Myrland Ø., (2004). Preference-based segmentation: a study of meal preferences among Norwegian teenagers. *J Consum Behav*, 3(3):235–50.
- Jain KM, Srinivasan N., (1990). An empirical assessment of multiple operationalizations of involvement. *Adv Consum Res*, 17(1):594–601.
- Jang, H.Y., (2008). The effects on CRM performance and relationship quality of successful elements in the establishment

- of customer relationship management: focused on marketing approach, 18(4):119–155.
- Johar GV, Pham MT., (1999). Relatedness, prominence, and constructive sponsor identification. *J Mark Res*, 36(3):299–312.
- Jones JP., (1997). The case against CCETSW. *Issues Soc Work Educ*, 17(1):53–64.
- Kahle LR. (1996). Social values and consumer behaviour: research from the list of values. In: Seligman C, Olson JM, Zanna MP, editors. *The psychology of values: the Ontario Symposium*, vol. 8. NJ: Lawrence Erlbaum Associates, p. 135–51.
- Kim JH, Jia YX., (2005). Assessing the perspective of individual consumers on cosmetics brand purchasing according to their lifestyle of young consumers living in the metropolitan areas of China. *J Glob Acad Mark Sci*, 15(3):1–30.
- Klein J, Dawar N., (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis. *Int J Res Mark*, 21(3):203–17.
- Koo DM., (2000). The effects of personality variables and values on pro-environmental product purchase and recycling behavior. *J Glob Acad Mark Sci*, 5:171–204.
- Lamsa AM, Vehkaperä M, Puttonen T, Pesonen HL., (2008). Effects of business education on women and men students' attitudes on corporate responsibility in society. *J Bus Ethics*, 82(1):45–58.
- Lee EM, Park SY, Pae JH., (2008). The effect of the perceived fit between corporate and CSR activities on corporate credibility and consumer loyalty: the mediating roles of consumer perception of CSR activities. *Proceedings of the 2nd World Business Ethics Conference*. Hong Kong: HKBU.
- Lichtenstein DR, Drumwright ME, Braig BM., (2004). The effects of corporate social responsibility on customer donations to corporate-supported nonprofits. *J Mark*, 68(4):16–32.
- Loken B, John DR., (1993). Diluting brand beliefs: when do brand extensions have a negative impact? *J Mark*, 57(3):71–84.
- Mael F, Ashforth BE., (1992). Alumni and their alma mater: a partial test of the reformulated model of organizational identification. *J Organ Behav*, 13(2):103–23.
- Maignan I., (2001). Consumers' perceptions of corporate social responsibilities: a cross-cultural comparison. *J Bus Ethics*, 30(1):57–72.
- Maignan I, Ferrell OC., (2001). Corporate citizenship as a mark instrument: concepts, evidence, and research directions. *Eur J Mark*, 35(3/4):457–84.
- Maignan I, Ferrell OC, Hult GT., (1999). Corporate citizenship: cultural antecedents and business benefits. *J Acad Mark Sci*, 27(4):455–69.
- Marin L, Ruiz S., (2007). “I need you too!”: corporate identity attractiveness for consumer and the role of social responsibility. *J Bus Ethics*, 71(3):245–60.
- Marin L, Ruiz S, Rubio A., (2009). The role of identity salience in the effects of corporate social responsibility on consumer behavior. *J Bus Ethics*, 84(3):65–78.
- Mayton II DM, Ball-Rokeach SJ, Logers WE., (1994). Human values and social issues: an introduction. *J Soc Issues*, 50(4):1–8.
- McDonald R, Marsh HW., (1990). Choosing a multivariate model: noncentrality and goodness of fit. *Psychol Bull*, 107(2):247–55.
- McSweeney FK, Bierley C., (1984). Recent developments in classical conditioning. *J Consum Res*, 11(2):619–31.
- McWilliams A, Siegel D., (2001). Corporate social responsibility: a theory of the firm perspective. *Acad Manage Rev*, 26(1):117–27.
- Menon S, Kahn BE., (2003). Corporate sponsorships of philanthropic activities: when do they impact perception of sponsor brand? *J Consum Psychol*, 13(3):316–27.
- Moon J., (2007). Corporate image effects on consumers' evaluation of brand trust and brand affect. *J Glob Acad Mark Sci*, 17(3):21–37.
- Moore RL, Driver BL., (2005). *Introduction to outdoor recreation: providing and managing natural resource based opportunities*. PA: Venture Publishing.
- Oliver RL., (1999). Whence consumer loyalty? *J Mark*, 63(5):33–44.
- Park CW, Milberg S, Lawson R., (1991). Evaluation of brand extensions: the role of product feature similarity and brand concept consistency. *J Consum Res*, 18(2):185–93.
- Pava M, Krausz J., (1996). The association between corporate social responsibility and financial performance: the paradox of social cost. *J Bus Ethics*, 15(3):321–57.
- Porter ME., (1987). From competitive advantage to corporate strategy. *Harv Bus Rev*, 65(3):43–51.
- Ross JK, Patterson LT, Stutts MA., (1992). Consumer perceptions of organizations that use cause related marketing. *J Acad Mark Sci*, 20(1):93–7.
- Rumelt RP., (1974). *Strategy, structure, and economic performance*. MA: Harvard University Press.
- Ruth JA, Simonin BL., (2003). “Brought to you by brand A and brand B”: investigation of multiple sponsors' influence on consumers' attitudes toward sponsored events. *J Advert*, 32(3):19–30.
- Sanne C., (2002). Willing consumers—or locked-in? Policies for a sustainable consumption. *Ecol Econ*, 42(1/2):273–87.
- Schwartz SH., (1994). Are there universal aspects in the structure and contents of human values? *J Soc Issues*, 50(4):19–45.
- Sen S, Bhattacharya CB., (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *J Mark Res*, 38(2):225–43.
- Shafer W, Morris R, Ketchand A., (2001). Effects of personal values on auditors' ethical decisions. *Acc Audit Account J*, 14(3):254–77.
- Siltaoja ME., (2006). Value priorities as combining core factors between CSR and reputation—a qualitative study. *J Bus Ethics*, 68(1):91–111.
- Simonin B, Ruth JA., (1998). Is a company known by the company it keeps? Assessing the spillover effects of brand alliances on consumer attitudes. *J Mark Res*, 35(1):30–42.
- Singhapakdi A., (1999). Perceived importance of ethics and ethical decisions in marketing. *J Bus Res*, 45(1):89–99.
- Southerton D, Warde A, Hand M., (2004). The limited autonomy of the consumer: implications for sustainable consumption. In: Souderton D, Van Vliet B, Chappells H, editors. *Sustainable consumption: the implications of changing infrastructures of provision*. MA: Edgar Elgar, p. 32–48.
- Spaargaren G, van Vliet B., (2000). Lifestyles, consumption and the environment: the ecological modernisation of domestic consumption. In: Mol APJ, Sonnefeld DA, editors. *Ecological modernisation around the world: perspectives and critical debates*. London: Frank Cass Publishers, p. 50–76.
- Stern PC, Dietz T, Abel T, Guagnano GA, Kalof L. (1999). A value belief norm theory of support for social movements: the case of environmental concern. *Hum Ecol Rev*, 6: 81–97.
- Suh MS, Kim YK., (2002). The study about influencing factors on members' identification in online community. *J Glob Acad Mark Sci*, 9:111–37.
- Sureshchandar GS, Rajendran C, Anantharaman RN., (2002). The relationship between service quality and customer satisfaction—a factor specific approach. *J Serv Mark*, 16(4):363–79.
- Till BD, Nowak LL., (2000). Toward effective use of cause-related marketing alliances. *J Prod Brand Manage*, 9(7):472–84.
- Turban DB, Greening DW., (1997). Corporate social performance and organizational attractiveness to prospective employees. *Acad Manage J*, 40(3):658–72.
- Varadarajan PR, Menon A., (1988). Cause-related marketing: a coalignment of marketing strategy and corporate philanthropy. *J Mark*, 52(3):58–74.
- Vyncke Patrick (2002). Lifestyle segmentation: from attitudes, interests and opinions, to values, aesthetic styles, life visions and media preferences. *Eur J Commun*, 17(4):445–64.
- Waddock S, Smith N., (2000). Corporate social responsibility audits: doing well by doing good. *Sloan Manage Rev*, 41(2):75–83.