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The mediating role of consumer-company identification on the link between corporate social responsibility and consumer loyalty; A South African perspective

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing

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ABSTRACT

As Corporate Social Responsibility (CSR) increases in relevance and more firms engage in these activities with the aim to build consumer loyalty, this research report used the Relational Competence Theory to investigate the effect of CSR on the development of social bonds between businesses and consumers via Consumer-Company (C-C) identification to cultivate consumer loyalty intentions. The aim of the study was to contribute to a knowledge gap regarding the causal processes linking CSR to consumer loyalty as an outcome, with emphasis on the mediating role of C-C identification. The research objectives of the study were to determine the influence of CSR on consumer loyalty, the effect of CSR on C-C identification and the mediating role of C-C identification on CSR and customer loyalty relationship. The concepts central to the conceptual framework that was developed for the study through reviewing existing literature include CSR, CSR credibility, C-C Identification, trust, and consumer loyalty. These concepts informed the data collection tool employed in a correlational and cross-sectional research study to collect quantitative data from 233 respondents in a self-administered online questionnaire consisting of close-ended questions. The population parameters for the study sample included South African adults aged eighteen and above living in Johannesburg and the convenient sampling method was employed to recruit participants that were conveniently available given time and resource limitations. The data was analysed using EFA, CFA and SEM in R software to provide findings used to address the research problem and research questions. CSR was found to have a non-significant impact on loyalty while CSR credibility was found to positively influence CC-Identification which influences loyalty. Trust was found to be the cornerstone to building loyalty.

Keywords: Corporate Social Responsibility (CSR), CSR credibility, CSR image, Consumer-Company (C-C) identification, trust, consumer loyalty

DECLARATION

I, Hopolang Mothibeli, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Hopolang Pinkie Maria Mothibeli

Signed at Johannesburg, South Africa

On the 30th day of August 2022

DEDICATION

This thesis is dedicated to my daughter, who lights up my life and gives me a sense of purpose.

ACKNOWLEDGEMENTS

A special thank you goes to my supervisor, Dr. Emmanuel Quaye, for his patience and for always believing in me.

I would also like to acknowledge my selfless mother for her unconditional love and support.

I am most appreciative to God for His everlasting grace.

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CHAPTER ONE – INTRODUCTION

1.1 Context of the Study

Today's market is characterised by an environment saturated with firms offering similar products and experiences, as well as consumers who are confronted with making choices between these products (Klopper & North, 2015). As a result, companies face the challenge of breaking through the clutter by differentiating themselves from their competitors to make it into consumers' consideration set and ultimately be the preferred brand during purchasing decisions (Klopper & North, 2015).

More than ever, companies are tasked with building meaningful relationships with consumers to stay relevant. One way that companies seek to achieve this is through engaging in Corporate Social Responsibility (CSR) initiatives. The concept of CSR refers to the belief that businesses have responsibilities to the wider community or society that extend beyond just their responsibilities to the investors or shareholders within a company (Visser, Matten, Pohl & Tolhurst, 2010). Corporate Social Responsibility practices are believed to reflect the brand values that resonate with society. Through these values, businesses can derive a return in the form of a competitive advantage as a differentiation strategy. Within this context, companies strategically manage their resources to meet society's needs while leveraging the prospects associated with CSR practices for the company's benefit (Carroll & Shabana, 2010).

Success is achieved when consumers have a positive perception and therefore support CSR initiatives as these initiatives can enhance the image of the brand and act as acquisition and retention strategies by influencing consumers' purchase decisions (Boubaker & Nguyen, 2015; Fig, 2007). A brand image speaks to the brand's perception in the mind of the consumer and points to the links and unique associations with the brand (Keller, 2008).

The study was interested in the perception that consumer-resonant values are critical to a brand's survival and result in meaningful, gratifying connections established on mutual trust between the company and its consumers when practised consistently over time. Therefore, the study focused on the influence of CSR on consumer loyalty, paying attention to the mediating role that Consumer-Company (C-C) identification played on the effect of CSR on consumer loyalty. According to Bhattacharya & Sen (2003), C-C identification refers to the state whereby consumers identify with companies that fulfil their core needs. Thus, loyalty is characterised by brand relationships in terms of attitudinal attachment, a sense of community as well as active engagement and interaction with the brand or product (Keller, 2008).

1.2 Rationale of the Study

CSR has grown in importance and significance globally in the current socially conscious market environment (Du, Bhattacharya & Sen, 2010). It has come to be a subject of considerable debate and commentary within the academic space as well as in the corporate environment, with more companies investing resources in CSR activities (Hur, Kim & Woo, 2014). A report compiled by AGB Nielsen Media Research shows that in the last five years, companies in South Africa (SA) invested 988 million in 2017, 1 billion in 2018 and 2019, 1.5 billion in 2020, and 1.3 billion in 2021 towards advertising and raising awareness of social responsibility and welfare initiatives. This means that the advertising investment towards raising awareness of the social responsibility and welfare category grew from 2.54% of total advertising spend in 2017 to 2.66% in 2018 to 4.11% in 2020 (see appendix 1).

According to Aguinis and Glavas (2012), 23 articles on the subject were published in the 1970s; however, this number declined to 16 in the 1980s and was followed by a significant growth between 1990 to 2005, which shows the number to have doubled. Moreover, since 2005, 43% of CSR articles are reported to have been published.

In SA, CSR is part of the national government's broader commitment to address the legacy of apartheid, which persists and is reflected in mass poverty, unemployment, and financial inequality (Fig, 2007). As documented in recent studies based on the Gini index estimates from the World Bank, SA has the most unequal income distribution "Inequality index: where are the world's most unequal countries?" 2017). In this context, CSR practices seek to uplift society and create an environment where businesses can operate. However, cases of corruption in the public and private sector, malpractices, and financial crises have fueled interest in social governance concerns, thus putting pressure on businesses to behave responsibly over recent years (Fig, 2007). In May 2018, the SA president Cyril Ramaphosa announced in parliament that he would donate half of his salary to charity (Reporter, 2018).

Furthermore, CSR is a relevant subject matter given the culture of ‘Ubuntu’ that prevails in SA. Ubuntu signifies the spirit of togetherness and can be translated to mean ‘I am because you are’. This culture prioritises neighbourly behaviour where citizens are part of a community. Therefore, the assumption is that CSR practices are capable of engendering company favouring perceptions and behaviours driven by CSR-related motivations in line with assertions by Sen, Du & Bhattacharya (2016).

According to Du et al. (2010), findings from research and the market suggest that stakeholders, including consumers, are likely to choose to affiliate with companies that exhibit good corporate citizenship over those that do not. According to findings, this association with socially responsible products manifests itself over time in the form of loyalty intentions (Du et al, 2010). Thus, consumers are said to care about the well-being of others, including their children, and want their interactions with different companies to reflect their values hence the need to be linked with companies with good reputations (Hur et al, 2014).

The growth and significance of CSR has been coupled with growth in research on whether companies can do well by being good and, ultimately, what the business community stands to gain from engaging in CSR initiatives. Studies have been conducted to determine if companies can perform better financially and lead to long-term shareholder value by meeting their business objectives while also addressing their obligations towards the broader community. The majority of earlier studies have focused on the impact of CSR on financial performance, how to measure it, how engaing in CSR can create value for all individuals with an interest in the firms emplying such activities, and the overall outcomes of CSR practices (Sen, Du & Bhattacharya, 2016).

A study by Aguinis and Glavas (2012) shows that a confined number of studies have explored comprehending the link between CSR and non-financial outcomes such as consumer behavioural loyalty. This is an area that the report focused on so that it would be able to contribute to the current gap that has been idetified in existing literature. The report also focused on an under-researched area of mediating factors in CSR-outcome relationships. Aguinis and Glavas (2012) state that only 7% of the studies in 17 journals explored mediators of CSR and outcome relationships. Mediators are variables that assist in understanding the causal processes that link CSR to an outcome. Therefore, this means that earlier research has concentrated on the success of CSR outcomes while overlooking the relationship among outcomes and the causal processes (Hur et al., 2014). To address the limited research exploring mediators of CSR and outcomes, the study highlited the mediating role C-C identification plays in creating perceptions related to CSR and how the identification influences consumer loyalty.

Moreover, the study by Aguinis and Glavas (2012) found that in a literature search of 588 articles and 17 journals, most articles focused on the organisational level, i.e., 57% and only 4% focusing on the individual level. To add to previous research, the current study assumed an

individual level of analysis, focusing on consumer loyalty as a non-financial outcome of CSR to help advance the body of knowledge.

The study also examined the effects of CSR on consumer loyalty in the South African context to contribute to a research area that has traditionally focused on the effects of CSR in developed countries (Boubaker & Nguyen, 2015).

1.3 Problem Statement

The study seeked to contribute to a knowledge gap regarding the causal processes linking CSR to consumer loyalty as an outcome, with emphasis on the mediating role of C-C identification. This was imperative in the South African context, where CSR is a necessary marketing activity that impacts and requires collaboration between the corporate sector and the broader community. The report focused on the mediating effect of C-C identification, as this relationship is under-researched in the South African context.

Firms need to develop and implement effective customer-centric CSR strategies guided by customer needs. This perspective involves a shifting interest from the firm and toward the customer and thus represents a natural, long-term progression in strategy and success for the firm in the long run. The assumption is that the reverse is also true; CSR strategies that are not supported by the firm's consumers are bound to compromise the relationship between the firm and its consumers, a challenge that the research report aimed to address.

The study therefore, seeked to add to the subject matter (by elucidating the mediating role of C-C identification on the effects of CSR on consumer loyalty) to enhance firms' and marketers' ability to strategically implement appropriate and effective CSR activities that strengthen relationships between themselves and their consumers and ultimately drive consumer loyalty in a South African context. The study leaned on the first marketing principle,

which states that companies need to implement strategies that manage and exploit customer heterogeneity and therefore seek to understand consumers in order to serve their needs optimally (Palmatier & Sridhar, 2017). Through understanding the role C-C identification plays in the link between CSR and consumer loyalty, the study provided a framework on how companies can manage heterogeneity by implementing customer-centric CSR strategies to fulfil their responsibilities to society while also creating value for the shareholders.

Thus, this research report presented the following research questions and objectives:

1.3.1 Research Questions

- What is the influence of CSR on consumer loyalty?
- What is the effect of CSR on C-C identification?
- What is the mediating role of C-C identification on CSR and customer loyalty relationship?

1.3.2 Research Objectives

- To determine the influence of CSR on consumer loyalty
- To determine the effect of CSR on C-C identification
- To determine the mediating role of C-C identification on CSR and customer loyalty relationship

As more companies in South Africa invest in CSR initiatives and invite consumers to participate in their efforts to positively impact society, it was critical to understand how CRS initiatives can be used to increase consumer loyalty by leveraging the C-C identification as a mediating factor. Additionally, it was vital for the study to provide a guideline to companies

seeking to partner with consumers to inform ideal practices to put in place in SA in order to drive loyalty.

1.4 Delimitations of the study

Firstly, the study anticipated applying a criteria in selecting the population and participants for the research in order for the research to be managable. The study limited participation to South Africans living in Johannesburg who were interested in and engaged in CSR activity. Secondly, the study also limited the research to selected CSR initiatives by retail firms within the restaurant category. These retail outlets had to have CSR initiatives running at the time of conducting the research. Thirdly, it is important to note that the study did not take how long the CSR initiatives had been running into account and did not edevour to critigue the CSR mechanism for the involved retail firms nor participants perception of the mechanism applied. Lastly, the study did not compare the results of the research with finding from other CSR initiatives from other retail organisations.

1.5 Definition of terms

Relational Competence Theory (RCT):

According to Hermes, Behne, Bich, Theiler and Rakoczy (2016). Relational Competence Theory (RCT) argues that individuals can improve relationships by assessing relational attitudes and values, resulting in the establishment and maintenance of positive relationships.

Corporate Social Responsibility (CSR):

Carroll and Shabana (2010) described CSR as a commitment by corporate companies to improve the community's well-being through corporate resource contributions and business practices.

CSR Credibility:

A study by Pérez and Del Bosque (2015) defines CSR credibility as an interaction based dimension that accounts for communities'(recipients) judgement of the respective CSR programmes that needs to lead to a sense of belief in the message (CSR initiatives) as well as the business.

Consumer-Company (C-C) Identification:

C-C Identification refers to social bonds formed between consumers and businesses as a result of consumers' ability to relate to companies' identity, and consequently assists them fulfil their own valuable self-definitional needs (Deng & Xu, 2017).

Trust:

According to Hardin (2006), trust refers to the ability of one to believe in another based on their capability to perform an expected task and argued that three components are critical for trust to develop; a trusted to give trust, a trustee to accept trust, and a risk at stake.

Consumer Loyalty:

Nguyen, Leclerc and BLeBlanc (2013) defined consumer loyalty as the behaviour of repeatedly purchasing the same brand and propose that a conscientious assessment of available brands guides purchasing behaviour.

1.6 Assumptions of the study

The assuptions of the study that need to be noted include that the participants had sufficient comprehension of the concpets of the study. Secondly, the study accepted 233 responses to be sufficient to confirm or disprove the presented hypothesis. Lastly the study also assumed that particopants were truthful intheir responces.

CHAPTER TWO – LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter was to gain knowledge and understanding of existing research relating to how businesses can engage in CSR as part of broader differentiation strategies with the goal of building long lasting meaningful relationships with their customers. Given the growth of CSR in importance and significance globally, the study seeked to understand its relevance and significance in the South African context. Through reviewing existing literature, the study explored the link between CSR and consumer behavioural loyalty with focus on the mediating role of C-C identification.

The end goal was to identify existing literature in this area and identify areas for further research to enable the study to hypothesise and address the research questions presented herein. Furthermore, based on the evaluation of current literature, the study intended to establish a conceptual framework to guide the testing of the hypothesis which would in turn inform the basis for the discussion of the research findings leading to the formulation of an outline for firms and marketers who seek to employ CSR to cultivate consumer loyalty intensions.

2.2 Relational Competency Theory

Understanding how consumer-resonant values are critical to a brand's survival and result in meaningful, gratifying connections between businesses and consumers when practised consistently over time was central to the study. The study therefore highlighted the need for firms to build lasting relationships with consumers through CSR practices that enhance attitudes and values to build positive relationships and loyalty intentions. Central to the study was the narrative around the need for relevance and resonance based on social bonds, which is key to the Relational Competence Theory (RCT).

Relational Competence Theory argues that individuals can improve relationships by assessing relational attitudes and values, resulting in the establishment and maintenance of positive relationships (Hermes, Behne, Bich, Theiler & Rakoczy, 2016). The theory attests that social bonds generate the primary motives in human conduct. However, it is important to note that the quality of the social affiliation ranges from one spectrum, e.g., weak or fragile and uncertain, to another, e.g., strong and secure. Thus, the study aimed to determine if CSR initiatives can foster strong social bonds (interpreted via C-C identification) between companies and consumers to drive loyalty as an outcome.

The research report leaned on the Relational Competence Theory to give insight to better understand the motivations that drive individuals to participate in CSR. Klopper (2014) refers to the motivations as the incentives directed to consumers for engaging in CSR. The theory argues that the self-interest is a key motivator when engaging in CSR while also highlighting the need for business to ensure that individual values and those of the businesses align. The formation of long-term relationships that yield sustained consumer involvement in CSR emanate because of aligning values rather than an isolated act of service (Clary & Snyder, 2002). The alignment of the values between companies and consumers also affords consumers the opportunity to be invested in such initiatives as they simultaneously serve their own personal interests and have their own intrinsic psychological needs met through the engagement (Kim, Lee, Lee & Kim, 2010; Pajo & Lee, 2010). Hemingway and Maclagan (2004) go on to argue that CSR practices need to be developed strategically in line with personal values. According to McShane and Cunningham (2012), a successful partnership between businesses and consumers results in consumers becoming ambassadors for the organisational CSR with strong organisational citizenship due to the strong social bonds created through the alignment of values.

In line with McCallum, Schmid and Price (2013), the study focused on investigating the impact of CSR on brand loyalty as a performance indicator and highlighting the importance of building strong social bonds reflective in C-C identification.

2.3 Corporate Social Responsibility

Carroll and Shabana (2010) described CSR as a commitment by corporate companies to improve the community's well-being through corporate resource contributions and business practices. The definition is in line with the sentiments shared by Saeidi et al. (2015) that CSR refers to corporate governance (policies and practices) that reveal business responsibility for the good of the broader community. According to Ahmad et al. (2021), the primary business objective in CSR is to pursue business growth and profitability while reinforcing relationships with the community by solving societal problems.

Carroll and Shabana (2010) also assert that one way to define CSR is through the identification of four categories of CSR: these include legal, economic, ethical and discretionary or philanthropic responsibilities. The identified categories highlight the motives behind the employment of such for initiatives and also pinpoint the specific types of gains that companies and society stand to gain in their fulfilment. The argument follows that these categories recognize corporate responsibilities and society’s expectations of the corporation. Aguinis and Glavas (2012) provide a concept of corporate governance that emphasizes corporate policies and practices while taking stakeholders' expectations of the firm into account.

Based on the definitions provided in the reviewed literature, the study assumed an understanding of CSR as a practice with several goals. While the primary goal to the business is growth and profitability, it is also clear that solving societal problems or improving the broader community’s wellbeing is equally important. The commitment of businesses to achieve

the latter rests on their commitment and ability to entrench CSR initiatives in ongoing business practices (Vitell, 2015). As such, the study also leaned on the understanding that the level of commitment of business towards CSR reflects their assumed responsibility towards the community. For business to recognise their intended impact to solve societal problems, the report acknowledged that the community needs to be an integral part of such initiatives. Through the involvement of the broader community in CSR, businesses are afforded the chance to get a deep understanding of the ailments suffered by the community and use the insight to implement CSR practices that are relevant to the community. It is also through communities' involvement and active participation in CSR practices that businesses can reinforce relationships with communities and customers.

The study therefore adopted a definition of CRS that considered corporate commitment to improving society's well-being while emphasising stakeholder (consumer) as an important driver of CSR initiatives. Furthermore, the study acknowledged the limitation raised by Vitell (2015) that a scarce number of studies that examine the effects of CSR consider the participation of consumers in CSR initiatives, thus focused attention on the importance of external motivations for businesses to engage in CSR in the next section.

2.2.1 External Motivations of CSR

Aguinis and Glavas (2012) classify predictors of CSR activities and policies into two categories based on the firm's inclination to engage in CSR practices: reactive predictors describe why companies feel compelled to engage in CSR, while proactive predictors describe why firms choose to engage in CSR. In this context, reactive predictors include external motivations that coerce a firm to engage in CSR, usually in response to happenings in its environment. In contrast, the proactive predictors refer to the internal motivations for companies to partake in CSR activities, which are derived from the firm's genuine intentions

to strategically focus on acting in ways that contribute positively to environmental and societal well-being.

The study was concerned with external motivations, i.e., the reactive predictors and the role of external influences in shaping these motives. This was consistent with Aguilera et al. (2007) assertions that stakeholders have motives that coerce firms to engage in CSR, which must be considered during decision-making processes. This is further supported by Vashchenko (2017) study, which highlighted the need for contextualising CSR. According to Welford, Chan and Man (2008), CSR has to be understood in the context of demands from external stakeholders, including consumers. Vitell (2015) further emphasised that it may be difficult for CSR initiatives to succeed without consumers' assistance, thus affirming the critical role they play in the success of such initiatives. Therefore, it is imperative to understand the context, as the environment in which companies operate, as well as consumers' and ultimately their expectations of CSR activities, are constantly changing. The dynamic characteristic of the environment and consumers sets CSR as a moving target that needs to be understood in the context of the environment and consumers in order to be impactful and gain support from consumers. Porter and Kramer (2011) further add that external demands have to be continuously monitored to inform decisions related to CSR.

Thus, the research report adopted the classic portrayal of stakeholders as people who have an impact on and can be impacted by the achievement of an organisation's core objectives, including government institutions, suppliers, consumers, competitors, professional associations, etc. (Friedman & Miles, 2006). The current study focuses on consumers as they are categorised as stakeholders with significant bargaining power within the market. Consumers' power within the market is demonstrated by their freedom of choice regarding products to purchase, firms to support, and their preparedness to pay a premium price for desired products (Vashchenko, 2017). Aguilera et al. (2007) theorised that consumers' motives

to coerce firms to engage in CSR include self-driven motives (also referred to as instrumental motives), motives based on a concern for societal relationships (also known as rational motives) and motives driven by consumers' apprehension regarding ethical standards and moral principles (also known as moral motives).

The study adopted the definition of consumers as significant stakeholders who have the power to coerce and thus influence decision-making regarding CSR practices. In light of the positive link between organisational CSR actions and consumers' response to a company's products, the aim was to understand consumers' instrumental or self-driven motives that should be considered and thus influence the adoption of CSR strategies and how these motives can drive loyalty for the associated firm. The study drew from the Relational Competence Theory to further solidify the principle that relevance and resonance of CSR programmes occur as a result of the alignment of attitudes and values that enhance positive relationships. The study interpreted the positive social bonds between business and communities as positive C-C identification and was interested in the role of C-C identification in the CSR and customer behavioural loyalty relationship.

The need for the alignment of attitudes and values that enhance positive social bonds was consistent with the literature which suggests that businesses should engage with consumers to ascertain their requirements and expectations in order to make educated judgments when developing CSR policies and programs and, ultimately, lucrative, long-term relationships. The assertion was consistent with claims by Fatma, Khan and Rahman (2018) that stakeholders, including consumers, are more likely to choose to affiliate with companies that display good corporate citizenship over those that do not and that products that are understood to be socially responsible manifests over time into loyalty intentions, thus informing hypothesis one below.

H1: CSR has a positive effect on consumer loyalty.

2.2.2 CSR Credibility

The report leaned on the understanding that for CSR to be received positively by communities and consumers, it needs to be perceived to be credible. According to the Oxford Dictionary (2016), credibility is defined as "the capacity to be believed or believed in". Jackob (2008) submitted that credibility is a multidimensional perception construct that linked to trust. He notes that credibility is a consequence of judgement by recipients of the source and the message thereof. This definition complements a definition by Melican and Dixon (2008) that points to source, message and recipient as the dimensions that are critical to understanding and evaluating credibility.

Rieh and Danielson, (2007) noted credibility as an interdisciplinary phenomenon that involves multiple applied concepts. The definition identifies assessment of available information that leads to judgement about perceived quality and relevance of the information. Rieh and Danielson, (2007) further attributed the quality to be conceptualized based on the user criterion that consists of the evaluation of accuracy, reliability, currency, and comprehensiveness. According to Jackob (2008), credibility refers to the believability of information by receiver who interprets the information based on their perceived trustworthiness and expertise of the information source. Furthermore, Seele and Gatti (2015) highlight the subjective nature of credibility as while one receiver may perceive the same source or piece of information as credible, another may not, thus places emphasis on how different people may judge the same source or information differently.

In reference to CSR, the study adopted a CSR credibility definition that recognises CSR credibility as an interaction based dimension that accounts for the three dimensions and thus highlights that for CSR credibility to be achieved, communities'(recipients) judgement of the

respective CSR programmes needs to lead to a sense of belief in the message (CSR initiatives) as well as the business Pérez and Del Bosque (2015).

Seele and Gatti (2015) warned against credibility gaps that occur because of a misalignment between communities' expectations of businesses and their perceptions of what they do in practice. According to Elving (2012), external stakeholders find CSR not innately credible as they are perceived to be strategic in nature. To this view, Chappell (2012) added that for CSR to be perceived to be credible, it needed to be perceived to be truthful, sincere, appropriate, and understood. The study fell back to draw on the principle of the rational competence theory to argue that for credibility to be achieved, there needs to be an alignment in values between communities and businesses that enhances strong social bonds based on which meaningful relationships can be established and maintained.

Identifying how customers' comprehension of CSR impacted their reactions to the firm's products and services was vital to the current study. To this point, Pérez and Del Bosque (2015) suggested that CSR credibility triggered a positive CSR image which evoked positive emotions and satisfaction, thus positively influencing customer identification with the company. Also, Sallam (2014) argued that when customers centred their attention on the favourable characteristics of a business, they found the brand attractive and displayed that by using favourable Word of Mouth (WOM) communication, which ultimately positively influenced purchase decisions for the company related. This was because a positive brand image occurred as a result of attractive brand perceptions that existed in the consumer's memory.

Therefore, CSR image referred to the insight and understanding of a company's activities and status in relation to its obligations to the society and its stakeholders He and Li (2011). The argument herein was that CSR image informed a brand-cause alliance or

identification, which in turn influenced trust in the company and its products or service, and ultimately determined loyalty. Sallam (2014) defined brand identification as the proportions to which consumers related to the brand's identity and as a result perceived the firm's identity as conjoining with their own. The author further stated that identification was embedded in the social identity theory, which encourages a perception of belonging within a group of people or a company and served to build consumers' self-concept or identities. Therefore, the literature pointed to the importance of identification, thoughts, attitudes, emotions, and feelings generated as informed by the CSR image. This concept is also known as self-image congruency. Homburg, Stierl and Bornemann (2013) described C-C identification as an expressive benefit that arises from comparing personal values with an organisation's values, resulting in a state of self-categorisation. This was consistent with a study by Sallam's (2014), which asserted that identification satisfied the desire for social identity and self-identification. As a result of a value overlap, the study found interest in consumers' psychological attachment to organisations due to their CSR practices. Homburg et al. (2013) further asserted that C-C identification could occur because of several causes, of which CSR has been established as one of the main drivers.

It is important to highlight Vitell's (2015) contribution that C-C identification is not an automatic response but rather an outcome that is achieved if corporate interests are addressed through CSR and consumer interests are aligned. This is because, in exchange for the firm's initiative, it can anticipate the approval and support of consumers. Moreover, Alhouti, Johnson, and Holloway (2016) stated that a firm that acts socially responsibly is not automatically viewed as socially responsible, as there is scepticism that views CSR initiatives as self-interest behaviour, which tends to undermine the success of these campaigns, thus highlighting the importance of credibility and authenticity. According to a study by de Jong and van der Meer (2017), stakeholders' perceptions of CSR are a result of their appreciation for the cause and

their perception of how sincere and credible the firm is thus highlighting the importance of the alignment of attitudes and values between businesses and communities to solidify social bonds as per the relational competence theory. Lombart and Louis (2014) attributed that such a firm can fulfil its promises and attain the performance its consumers expect.

Therefore, the focus for the report was on the role of C-C identification on the CSR and consumer behavioural loyalty relationship, with a focus on how CSR credibility triggers a positive CSR image which facilitates strong bonds (interpreted via C-C identification) to evoke positive emotions and satisfaction, as hypothesised below.

H2: CSR credibility positively influences C-C identification

H3: CSR credibility positively influences Trust

2.4 Consumer-Company Identification

Thus far, the literature has revealed CSR an integral business practice that aims to serve both the business as well as communities alike. To this point, through CSR businesses aim to solve societal problems while also aiming for business growth and profitability. It is therefore equally important for business to implement strategic CSR programmes that are perceived by communities to be credible. The study therefore argues that community involvement in CSR initiatives is imperative as it affords businesses to implement relevant initiatives that communities can resonate with as these also allow the involved communities and customers to fulfil their personal interests. In line with the reviewed literature, the study held the view that CSR practices that are reflective of consumer-resonant values are critical to the survival of brands as they result in meaningful, gratifying connections between businesses and consumers when practised consistently over time. The principle herein was that when the interests, attitudes, and values of the communities and those of the businesses align, then social bonds

are formed that enhance the formation of strong relationships that lead to loyalty intensions. According to the relational competence theory, the social bonds are a key element to building sustainable long term relationships. The study drew from the theory and interpreted the social bonds through C-C identification.

Rafaeli et al. (2012) argue that academic literature supports the idea of a positive correlation between C-C identification and customer loyalty. This was consistent with the claim by Deng and Xu (2017) that strong C-C relationships often occur as a result of consumers' ability to relate to companies identity, and consequently assists them fulfil their own valuable self-definitional needs. Dutton, Dukerich and Harquail (1994) defined customer identification with a company (C-C identification) as a state where consumers connect with and feel a closeness to the firm cognitively as a result of a comparison of the firm's identity and their own. According to Bhattacharya and Sen (2003), when consumers identified with a company, they displayed a personal commitment characterised by a continuous preference for its product or services. A study by Sen et al. (2016) introduced the concept of the social identity of consumer–company identification, which related to consumers' sense of identity-based belonging with a company. The concept suggested that companies' identities (as derived from CSR-based dimensions) are attractive to consumers. Through these dimensions, consumers are able to define and determine a sense of self and identify with the company. The identification, in turn, fostered a sense of support for the company perceived to be socially responsible.

According to Martínez and Rodríguez (2013), C-C identification served as a foundation on which consumer motivations and consumers' ability to relate to companies are established. This occurred when individuals position themselves as members of an organisation by enhancing resemblances with members belonging to the same group and contrasted with individuals who do not belong to the same group. Kreiner and Ashforth (2004) claimed that people can achieve favourable social identities by the acknowledgement of belonging to

organisations. Scott and Lane (2000) further added to the argument that consumers psychologically accepted organisations as part of their identity due to their sense of connections and belonging to the company.

The argument presented by Bhattacharya and Sen (2003) was that loyalty was an inevitable outcome of C-C identification. They argue that consumers who identified with or strongly related to a brand, were more likely to participate in activities that enhance the brand's image and could go as far as protecting the company's reputation, products, and ultimately practice brand loyalty. This was supported by a study by Marin, Ruiz and Rubio (2009), which found a positive correlation between C-C identification and loyalty, which was attributed to the ability of the consumer to develop positive company evaluation. Consumers' support was also closely linked to personal needs and values, particularly when CSR information resonated with issues that stakeholders deemed important or personally relevant.

Based on the literature herein and claims by Fatma, Khan and Rahman (2018), the study proposed that CSR influenced C-C identification, which in turn mediated CSR effects on consumer loyalty, i.e., hypotheses four and five below.

H4: CSR has influences C-C identification

H5: C-C Identification mediates the effects of CSR on consumer loyalty

The literature informed the report's assertion that social bonds are a critical component towards building long-term relationships as informed by the relational competence theory. It further lamented that social bonds between businesses and customers can be interpreted via C-C identification which occurs when consumers relate to a company's identity to a point where they determine a sense of self that results in a sense of belonging with the respective company. The argument herein followed that there is a positive correlation between C-C identification

and customer loyalty as consumers who strongly relate to, connect with, and feel a closeness to the firm due to a positive assessment of the firm's identity and their own, are more likely to be attracted to and participate in activities linked to the firm. In this regard, communities are more likely to support CSR initiatives of businesses that reflect their personal values and thus deem important and relevant thus illuminating the positive mediating role of C-C identification on the CSR and customer loyalty relationship. Futhermore, the study leaned on the understanding that CSR credibility, translated into the believe in the source (firms) and the message (CSR initiatives), was a subset of trust that triggered a positive CSR image which in turn enhanced strong social bonds (interpreted via C-C identification) between businesses and consumers.

2.5 Trust

This section focused on the role of trust in building sustainable long term relationships. Furthermore, the goal of the study was to understand the influence of trust on developing C-C identification which is in turn attested to play a mediating role between CSR and consumer behavioural loyalty.

While Lee and See, (2004) argued that trust is always grounded on at least one quality or characteristic of a trustee, Mayer et al. (1995) identified ability, integrity, and benevolence as the three primary foundations of trust within interpersonal relationships. To this point, Mayer et al. (1995) attributed the degree of trust to be dependent on the qualities on which it is founded. In this phenomenon, ability refers to the capability of the trustee to perform an expected task, while integrity refers to the extent to which the trustee's actions match the values of the truster and benevolence-based trust is dependent on the trustee's actions that match the goals and motivations of the truster.

It is important to note that contrary to the relational competence theory that points to the alliance of values and goals between businesses (trustee) and communities (truster) i.e., trust build on benevolence, Lee and See (2004) go on to place significance of building trust on integrity and benevolence and claims that poor performance alone will not damage trust that is built on these. Lee and See (2004) definition identified affective processing where emotions are the primary determinant of trust, analogic thought processing where societal norms and opinions of others determine trust and analytic process that involves rational evaluations of a trustee's characteristics as the three types of processing. In line with this definition, Engell, Haxby and Todorov (2007) argued that individuals are likely to engage analytic processing when exposed to cognitive resources and information however notes that people are more likely to rely on analogic and affective thought processes when exposure to cognitive resources and information are limited

Hardin (2006) argued that three components are critical for trust to develop; a trusted to give trust, a trustee to accept trust, and a risk at stake. The understanding was in line with the assertion by Jackob (2008) that for CSR credibility is a result of a dynamic process where firms at as a truster while communities assume the role of a trustee with CSR as the message firms look to be accepted and support by the communities. The risk in this instant is decoded as the investment made by the firm towards CSR and the support from the community or consumer's end. Furthermore, central to this phenomenon is that the trustee must have an incentive in the form of self-interest or reward to perform the task. The idea by Lee and See (2004) was that trust is a mental state that is needed when there is an exchanged in a cooperative relationship characterized by uncertainty and vulnerability. Important to note is that during this dynamic process people are exposed to new information, consciously and unconsciously feelings of trust can change with the exposure.

As revealed in a study by Ahmad et al. (2021), while on the one hand the purpose of CSR is to improve societal wellbeing, it is also a strategic initiative that is also mean to serve businesses to improve company performance. Although brand performance related to CSR has predominantly been measured in financial terms, the study was interested in behavioural brand loyalty as a non-financial outcome. This means therefore that for CSR to be regarded as successful it needs to meet the needs of the community it is intended for, thus the involvement, acceptance and buy-in of the community is critical to its success. This is in line with the argument by Seele and Gatti (2015) that states that trust is a critical element in engendering win-win CSR outcomes for both businesses and communities and attributes brand trust to competence and credibility which affirms the research by Pérez and Del Bosque (2015) that argues that CSR credibility is a form of trust. The argument further states that when communities perceive CSR to be credible, they are receptive to the firm's message. To this effect, Chappell (2012) warns CSR practitioners that credibility is a concept that is built through continuous intentional effort and not a once-off campaign. A study by McShane and Cunningham (2012) goes on to claim that communities develop attitudes through using the information available to them to develop a perception of the various dimensions of CSR and ultimately reassess their trust in a firm based on their level of alignment with its CSR practices. This argument shines light on a study by Thielert and Rakoczy (2016) that points to the relational competence theory that laments that social bonds are formed when there is an alignment and resonance in values. It is the formation of these social bonds that firms rely on to create long term sustainable relationships with communities through CSR to cultivate behavioural brand loyalty intentions. A study by Lee and See (2004) points to several factors that may lead to trust including positive prior experience with the firm, recommendations and acknowledges the importance of social bonds based on alliance in values between communities

and firms because the readiness of consumers to trust in firms and their CSR initiatives is based on expected positive reciprocal efforts that allow them to serve their self-interest.

According to Delgado and Munuera (2005), trust is relevant to various fields of research including interpersonal relations and business relations. The narrative is that the degree of confidence individuals and communities to interact in these relationships defines their level of trust. This means that the level of consumers' trust is closely married to their allegiance to the organisation thus brands with high consumer trust are linked to high behavioural and loyalty which lead to larger market share and premium prices in the marketplace. Rauyruen and Miller (2007) add to the narrative by arguing that loyalty is a result of brand trust.

Kang and Hustvedt (2014) argue that developing trust is a significant part of building long-lasting social connections between the company and its consumers. Crosby, Evans and Cowles (1990) defined consumer trust as consumers' confidence that they can depend on a firm to deliver on its promises and uphold their long-term interest. The definition is similar to the one offered by Chaudhuri and Holbrook (2001), who referred to trust as a consumer's confidence that a company will deliver on its promise and serve the interest of the broader community. The argument by Kang and Hustvedt (2014) followed that although consumers' positioning of a company's efforts to be socially favourable indirectly affect their resolve to support by way of purchasing from the company as well as their willingness to extend positive WOM regarding the company, it directly affects consumers' trust and attitudes toward the company. Sichtmann (2007) attributed brand trust to competence and credibility while Servera and Piqueras (2019) claimed that the level of consumer trust is closely married to their allegiance to the organisation.

According to a study by Suna (2013), customer attitudes are dependent on their perception of the various dimensions of CSR, including ethical, legal, philanthropic

dimensions, etc. The author defined trust as the readiness of consumers to expected positive reciprocal efforts from the firm based on prior experience with the firm. Thus, the current study aimed to draw from this definition to illustrate how trust is informed by C-C identification (as a way of developing and maintaining lasting relationships) and how trust, in turn, could influence loyalty with the related firm. This is because consumers may reassess their trust in a firm based on their level of alignment with its CSR practices. As a result, C-C identification is regarded as a critical concept in evaluation, decision-making processes, and consumer loyalty. Consistent with the research by Nguyen, Leclerc and BLeBlanc (2013), the study proposed that consumers develop expectations that align with their own values (based on C-C identification) concerning the firm's CSR practices, which they hold the firm obligated to meet, as previous research underlined the close-knit relationship between some forms of social identity and trust. The report thus leaned on this claim to inform hypotheses six and seven below.

H6: C-C identification has a positive influence on trust

H7. Trust has a positive influence on consumer loyalty

2.6 Consumer Loyalty

Nguyen et al. (2013) defined consumer loyalty as the behaviour of repeatedly purchasing the same brand and propose that a conscientious assessment of available brands guides purchasing behaviour. Their definition also argued that loyalty cannot be measured by buying behaviour alone. Therefore, it must consider other variables such as social norms, situational factors, and psychological dimensions expressed in the form of attitude or preference, which can also influence purchase behaviour.

The study adopted this definition, and it also looks to CSR, C-C identification, and trust as some of the variables that influence purchasing decisions and, ultimately, consumer loyalty.

The understanding was that these variables provide a context within which consumers can make decisions that may favour some brands over others. Perez, de los Salmones and del Bosque (2013) claim that all organisations strive for consumer loyalty, and it is therefore necessary for organisations to engage in activities that will enable them to get consumers' trust. This can be achieved through CSR, which refers to a business's ability to produce and deliver their products while also managing their social obligations. The argument presented by Perez et al. (2013) further supports the argument put forward by the study that CSR influences consumer loyalty as CSR initiatives give insight into organisational values useful in improving C-C identification and building trust in the firm.

According to Smith (2012), consumers' readiness to procure or recommend a product is driven 60% by understanding and knowledge of the company and only 40% by their knowledge of the products. Furthermore, 42% of feelings evoked about a company is a result of their understanding and knowledge of company's CSR activities. However, Martínez and Bosque (2013) asserted that consumers will automatically consider CSR when making purchasing decisions or deciding which firms to support. Du et al. (2010) argued that all things equal, consumers are likely, to favour services they perceive to be from companies who behave in a socially responsible manner. In the longer term, this is reflected in consumers' loyalty intentions, even in business-to-business markets, and behavioural loyalty (e.g., share of wallet).

Moreover, Deng and Xu (2017) identify purchase intention and recommend intention as the consumer responses which demonstrate behavioural loyalty. Consistent with Deng and Xu (2017), Martínez and Rodríguez del Bosque (2013) believe that when consumers become loyal, they make more purchases, are ready to pay a premium price, and recommend more. Thus, the idea by Deng and Xu (2017) supports Lii and Lee (2012) study, which demonstrates that loyalty signifies brand resonance developed by Keller (1993). This is the final stage of customer-based

brand equity which is characterised by a strong and active devotion of consumers towards a brand (Klopper & North (2015).

A study by Lombart and Louis (2014) also defined loyalty as consumers' favourable attitudes towards brands and is expressed by their consumption or patronage behaviour. This definition is consistent with a study by Homburg et al. (2013), which also emphasises a positive effect of C-C identification on customer loyalty because being loyal validates and reinforces the feeling of belongingness.

Furthermore, a study by Nguyen et al. (2013) emphasised that buying behaviour must always be analysed in contexts where consumers are subjected to pressure aimed at modifying their behaviour. This view complements the argument posed by the study that CSR initiatives influence consumers' buying behaviour and must be considered in the analysis of such behaviour. Moreover, the study also highlights the role of C-C identification, which results in trust, in ultimately mediating the CSR effect on consumer loyalty, thus informing the hypothesis below.

H8: C-C identification has a positive influence on customer loyalty

2.7 Conceptual Framework

The study reviewed existing literature to explore the relationship between CSR and consumer behavioural loyalty with focus on the mediating role of C-C identification. The definition of CSR as adopted by the study is in line with a research report by Ahmad et al. (2021) that defines CSR as a concept that involves corporate commitment to improving society's well-being while aiming for business growth. The definition emphasises stakeholder or consumer involvement as an important driver of CSR initiatives. Based on the definition, the study highlighted the need for firms to build lasting relationships with consumers through

CSR practices that enhance attitudes and values to build positive relationships and loyalty intentions. The study also leaned on a report by Fatma, Khan and Rahman (2018) that stakeholders, including consumers, are more likely to choose to affiliate with companies that display good corporate citizenship over those that do not and that products that are understood to be socially responsible manifests over time into loyalty intentions, thus informing hypothesis one; CSR has a positive effect on consumer loyalty.

The study leaned on the understanding that for CSR to be received positively by communities and consumers, it needs to be perceived to be credible which is consistent with a submission by Jackob (2008) that credibility is a multidimensional perception construct that is linked to trust. In reference to CSR, the report adopted a definition of CSR credibility that recognised CSR credibility as an interaction based dimension that accounted for the three components; that for CSR credibility to be achieved, communities' (as recipients) judgement of the respective CSR programmes needs to lead to a sense of belief in the message (CSR initiatives) as well as the business (Pérez & Del Bosque, 2015).

Central to the study is the narrative around the need for relevance and resonance based on social bonds, which is key to the Relational Competence Theory (RCT). According to Hermes, Behne, Bich, Thielert and Rakoczy (2016), RCT argues that individuals can improve relationships by assessing relational attitudes and values, resulting in the establishment and maintenance of positive relationships thus attests that that social bonds serve as primary motives in human conduct. To this point, the study leaned on the RCT to give insight to better understand the motivations that drive individuals to participate in CSR. Kloppers (2014) referred to the motivations as the incentives directed to consumers for engaging in CSR. The theory argues that the self-interest is a key motivator when engaging in CSR while also highlighting the need for business to ensure that individual values and those of the businesses align. The alignment of the values between companies and consumers affords consumers the

opportunity to invest in the initiatives as they simultaneously serve their own personal interests and have their own intrinsic psychological needs that are met through the engagement (Kim, Lee, Lee, & Kim, 2010). In line with McCallum, Schmid and Price (2013), the report focused on investigating the impact of CSR on brand loyalty as a performance indicator and highlighting the importance of building strong social bonds reflective in C-C identification and proposed that CSR influences C-C identification. This is in line with a study by Sallam (2014) that defines brand identification as the proportions to which consumers relate to the brand's identity and as a result perceive the firm's identity as conjoining with their own. The study aligned with this definition and leaned on a study by Homburg, Stierl and Bornemann (2013) that described C-C identification as an expressive benefit that arises from comparing personal values with an organisation's values, resulting in a state of self-categorisation. It is important to note however that C-C identification is not an automatic response of CSR but rather an outcome that is achieved if corporate interests are addressed through CSR and consumer interests are aligned (Vitell's, 2015). To this effect, de Jong and van der Meer (2017) submit that stakeholders' perceptions of CSR are a result of their appreciation for the cause and their perception of how sincere and credible the firm is thus highlighting the importance of the alignment of attitudes and values between businesses and communities to solidify social bonds as per the relational competence theory. Based on this review the study proposed its second hypothesis that CSR credibility positively influences C-C identification, and that CSR credibility positively influences Trust.

The study also proposed that C-C Identification mediates the effects of CSR on consumer loyalty. This is supported by a study by Marin, Ruiz and Rubio (2009), which found a positive correlation between C-C identification and loyalty, which is attributed to the ability of the consumer to develop positive company evaluation. Consumers' support is also closely linked to personal needs and values, particularly when CSR information resonates with issues

that stakeholders deem important or personally relevant. A report by Sallam (2014) also argued that when customers centre their attention on the favourable characteristics of a business, they find the brand attractive and display that by using favourable Word of Mouth (WOM) communication, which ultimately positively influences purchase decisions for the company related.

The study was interested in consumers' psychological attachment to organisations due to their CSR practices because of the overlap in values. Rafaeli et al. (2012) argue that academic literature supports the idea of a positive correlation between C-C identification and customer loyalty, a concept that is consistent with assertions by Bhattacharya and Sen (2003) that states that when consumers identify with a company, they display a personal commitment characterised by a continuous preference for its product or services. It is based on this literature that the study proposed that C-C identification has a positive influence on customer loyalty as a hypothesis. The argument is that identification fosters a sense of support for the company perceived to be socially responsible. Furthermore, the study proposed that C-C identification has a positive influence on trust on the basis that when the values of the organisation that are demonstrated in their CSR initiatives and align with the values of the consumers, an affiliation is formed that enhance consumers' trust in the CSR initiative.

The literature revealed that trust plays a critical role in building long term relationships. The argument is supported by Seele and Gatti (2015) that states that trust is a critical element in engendering win-win CSR outcomes for both businesses and communities and a study by Rauyruen and Miller (2007) that claims that loyalty is a result of brand trust. It is based on this argument that the report proposed that trust has a positive influence on consumer loyalty. To this point the study is consistent with Piqueras (2019) claims that the level of consumer trust is closely married to their allegiance to the organisation, thus brands with high consumer trust are

linked to high behavioural and loyalty which leads to larger market share and premium prices in the marketplace.

The study established the conceptual framework below to guide the testing of the hypothesis presented.

A theoretical model of the mediating role of consumer-company identification on the link between corporate social responsibility and consumer loyalty

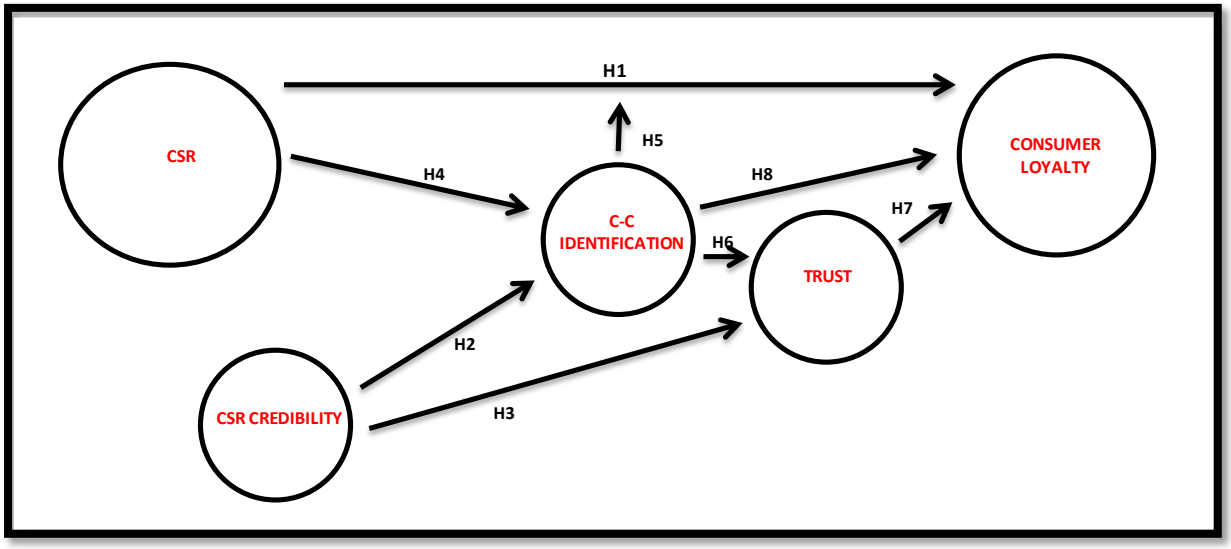


Figure 1: Representation of the mediating role of consumer-company identification on the link between corporate social responsibility and consumer loyalty

2.8 Conclusion

The study adopted a definition of CSR that includes corporate commitment to improving society's well-being while emphasising the importance of stakeholders' (consumer) expectations as a critical driver of CSR initiatives. The view of CSR was therefore mindful of both the internal and external motivations of CSR, although priority is placed on the external factors that influence why firms feel compelled to engage in CSR. Therefore, the argument involved stakeholders' motives that coerce firms to engage in CSR and asserted that these

motives need to be considered in decision-making processes relating to the implementation of CRS practices. The study emphasised the need to understand the location and context of CSR strategies implementation considering the demands from external stakeholders, i.e., consumers, as consumers have significant bargaining power. Through a thorough understanding of consumers' self-driven motives, firms will better understand how these motives can drive loyalty. The argument is put forward because when consumers identify with a company, they display a personal commitment that is characterised by a continuous preference for the firm's products and services.

The understanding is that companies' identities (as derived from CSR dimensions) can be attractive to consumers, as they may be able to define a sense of self and identity with the company (C-C identification), which ultimately results in the positive evaluation of the related firm. Moreover, when a customer identifies with a company, they develop trust in the company to deliver on its promise and serve the community's interest. As informed by the literature herein, the study asserted that consumers are more likely to interact with and like products they perceive to be socially responsible, which is reflected in long-term loyalty intentions.

CHAPTER THREE - RESEARCH METHODOLOGY

3.1 Introduction

The goal of the chapter was to identify, critically evaluate and select appropriate research philosophies, designs, strategies, and techniques for the research report. The process of identifying and selecting suitable procedures and techniques was important to ensure the study employed the appropriate techniques to collect the required data and to analyse the data to address the presented research questions and objectives. Furthermore, with the carefully selected techniques, the study aimed to ensure the overall validity and reliability of the study. The researcher would also focus on the population that the study intended to study and draw conclusions about as well as define the subset of the population that the study would collect the data from.

3.2 Research Philosophy

The goal of the study was to understand the relationship between CSR and customer loyalty, with a focus on the mediating role of C-C identification on the relationship. As informed by the literature and the conceptual framework, the report hypothesised that CSR has a positive effect on consumer loyalty and that C-C identification plays a mediating role between CSR and consumer loyalty. The argument herein is that consumers discern and make judgements on the credibility of the CSR. A positive judgement of the CSR initiatives results in consumers developing trust in the initiatives and firms related thus developing long lasting relationships with loyalty intentions. It is important to note the argument that sustainable, long term relationships are formed when the values of the firm that are presented through the CSR activities align with the values of the consumers which results in a psychological attachment to the firm. The psychological attachment manifests into social bonds between the firm and

consumers and is interpreted by the study via C-C identification. Given this interpretation, the study leaned on pragmatism as the appropriate theoretical framework. Unlike positivism and interpretivism, pragmatism concedes the possibility of multiple realities since there are varying ways to explain phenomena and various ways to undertake research (Kumar, 2014). With pragmatism, research questions are the key driver in determining the philosophy because there is no single truth to understand the world, the philosophy can therefore combine positivism and interpretivism in a research study to address the research question (Kumar, 2014). Positivism places emphasis on understanding the world and attaining knowledge through facts and observation. The philosophy also highlights that the collection and analysis of data needs to be carried out in an objective way where the research findings are characterised as observable and quantifiable (Kumar, 2014). Positivism was ruled out by the study as the concepts identified by the report (e.g., CSR credibility, trust, C-C identification) were subjective, not observable, and not quantifiable. Moreover, positivism is ideal for studies that aimed at explaining and predicting phenomena which did not fit the aim of the study i.e., understand the influence of CSR on consumer loyalty and the mediating role of C-C identification on CSR and consumer loyalty. The study needed to rely on consumers' subjective interpretation of the firm CSR, CSR credibility and trust. Moreover, it was critical for the study to understand the consumers' subjective feeling towards businesses and related CSR initiatives to interpret C-C identification and the development of consumer loyalty which contradicted the premise for positivism.

Although interpretivism integrates human interest of a subjective nature and shared meanings into a study, it was ruled out as a philosophy for the study as it relies on qualitative research method while the current research would rely on quantitative research to collect data for a large population with limited time and resources (Kumar, 2014).

3.3 Research Approach and Design

Through pragmatism, the study employed a deductive research approach with the goal to test an existing theory (Visocky O'Grady & Visocky O'Grady, 2009). With the deductive approach, the study presented existing theories related to CSR and consumer loyalty and presented hypothesis for testing. The study aimed at collecting and analysing data to inform the acceptance or rejection of the hypothesis presented. The alternative, Inductive research, is employed in studies that have no theory to test because of having limited or no literature (Bell & Bryman, 2014).

In line with the deductive research approach, the study reviewed existing literature to magnify the research problem. To this effect, the study pointed to the need to study the influence of CSR on consumer loyalty as a non-financial outcome as previous studies had focused on the influence of CSR on financial outcomes. Moreover, the report aimed to investigate the influence of CSR on consumer loyalty in the South African context to devise a framework on how marketers can strategically employ CSR to build sustainable relationships with consumers to cultivate consumer loyalty intentions in South Africa. This is because studies available to this effect were not specific to the South African context. Lastly, the study needed to explore the mediating role of C-C identification on the influence of CSR and consumer loyalty as limited studies had focused on mediating roles on CSR and consumer loyalty relationship. Based, on the research problem, the data was collected and analysed to test the hypothesis to accept or reject the hypothesis in line with the findings. The study's objective was therefore to generate a hypothesis from existing theories and collect data to test the hypothesis, a process known as deductive research (Bell & Bryman, 2014).

Due to the nature of the research problem and research questions, the study conducted descriptive research which is used to describe characteristics of a population or phenomenon

being studied (duPlooy, 2009). Descriptive research design was in line with the goal of the study to describe the influence of CSR on consumer loyalty and to investigate the mediating role of C-C identification on CSR and consumer loyalty. Furthermore, the research design does not aim to answer questions about how, when, and why the characteristics occurred, which complements the goal of the study.

Consequently, the study followed a correlational study which is a study that attempts to determine if a relationship exists between two or more aspects of a phenomenon (duPlooy, 2009). In this context, the researcher sought to determine the correlation between CSR, C-C identification, and loyalty without controlling or manipulating the variables in line with the requirements for a correlational type of study. Furthermore, the study undertook a cross-sectional study to obtain an overall picture. This was suitable for the study due to limited time and financial resources. A cross-sectional study is a type of research that collects and analyses the data collected from representative defined subset of the population at one given point (duPlooy, 2009). The disadvantage associated with the cross-sectional approach is that the researcher cannot measure change as measuring change would require two studies at two points in time on the same population (duPlooy, 2009). Although a longitudinal study could have afforded the researcher an opportunity to study the defined subset of the population repeatedly over a period to document changes in the population studied, the study employed a cross-sectional study due to time constraints. The data for the study had to be collected within a limited period of two months before it was analysed, and findings were presented.

The study therefore assumed a combination of descriptive and correlational methods with the objective of identifying behaviours rather than determining causality. The study also aimed at determining the existence of a relationship between the variables (Locke, Silverman, & Spirduso, 2010).

3.4 Research Strategy

The study identified quantitative research approach as the best approach to employ for the study. This is due to the view that quantitative research approach complements deductive research designs where the goal is to test hypothesis by focusing on quantifying the collection and analysis of data (Bezuidenhout, 2014). Quantitative research was appealing to the study as it involved the collection and analysis of numerical data to uncover patterns and test relationships between concepts (Bezuidenhout, 2014). The quantitative or structured approach assisted the researcher in testing the existence of a relationship between the variables (CSR, C-C identification, trust, and consumer loyalty) and the mediating effect of C-C identification on the relationship between CSR and consumer loyalty. Moreover, conducting a quantitative study allowed the study to obtain a representative sample to achieve generalisable results, as the approach was rooted in substantiation based on large sample size (Bell & Bryman, 2014). Through the quantitative method, the study's goal was to quantify the extent of variation in a studied subject by emphasising the measurement of variables and the objectivity of the process (Bell & Bryman, 2014). This way, the study was able to draw generalisable conclusions and inferences that were presented analytically and aggregated to determine the existence and extent of relationships between the identified variables.

The researcher employed questionnaires as the ideal data collection tools to collect primary quantitative data. A questionnaire is defined as a research instrument aimed at collecting data from respondents through a series of questions (Bell & Bryman, 2014). The data was collected during the covid-19 pandemic which resulted in the researcher relying on self-administered online questionnaires for the study. During this time, the South African government had declared a state of emergency in the country with strict social interaction restrictions sunder national lockdown level 5.

The researcher maintained clarity of the questions by presenting short simple questions and avoided hypothetical questions. Furthermore, the self-completed online questionnaire consisted of a series of closed-ended questions which yielded numeric scores from the respondents. In the questionnaire, the researcher avoided biased or leading questions, negative items, and double-barrelled items, i.e., questions that require the subject to respond to two separate ideas with a single answer (duPlooy, 2009). A self-administered questionnaire in an online survey was ideal as it was able to reach a large and diverse number of people. The process was less time-consuming as the survey was easy to develop and distribute through online platforms such as email, WhatsApp, Facebook and Twitter. Moreover, the online survey was able to provide quantifiable answers that were easy to analyse. The questionnaire was pilot tested to test its validity and reliability before the main study was executed.

3.5 Population and Sampling

Through CSR, corporate South Africa drives 22% of non-profit organisations' income, thus making them the biggest funder of non-profits in South Africa, followed by private individuals who contribute 15% of their income (Matthews, 2015). Therefore, corporate companies and private individuals make an impactful contribution in addressing ills in impoverished communities in South Africa.

In addition, studies have revealed that South Africans (particularly the younger generation aged 18 – 24) continue to engage in uplifting communities in need despite the challenging economic times "SA Giving 2017: South Africa's Ubuntu spirit continues to soar" (2017). The study reveals that the most prominent motive was poverty alleviation, with 58% of participants reporting that they donated money to assist poor communities. In the report, participants aged between 18 and 24 make more significant donations than participants over 55. Furthermore, 46% of this age group is said more be likely to participate in volunteering

their time and skills towards CSR activities than those aged 35-44 (34%), 45-54 (28%), and 55 and over (26%) ("SA Giving 2017: South Africa's Ubuntu spirit continues to soar," 2017).

Individual contribution towards CSR that accounts for 15%, and the assertion that South Africans continue to engage in uplifting communities in need despite the challenging economic times, forms the basis of the study to rely on individuals as the unit of analysis. The population parameters for the study sample included all SA adults (both male and female) aged 18 and above living in Johannesburg. The study population comprises SA adults who are perceived to care about CSR and are likely to engage with corporate companies through their CSR strategies. The study aimed to determine their perceptions of CSR and if C-C identification ultimately influences their decisions to remain loyal to a firm and its brands in order to make recommendations of how corporate companies should approach attracting and retaining these customers through CSR initiatives.

The study relied on a convenient sampling method, a non-probability sampling method where the sample is drawn from a group of participants that are conveniently available and could be easily contacted and reached (duPlooy, 2009). This was identified as the appropriate sampling method for the current study, given the limitations of time and resources as well as the social restrictions imposed by the South African government during the Covid 19 pandemic and national lock down level 5. It was also a suitable sampling method as it allowed the study to get many people to participate and thus get a large sample for the study.

Therefore, the goal was to achieve a sample of 200+ South African individuals aged 18+ (both male and female and across all races). The sample was divided into five age groups: 18 – 24, 25-34, 35-44, 45-54, and 55+, as the theory has suggested that results will differ between the different age groups. The study aimed to recruit 200 correspondents to provide a sufficient base for analysis for the five cells of age groups given the current time and resource limitations.

3.6 Research Instrument

The researcher was careful to ensure that the set of questions presented we logical and designed such that they would mine for the information needed in relation to the research problem and research questions. The tool was developed in line with the related literature and variables of the study to measure the testable hypothesis put forward so that the researcher would be able to explain in detail why questions were included in the questionnaire and how the responses would be analysed.

The questionnaire began by thanking participants for taking part in the study before familiarising the participants with the topic i.e. the influence of CSR on consumer loyalty. Furthermore, the researcher informed the participants of the purpose of collecting data for an academic dissertation towards obtaining a master's degree. The researcher assured participants of confidentiality and anonymity and that all data collected would only be used toward the purpose of the study. The questionnaire also highlighted that participation in the study was voluntary, and informed participants of the amount of time it would take to complete the questionnaire before providing an email contact for any inquiries related to the study.

The study set out to apply demographic profiling to carry out descriptive analysis of the data. The demographics included age, gender, level of education, occupation, and income. The study began by determining participants' likelihood to support CSR initiatives with succinct description of CSR to assist the participants with responding to the question presented. The brands and related CSR initiative were presented to the participants who were requested to indicate the CSR initiatives they were familiar with. In addition, the researcher inquired about the participants' attitudes towards the presented CSR programmes using a negative to positive, bad to good, unfavourable to favourable and unattractive to attractive scale.

To compile the questions that supported the collection of data that was relevant to the study, research problem and the research questions presented, the researcher searched published journal articles for studies that attempted to investigate the same constructs to supplement the questionnaire's development for data collection. In this regard, the researcher chose an instrument that fits the study's hypothesis and was also recently developed with accepted scales of measurement. The appropriate measurement scales for the study were nominal, ordinal, and interval scales. Nominal scales involved categorising traits or characteristics using category questions, while with ordinal scales, participants applied a ranking order to a characteristic or trait using ranking questions. Through using the Likert scales, interval scales were imperative to the study as these allowed the researcher to arrange the data in order and show the difference between data values that were meaningful (Saunders et al, 2016). The study also employed an instrument that was widely cited by other authors. However, it is important to note that the instrument was modified to suit the demands of the study.

The constructs for the current study included CSR, CSR credibility, C-C identification, trust, and consumer loyalty. Below is a detailed account of how each construct was measured and the items that were used to measure each construct. The study explored measurement scales from previous research that informed the development of the scale as well as the type of scale that was used to measure each construct.

CSR

Consistent with Hur et al. (2014), CSR was measured using three items that reflect the importance of CSR to the participants. The tool also drew on Martínez et al. (2013) to include participants' two items to measure belief that CSR reflected company values. The study also

used 3 items from Deng and Xu (2017) to evaluate their perception of whether CSR contributes to a firm's distinct identity in a strongly agree to strongly disagree scale.

CSR Credibility

To determine CSR credibility, participants were asked whether they believed the company and the associated CSR initiative had good intentions and were genuinely interested in making a positive impact in society, whether they believed the company was truthful in relaying its achievements, and whether they believed the company was sincere and honest with its customers. The construct also revealed if participants believed the company was transparent and thus had nothing to hide (Rieh & Danielson, 2007).

C-C identification

Deng and Xu (2017) argue for assessing C-C identification through items that assess whether participants believe a firm's CSR initiatives reflect their own values and whether the firm's personality matches their own. The study measured C-C Identification in line with this argument using a very important to not important scale. The tool also used 3 items from Pérez and Bosque (2015) to evaluate whether participants identified with the firm and felt closely linked to the firm because of the employed CSR programmes.

Trust

Following Kang and Hustvedt's (2014) trust measurement items, the level of trust in a firm based on its CSR strategies was measured using six items by Park, Kim and Kwon (2017) to measure participants' belief that the firm was authentic with a genuine interest in its customers. It was also measured through four items informed by Kang and Hustvedt's (2014) which measured whether participants believed in the ability of the firm and its CSR programme to deliver on their promises using a scale that ranged from strongly agree to strongly disagree.

Consumer Loyalty

The evaluation of loyalty was employed using two items informed by Deng and Xu (2017) on participants' rating of a firm as the first choice when buying goods and services while two items were used to measure their likelihood to repeatedly buy goods from the firm and recommend the firm's products to a friend was informed by a study by Kang and Hustvedt (2014). In agreement with Öberseder et al. (2014), loyalty was also measured using three items that explored the participants' willingness to try the firm's new products as a result of identifying with their CSR initiatives using a strongly agree to strongly disagree scale.

3.7 Data Collection

The researcher referenced four businesses that are currently running in SA: Nando's South Africa, Kentucky Fried Chicken (KFC), Woolworths and Spur Corporation. Nando's SA and KFC encourage customer to add extra money in the form of donations to their orders in order to change the lives of impoverished South Africans; Nando's customers can donate one rand through the 'Small Change Big Difference' initiative while KFC customers can donate R2 through the 'Add Hope' initiative and Spur encourages customers to make donations towards 'The Full Tummy Fund' initiative respectively. The Spur Foundation invests in educational development and nutritional programmes for children from disadvantages communities and KFC's Add Hope initiative has been in existence since 2009 and provides meals to over 120 000 children across SA every day, raising just over R492 million for the cause "KFC SA" (2019).

Although Woolworths also calls on consumers to play a part and thus contribute to the broader society, they take on a different approach and mechanism as consumers are not required to make direct monetary contributions but are encouraged to sign up as supporters of initiatives for free and the Woolworths contributes a percentage of the value of consumers'

purchase to the consumers' programme of choice. To date, Woolworths has contributed almost R200 million on behalf of their consumers to more than 10 951 schools, charities and environmental organisations through the MySchool, MyVillage and MyPlanet programme "Woolworths in Schools" (2018).

The data was collected over two months from 223 participants living in Johannesburg South Africa. the questionnaire was distributed on online platforms including email, WhatsApp, Facebook, and Twitter. It is important however to note that the researcher conducted a pilot study before the main study was executed.

The pilot study was conducted at a smaller scale than the main study using a convenient sampling method, a non-probability sampling method that involved collecting data from participants who were available to take part in the study (duPlooy, 2009). The purpose of the pilot study was to test the research process, confirm the variables of interest, minimise errors, and ensure the validity and reliability of the research instrument. The former refers to the degree to which the items accurately represent the factor being measured, indicating that the questions asked for each factor were accurate (Saunders et al, 2016). Validity and reliability measures were crucial to the study as they would assist in maintaining the credibility of the data.

3.8 Data Analysis

The unit of analysis and sample were the same for both the dependent and independent variables. Variables refer to the concepts that will be observed or measured, and the measurement involves studying how a change in one variable will influence another (Saunders, Lewis & Thornhill, 2016). In the current study, CSR is the independent variable (the variable that will impact the dependent variable), and consumer loyalty is the dependent variable, i.e., the outcome being measured based on the presence of the independent variable. C-C

identification played both the role of an independent variable and dependent variable depending on the path being studied in the conceptual framework.

A statistical and primary quantitative analysis was carried out in SPSS. In addition, the study used MPLUS to carry out Explorative Factor Analysis (EFA), Confirmatory Factor Analysis (CFA), and Structural Equation Modelling (SEM). The research ran a multiple regression analysis as multiple independent variables influenced the outcome of a dependent variable. For example, CSR and C-C identification are independent variables that have been identified in the conceptual framework to predict the value of customer loyalty (which is, in this case, a dependent variable).

The researcher conducted data preparation to ensure that correct data was captured and coded accordingly for analysis. This process included checking the data for accuracy, imputing missing data, and labelling the data to develop data structure. The data was then loaded into the software (SPSS) before the analysis began.

Descriptive statistics was employed by the study to describe the characteristics of the variables. This included organising data in a way that made it easy to interpret. In this case, the aim was neither to reach a conclusion nor to test the hypothesis put forward but rather to determine the distribution of the data for each variable as well as compare and analyse variance between groups using cross-tabulation analysis. In the current study, the researcher analysed gender groups to determine variances in relation to the continuous dependent variables, e.g., C-C identification and consumer loyalty, using Independent T-Test. Histograms were also used in the analysis to show frequency distributions.

The researcher conducted an Exploratory Factor Analysis (EFA) to determine the fit of the items and included a scree plot to determine the number of factors necessary to carry out the exploratory factor analysis. The analysis also Confirmatory Factor Analysis (CFA) to

determine whether the scale items adequately measured the constructs of interest, e.g., whether the identified measurement items for C-C identification, trust, and consumer loyalty measure what they are intended to measure. This was assessed through discriminant validity estimation.

Structural Equation Modelling (SEM) was used to test and estimate causal relationships between variables (represented graphically) in the data collected. This technique was suitable as it is a multivariate statistical modelling technique that uses a combination of statistical data and qualitative causal assumptions. The benefits of SEM are that it allows multiple measures to be associated with various latent constructs and allows for a simultaneous combination of multiple latent factors in a model (Saunders et al, 2016). This means the technique is flexible as it can model both independent and dependent variables simultaneously and combine a set of regressions to be analysed using observed variables. Furthermore, SEM allowed for the indirect, mediated, and moderated effects to be integrated into a model.

The current study employed the SEM technique to incorporate the measurement model (CFA) and the structural model (SEM). The CFA was used to assess whether the scale items adequately measured C-C identification, trust, and consumer loyalty on their own as latent variables with their relevant manifest variables as prescribed by the underlying theory and represented in the construct measured. The data was loaded and coded onto Mplus because of its Full Information Maximum Likelihood (FIML) feature, i.e., its ability to handle missing data as well as estimation methods. To modify the model, the researcher experimented by removing and replacing manifest variables to improve the model until the adequate fit was achieved. Once a good fit was achieved (indicated by TLI and CFI values > 0.95, RMSEA values <0.05, and standardised root mean square residual (SRMR) values <0.05), the researcher proceeded to interpret the data. The report documents the standardised model results, including the estimates (i.e., factor loading, which must load above 0.5 to achieve convergent validity), the composite validity, the P-value to relay significance at 0,000, and also confirm the number

of manifest variables that measure each latent variable. In addition, the AVE, which should always be superior to the shared variances, was used to determine if discriminant validity is achieved.

The structural model, on the other hand, combined the latent variables (endogenous and exogenous, e.g., CSR, C-C Identification, trust, and consumer loyalty) where the aim was to conduct a path analysis or correlations to determine the goodness of fit of criteria, i.e., significant pathways within a model. Path analysis determines theorised relations among latent variables using observable indicators believed to be caused by the underlying latent variable (Saunders et al., 2016). The researcher then modified and interpreted the model were necessary to reach credible findings based on which the study makes its recommendations.

3.9 Validity and Reliability

The researcher developed the questionnaire in line with the literature and hypothesis to ensure content validity. Content validity refers to the ability of the research tool to adequately cover the investigative questions (Saunders et al., 2016). The set of questions asked (based on the investigative questions) were also developed such that they accurately measured the construct they are intended to measure, thus covering construct validity by illustrating the synergy between theoretical conceptualisation and the measuring tool (Saunders et al., 2016). In this case, the author of the present study used Exploratory Factor Analysis (EFA) to determine whether all the variables that were measured were related to a latent variable and Confirmatory Factor Analysis (CFA) was used to determine the number of factors required in the data and get a better understanding on the links between the measured variables and the laten variables (Saunders et al., 2016). This was carried out in SPSS.

The validity of the quantitative data was also addressed by accurately representing the population via sampling validity. Through the pilot study, the study also sought to achieve face

validity of the instrument or relevance of the test as it appeared to the test participants. Furthermore, the study used the convergent validity test through SPSS, with standardised factor loadings greater than 0.50 indicating that convergent validity was achieved. Discriminant validity is best ascertained through Fornell and Larcker's (1981) test, which compares the shared variances (i.e., Squared correlations) between each variable with their respective average variance extracted (AVE). The AVEs should always be superior to the shared variances for discriminant validity to be established.

The reliability of a study refers to the extent to which a research technique can consistently generate the same results to ensure trustworthy data (Kumar, 2014). Reliability determines the consistency of the measure and thus whether the questions would produce the same answers if asked repeatedly. To ensure the integrity of the findings, the research employed quantitative research techniques, such as a survey with closed-ended questions accompanied by appropriate measurement scales. The study adopted a positivist view, which guided the quantitative research methods and appropriated statistical analysis of the quantitative data to ensure the integrity of the final conclusions. The study conducted a Construct or Composite Reliability (CR) test through SPSS to measure the degree of internal consistency of items on a scale, with CR values greater than or equal to 0.60 indicating CR is achieved. Furthermore, Cronbach's alpha was used to determine reliability scores where 0.70 or higher with 0.60 were the lowest acceptable threshold.

3.10 Ethical Considerations

The researcher adhered to research principles that informed the choice of philosophies and research techniques employed for the study. To this point, the choice of pragmatism as a philosophy of the study was based on the subjective nature of the topic that required that the research questions determine the philisophy without being limited to analysing observable

behaviours that could be quantified to prove causality or interpretivism that required the collection and analysis of qualitative data. Moreover, the study made an informed choice to carry out a deductive research approach to test the presented hypothesis as informed by the existing literature and theories thereof. The choice to conduct a descriptive and correlational study was based on the goal of the study which was to determine the relatioship between CSR and consumer loyalty as well as the mediating role of C-C identification of the relationship. With the limitation on resources, time and the prevailing social retsriction due to the covid 19 pandemic in mind the resercher employed a cross sectional study to collect data from 223 participants using a self addministered online survey that was distributed via online platforms to all available individuals as per the convinient sampling method. It was also important for the researcher to also ensure that the same principles were adhered to during the collection of data from the defined sample and analsis thereof. As such, The researcher used appropriate research methods, and the data collected was not falsified or distorted the results. No bias influenced the interpretation of the results, i.e., data was collected, captured, and analysed responsibly.

To maitan integrity towards the participants, the researcher obtained ethical clearance to carry out the study and collect the data accordingly from Wits Business School commettee. This was granted on the basis that conducting the reserch did not pose potential harm for the researcher and participants. Secondly, the researcher ensured that participants were familiarised with the topic for the study as well as the purpose of the collecting the data and conducting the study. This was because it was critical for the study to obtain informed consent from the participants. It was important for the researcher to maintain transparency related to the amount of time needed to complete the questionnaire and emphasise voluntary participation, therefore, no incentives were given to any individuals to participate in the study to further ensure that participation was voluntary. Furthermore, no minors were required to participate in the study; to this effect, participants were required to confirm they were adults

over the age of 18 years as a criterion to proceed to participate in the study. The researcher protected participants' identities by keeping their identities anonymous, and all information collected was used only for the purpose of the study. Additionally, all contributions were treated as important and valuable.

3.11 Chapter Summary

The report set out to investigate the influence of CSR on consumerloyalty while highliting the mediating role of C-C identification on the relationship. Due to the subjective nature of the concepts for the study e.g. CSR credibility, trust and C-C identification, the study ruled out positivism as the philosophy for the study and adopted pragmatism. Based on the available research, the researcher developed hypothesis for the study that were to be tested thus informing the adoption of a deductive research approach. Moreover, the study carried out a descriptive and correlational study inline with the goal of the study not to prove causality but to determine the relationshop between CSR, CSR credibility, C-C identification, trust and consumer loyalty.

The study carried out a cross-sectional study to collect relevant quantitative from adults of eighteen years and above with the aim to collect numerical data based on which the study would discover patterns and test the hypothesis presented. A cross sectional study was indentified to be ideal for the study due the limitation of time. Furthermore, the study utilised self-administered online questionnaires to collect data from available participants (as informed by the convinient sampling method) due to the social interaction restrictions that were imposed by the the South African government during the covid 19 pandemic. It is also important to note that the tool was ideal as it allowed the researcher to collect data from 200 participants without physical contact which meant all participants were safe and operating within the laws set by the South African governmaent at the time. Moreover, collecting quantitative data form the

sample meant that the researcher could draw generalisable conclusions from the findings. To this effect, the study aimed at studying the adult population of South Africa and identified the South African adults living in Johannesburg whith an interest and previous engagement in CSR as the sample for the study.

The researcher developed a research instrument to collect the data in line with the reviewed literature. This was to allow the study to collect data that address the research problem, present findings that would test the hypothesis, and answer the presented research questions. Specifically, the research instrument developed consisted of nominal category questions and ordinal scales using the Likert scale related to the constructs of the study which included CSR, CSR credibility, C-C identification, trust, and consumer loyalty. The study also presented a detailed account of how each construct were measured and the items that were used to measure each construct. The research instrument was piloted to a small sample to collect and analyse test data before collecting and analysing data for the main study to promote the validity and reliability of the study.

The researcher took steps to esure the research was conducted in an ethical manner that adhered to ethical principles in research. Ethical clearance was obtained to carry out the study and collect the data accordingly. In addition, participants were familiarised with the topic and the purpose of the study to gain informed consent from the participants while also emphasising that participation in the study was voluntary. No minors were allowed to take part in the study and participants' identities were kept anonymous to protect their identity. Lastly, all information collected was used only for the purpose of the study.

CHAPTER FOUR – RESEARCH FINDINGS

4.1 Descriptive statistics

This section provides demographic information derived from the responses of individual participants.

A total of 223 participants voluntarily participated in this study. Of the participants, 81 (36.5%) were males, while 141 (63.5%) were females. Also, 11 (5%) were in the 18 to 24 age group, 81 (36.5%) in the 25 to 34 age group, 94 (42.3%) in the 35 to 44 age group, 20 (9.0%) in the 45 to 54 age group, while 16 (7.2%) were 55 years and above. This means that the majority of the respondents were in the 35 to 44 age group from the results gathered.

Additionally, participants' educational levels were recorded. From the results obtained, 39 (17.6%) of the participants had matric, 49 (22.1%) had a diploma, 61 (27.5%) had a bachelor's degree, while 73 (32.9%) had a postgraduate degree. The majority of participants were postgraduate degree holders.

From Table 1, it is evident that the majority of participants were employed. Nine (4.1%) of the participants were students, 193 (86.9%) were employed, 12 (5.4%) were retired personnel, and 8 (3.6%) belonged to other occupations.

The income levels of the participants were also analysed. The results revealed that 25 (11.3%) of the participants were in the R0 to R4,999 income category, 17 (7.7%) were in the R5,000 to R9,999 category, 52 (23.4%) were in the R10,000 to R19,999 category, 39 (17.6%) were in the R20,000 to R29,999 category, while 89 (40.1%) were in the R30,000 and above category of income earners. This confirms the earlier results of more than 80% being employed.

Table 1. Descriptive statistics

Sample Demographics		Number	Percentage
Gender	Male	81	36.5
	Female	141	63.5
	Total	222	
Age	18-24	11	5.0
	25-34	81	36.5
	35-44	94	42.3
	45-54	20	9.0
	55+	16	7.2
	Total		
Education	Matric	39	17.6
	Diploma	49	22.1
	Bachelor's degree	61	27.5
	Postgrad	73	32.9
	Total		
Occupation	Student	9	4.1
	Employed	193	86.9
	Retired	12	5.4
	Other	8	3.6
	Total		
Income	0 - R 4,999	25	11.3
	R 5,000 - R 9,999	17	7.7
	R 10,000 - 19,999	52	23.4

	R 20,000 - R 29,999	39	17.6
	R 30,000 +	89	40.1
	Total		

Participants' likelihood to support CSR initiatives was also analysed. The results revealed that more than 75% of participants indicated that they are likely to participate in CSR initiatives of companies who seek support, while more than 70% indicated that they are likely to volunteer their time in support of CSR initiatives of companies who seek support.

	Not likely	Less likely	Neutral	Likely	Highly likely
Likelihood of participation in CSR initiatives	15 (7.0)	19 (8.9)	24 (11.2)	97 (45.3)	59 (27.6)
Likelihood of volunteering time in support of CSR initiatives	19 (8.9)	23 (10.7)	25 (11.7)	91 (42.5)	56 (26.2)

Furthermore, 188 participants were familiar with the KFC's 'The add hope programme', 155 were familiar with Woolworth's 'myschool myvillage myplanet' programme, 36 were familiar with Nando's 'small change big difference' programme, while 11 were familiar with Spur's 'full tummy fund' programme.

4.2 Exploratory Factor Analysis

EFA. R software version 3.6.3 was used to analyse the conceptual model elements and show whether the scale items correlate with their unique factors. The EFA was used to determine the number of items that must be generated for each construct or factor.

To determine the dimensionality of the items, Varimax rotation was used as the method of factor extraction. Five factors were extracted based on 223 observations: CSR with seven indicator variables, credibility with four indicator variables, identification with eight indicator variables, trust with ten indicator variables, and loyalty with four indicator variables.

To indicate sampling adequacy, Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) were used to access the factors. The KMO had a range from zero to one and a value greater than or equal to 0.7 was used as the ideal value. Data with KMO greater than or equal to 0.8 and significant was considered for this research. In addition, factors with eigenvalues greater than one were retained, while factors with eigenvalues less than one were excluded from the analysis.

Table 2 shows that the five latent factors, i.e., CSR, credibility, identification, trust, and loyalty, have items that correlate reasonably well on the respective factors while at the same time discriminating against the other factors. Factor loadings above 0.50 are well above the threshold to satisfy the condition to interpret the structure of the factor solution. Based on this minimum requirement, subsequent analyses were performed using CFA to determine the theorised structure of the scales and latent constructs. The next section presents the CFA solution along with the fit indices.

Table 2: Exploratory Factor Analysis of scale items

	CSR	CRE	CCI	LOY	TRUST
CSR1	0.771				
CSR2	0.861				
CSR3	0.846				
CSR4	0.767				
CSR5	0.707				
CSR6	0.575				
CSR8	0.512				
CRE2		0.637			
CRE3		0.501			
CRE6		0.671			
CRE7		0.539			
CCI2			0.602		
CCI3			0.663		
CCI4			0.641		
CCI5			0.841		
CCI6			0.662		
CCI7			0.755		
CCI8			0.684		
CCI9			0.658		
LOY2				0.510	
LOY4				0.625	
LOY5				0.704	
LOY6				0.839	
TRU1					0.552
TRU2					0.732
TRU3					0.691
TRU4					0.669
TRU5					0.601
TRU6					0.693

TRU7	0.745
TRU8	0.705
TRU9	0.601
TRU10	0.686

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.93
Bartlett's Test of Sphericity	Approx. Chi-Square	8133.484
	df	820
	Sig.	.000

4.3 Measurement and Structural Models Assessment

Structural Equation Modelling was used to estimate the measurement model and structural path models using a full information maximum likelihood model with robust estimation. The R software version 3.6.3 was used for the SEM analysis. Moreover, to evaluate the overall goodness of fit for the model used, the researcher employed the ten model-fit measures which included the ratio of chi-square to degrees-of-freedom, adjusted goodness-of-fit index (AGFI), normalised fit index (NFI) and non-normalised fit index (NNFI). Furthermore, the test included comparative fit index (CFI), relative fit index (RFI), Tucker-Lewis Index (TLI), SRMR, and root mean square error of approximation (RMSEA).

The conventional fit indices recommend a chi-square ratio and degrees of freedom of less than or equal to three. Root mean square error of approximation (RMSEA) and Standardised root mean square residual are acceptable when values are RMSEA < 0.06 and SRMR < 0.08, respectively. Moreover, for CFI, TLI, NFI, NNFI, and RFI, values greater than

0.95 reflect excellent model fitness; however, values greater than 0.90 are considered reasonably good.

Confirmatory Factor Analysis using R software was conducted to test the measurement model and examine the quality of the psychometric properties of all measures used in the study. The CFA on the latent factors produced satisfactory overall fit indices ($\chi 2$ = 315.957, df = 234, $\chi 2$/df = 1.34, RMSEA = 0.04, SRMR = 0.05, CFI = 0.98, TLI = 0.97, GFI = 0.91, NFI = 0.94, NNFI = 0.98, RFI = 0.91, and AGFI = 0.86). Also, factor loadings, t-values, Cronbach's alpha, composite reliability (CRs), and AVEs all show good levels of reliability and convergent validity of the measures. All the values for Cronbach's alpha were above 0.80 while the composite reliability values were above 0.85, demonstrating evidence of strong reliability (see Table 4). In addition, all factor loadings were above 0.60 except two, which shows strong evidence of one-dimensionality and convergent validity. Following Fornell & Larcker's (1981) recommendations, conditions for indicating that discriminant validity is present were satisfied in the measurement model since the square root of all AVEs values are much higher than the correlations of target factors and model variables (see Table 5). Also, AVE values above 0.40 are deemed satisfactory.

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Table 4: Construct Measurement

Constructs/Measurement items	Factor Loadings	Composite reliability	α
CSR			
The company is socially responsible.	0.774	0.91	0.92
The company makes a positive contribution to society	0.795		
The company integrates charitable contributions into its business activities.	0.797		
The company is concerned about improving the well-being of society.	0.874		
This company shows its commitment toward society by improving the welfare of the communities in which it operates	0.828		
This company directs part of its budget to donations to social causes	0.625		
The company participates in environmental concerns, activities, and donations to improve the natural environment.	0.605		
The company behaves responsibly regarding the environment.	0.718		
CREDIBILITY			
The company's CSR programme has good intentions	0.586	0.88	0.88
The company is genuinely interested in corporate giving	0.794		
The company's CSR programme is truthful in their achievements	0.772		
The company's CSR programme is sincere/honest towards its customers	0.831		
The company's CSR programme is relevant to its business	0.654		
The company has nothing to hide	0.708		
The company provides full and accurate information to all its customers.	650		
IDENTIFICATION			
	0.564	0.93	0.93

The company's principle aligns with my values	0.726		
When someone praises the company, it feels like a personal compliment	0.679		
When someone criticizes the company, it feels like a personal insult	0.719		
I am very interested in what others think about the company	0.865		
I strongly identify with the company	0.821		
The company fits my personality			
I feel closely linked to this company	0.818		
I will spread positive information about the company to others and resist negative information	0.839		
I concern myself to know and follow developments about the company.	0.774		
LOYALTY			
I will say positive things about the company to other people	0.825	0.90	0.91
I am likely to suggest the company's products to friends and relatives	0.899		
I will recommend the company to someone who seeks my advice	0.830		
I prefer this company to other companies	0.778		
TRUST			
The company does not pretend to be something it is not.	0.713	0.94	0.94
The company delivers what it promises.	0.780		
The company is interested in its customers	0.744		
I trust the company to be sincere in dealing with consumers	0.821		
The company is an honest brand	0.734		
The company claims are believable	0.799		
Overall, I can confidently rely on the company	0.736		

The company is a company I have good feelings about	0.840
The company is a company that I admire and respect	0.782
The overall reputation of the company is very good	0.847

CFA Fit indices

X^2	df	RMSEA	CFA	TLI	SRMR
720.827	472	0.05	0.97	0.95	0.07

Note: α = Cronbach's alpha for estimating the reliability of scale items.

Table 5 Descriptive statistics, correlations, and discriminant validity

Construct	Mean	SD	CSR	CRE	CC	TRU	LOY
CSR	3.80	0.87	**0.57**				
CRE	3.72	0.79	0.72	**0.52**			
CC	3.11	0.96	0.60	0.59	**0.51**		
TRU	3.85	0.78	0.57	0.62	0.66	**0.61**	
LOY	3.75	0.82	0.48	0.49	0.68	0.76	**0.70**

N = 223; * p < 0.05; ** p < 0.01 (2-tailed test); AVE = Average Variance Extracted (on the diagonal); CSR = Corporate Social Responsibility; CRE = Credibility; CC = Identification; TRU = Trust; LOY = Loyalty

4.4 Structural Path Analysis

4.4.1 Structural model

To scrutinise the structural model, the researcher used an identical set of fit indices. Comparison of all fit indices, with their corresponding recommended values, provided evidence of a good structural model fit (x2/d.f. = 1.53, AGFI = 0.79, NFI = 0.91, NNFI = 0.95, CFI = 0.97, RFI = 0.87, TLI = 0.95, RMSEA = 0.05, SRMR = 0.07). The fit indices show that the data fit the model reasonably well. Thus, the path coefficients of the structural model were

examined afterwards. Properties of the causal paths, including standardized path coefficients, are shown in Figure 1. Besides assessing the goodness-of-fit of the structural model, the feasibility of the model was determined by inspecting the solution. This includes checking the statistical significance of the parameter estimates, standard errors, and test statistics. Hypothesis testing was, therefore, conducted to establish whether the theorised relations between customer loyalty and CSR, trust, and identification are significant. It was also hypothesized to find out the relationship between trust and credibility as well as identification. The relationship between identification and credibility and CSR was also conducted. Rejection of the hypothesis depends on parameter estimates in terms of their magnitude, signs, and statistical significance.

The findings showed that CSR had a negative and statistically non-significant impact on loyalty ($\beta = -0.071$, p-value = 0.241) but statistically significant impact on identification ($\beta = 0.328$, p-value = 0.004). This does not support hypothesis H1 but supports H4.

Also, results indicated that credibility had a positive effect on identification ($\beta = 0.393$, p-value = 0.001) and trust ($\beta = 0.373$, p-value <0.000) confirming hypotheses 2 and 3 that credibility positively influences identification and trust. In addition, CSR did significantly predict identification, which significantly predicted loyalty. Therefore, the overall results support the mediational hypothesis that CSR affects loyalty through effects on identification. Therefore, this supports hypothesis 5. Also, identification had significant and positive relations with trust ($\beta = 0.472$, $p < 0.01$), confirming the hypothesis that identification positively influences trust. This supports H6.

The findings provided evidence that trust had a significant positive effect on customer loyalty (β = 0.632, p-value <0.000), supporting hypothesis H7. There was a positive impact of identification (β = 0.313, p-value <0.000) on customer loyalty, supporting hypothesis H8. Identification and trust have significant positive impacts on customer loyalty. The overall results suggest that credibility affects customer loyalty through identification and trust. Trust exerted a stronger positive direct effect on customer loyalty than identification. The total effect of credibility on trust was 0.56. The total impact of identification on customer loyalty was 0.613. The direct and total effect of trust on customer loyalty was 0.632.

The direct, indirect, and total effects of CSR, identification, credibility, and trust on customer loyalty are summarised in Table 6.

Table 6: Direct, indirect, and total effect of constructs on customer loyalty

	Direct effect			Indirect effect			Total effect		
	Loy	CCI	Trust	Loy	Trust	CCI	Loy	Trust	CCI
CSR	-0.071	0.328		0.20	0.15		0.129	0.15	0.328
CC	0.313		0.472	0.30			0.613	0.472	
Trust	0.632						0.632		
Credibility		0.393	0.373	0.48	0.19		0.48	0.56	0.393

Table 7: Summary of hypothesis testing

	Hypothesized paths	**Estimates**	**t-value**	**Decision**
H1	CSR → LOYALTY	-0.071	-1.174	Not supported
H2	CRE → CCI	0.393	3.379**	Supported
H3	CRE → TRUST	0.373	5.127**	Supported
H4	CSR → CCI	0.328	2.915*	Supported
H5	CSR → CCI →	0.24	2.96**	Supported
H6	CCI → TRUST	0.472	6.169**	Supported

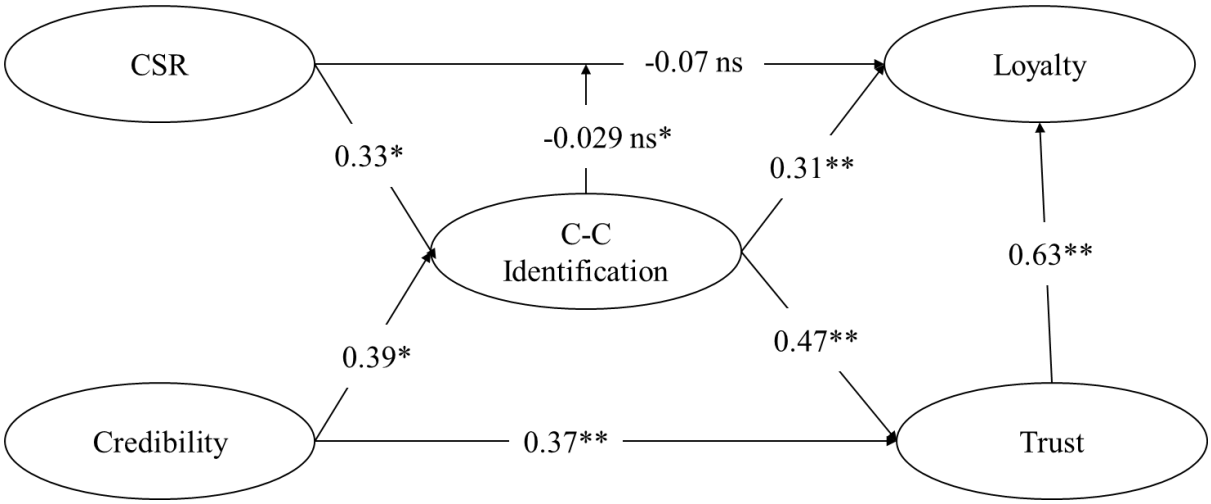
H7	TRUST→ LOYALTY	0.632	7.259**	Supported
H8	CCI → LOYALTY	0.313	4.169**	Supported

Goodness-of-fit measures

χ2	(d. f.)	RMSEA	CFI	TLI	SRMR
724.641	474	0.05	0.97	0.95	0.07

N = 233; † p < 0.10; * p < 0.05; ** p < 0.01 (2-tailed test).

An interaction effect between CSR and identification was introduced to predict customer loyalty. The log-likelihood ratio, AIC and BIC, were applied to determine whether there was a significant loss in fit between the baseline structural model and the interaction model. The log-likelihood, AIC and BIC, for the structural model were -9091.499, 18560.998, and 19204.954, while that for the model with interaction effect were -9091.413, 18562, and 19210.189, respectively. Results indicated that the log-likelihood, AIC and BIC, for the structural model were smaller than the model with the interaction effect. Therefore, it was concluded that the latent interaction of CSR and identification in predicting customer loyalty does not fit the model well.



CHAPTER FIVE – DISCUSSION

5.1 Introduction

While the primary purpose of business is to maximise profits for its owners or stakeholders, businesses seek to achieve this while maintaining corporate social responsibility with the aim of building profitable and long-lasting relationships with consumers as part of a differentiating and ultimately retention strategy. The relevance and importance of CSR are highlighted in the study by Du, Bhattacharya and Sen (2010) and are confirmed by the results of the current study. In this study, more than 75% of the participants indicated that they are likely to participate in the CSR initiatives of companies who seek support, while more than 70% indicated that they are likely to volunteer their time in support of CSR initiatives of companies who seek support. As discussed, the support of CSR in the SA context is motivated on a national level by the government's desire to address the legacy of apartheid on a business level by seeking to achieve financial objectives while doing good for the broader community and on an individual level by individuals concerned about the well-being of others, including their children. As evidenced by the findings, individuals' apparent support for CSR bolsters both the literature and the study's rationale.

In line with studies by Kang and Hustvedt (2014) and Sen, Du and Bhattacharya (2016), the study theorises that stakeholders, including consumers, are more likely to choose to affiliate with companies that display good corporate citizenship. Considering this theory, the study seeks to understand how businesses can do well by being good and ultimately gaining consumer loyalty through CSR initiatives.

5.2 The influence of CSR on consumer loyalty

Contrary to the current study's hypothesis (H1) and a study by Perez, de los Salmones, and del Bosque (2013) that claims that businesses can endeavour to retain clients by gaining their trust and building consumer loyalty through CSR initiatives, the findings of the study show that CSR has a negative and statistically non-significant impact on loyalty. The findings reveal that participation in CSR activities does not automatically lead to loyalty intentions and that loyalty does not occur as a direct result of a company having participated in CSR activities. Although the finding is contrary to Javier, Enrique and Rafael's (2019) claims that CSR associations have a direct, positive influence on brand loyalty, it is in line with a study by Alhouti, Johnson and Holloway (2016) stated that a firm that acts socially responsibly is not automatically viewed as socially responsible, as there is scepticism that views CSR initiatives as self-interest. Not only does this finding disprove hypothesis 1 of the study, but it also serves to provide an answer to the study's research question that CSR does not have a direct influence on consumer loyalty.

To this effect, the study's findings further revealed that although a majority of participants (188) were familiar with the KFC's 'The add hope programme' versus 155 respondents that were familiar with Woolworth's 'myschool myvillage myplanet' programme, the latter programme enjoyed support from the majority of the participants, thus also lamenting that CSR or the awareness thereof, does not have a direct influence on consumer loyalty. Drawing on the Relational Competence theory, the finding attest to differences in the quality of the social bonds that range from one spectrum, e.g., weak or fragile and uncertain, to another, e.g., strong and secure, where strong bonds lead to loyalty intentions while weak relationships would not. Furthermore, these set of findings were supplemental to the importance of causal and mediating factors that could enhance a positive brand image as a result of CSR activities

as proposed by the study. This is consistent with Alhouti, Johnson and Holloway's (2016) findings that a firm that acts socially responsibly is not automatically viewed as socially responsible and draws on scepticism as a factor that has the potential to derail the objective to build a positive brand image through CSR initiatives if such firms are viewed to have self-interest behaviours that are not centred on credibility and authenticity.

In seeking to understand if companies can perform better and lead to long-term shareholder value while also addressing their obligations towards the broader community, the findings of the current study validate the need to focus not only on the success of CSR outcomes but also on mediating factors. Therefore, this means that the findings support previous research by Hur et al. (2014) that points to the detriment of the focus on the success of CSR outcomes while overlooking the relationship among outcomes and the causal processes. The findings confirm that there is a need to draw attention to the relationship among outcomes and the causal processes in order to determine what businesses stand to gain by participating in CSR activities and how businesses need to strategically engage in CSR activities with the intention to gain loyalty from their consumers. Therefore, this means that in line with a study by Sen, Du and Bhattacharya (2016), the findings highlight the importance of uncovering CSR practices that can endear company favouring perceptions and behaviours through CSR-related motivations. Furthermore, the findings accentuate the significance of resolving the research problem of a lack of understanding of causal processes linking CSR to consumer loyalty as an outcome by focusing on the mediating role of C-C identification.

The study's contribution to literature on mediating factors in CSR-outcome relationships by highlighting the mediating role of C-C identification in the creation of perceptions related to CSR and how the identification influences consumer loyalty in line with H4 (CSR has an effect on C-C identification) and H5 (C-C identification mediates the effects of CSR on consumer loyalty). This enabled the study to further extend findings put forward by

Du et al. (2010) that the affiliation with products perceived to be socially responsible manifests over time into loyalty intentions by determining how this can be achieved in the SA context.

5.3 The effect of CSR on C-C identification

While the study's first objective was to determine the influence of CSR on consumer loyalty, the second was to determine the effect of CSR on C-C identification. The study hypothesised that CSR credibility (brought about by sincerity and credibility) positively influences C-C identification (H2) because it determines the extent to which consumers see their own self-image as overlapping with the brand's image. This is consistent with Homburg et al.'s (2013) findings that C-C identification can occur due to CSR.

The social identity theory, which encourages a perception of oneness with a group of people or a company, as presented by Scott and Lane (2000), revealed that consumers psychologically accept organisations as part of their identity as a result of the sense of connections and belonging to the company which is also evident in the current findings. Therefore, both the finding and the literature highlight the significance of the Rational Competence theory that is anchored around building relationships centred around these social bonds. As a result of CSR, consumers gain an expressive benefit that arises from comparing their personal values with an organisation's values, which results in a state of self-categorisation and a cognitive state of consumer connection and closeness to a company.

Consistent with this theory by Alhouti, Johnson and Holloway (2016) and H2 (CSR credibility positively influences C-C identification), the study's findings showed that CSR had a significant impact on identification through CSR credibility. This conforms with Vitell (2015) findings that state that C-C Identification is not an automatic response but rather an outcome that is achieved if corporate interests addressed through CSR and consumer interests are aligned.

In addition, the findings confirm CSR credibility had a positive effect on trust, thus supporting H3 (CSR credibility positively influences Trust). In support of H6 (C-C identification has a positive influence on trust), the study draws on the theory by Martínez and Rodríguez (2013) that C-C identification serves as a foundation on which consumer motivations and consumers' ability to relate to companies are established. To this effect, the findings showed that identification had significant and positive relations with trust. This follows that consumers may reassess their trust in a firm based on the level of their alignment with the firm's CSR practices. Thus, consumers may be unwilling to support CSR initiatives that lack credibility and authenticity, as evidenced by the Rational Competence Theory and the findings that show an insignificant relationship between CSR and consumer loyalty.

5.4 The mediating role of C-C identification on CSR and customer loyalty relationship

Research findings also provided evidence that trust had a significant positive effect on customer loyalty in support of H7, which states that trust positively influences consumer loyalty. The findings support the theory that trust is a significant part of building long-lasting relationships between the company and its consumers. Thus, the findings are in agreement with Kang and Hustvedt's (2014) findings.

The study proposes that C-C identification informs a sense of support for a company perceived to be socially responsible on the basis that when consumers identify with such company, they display a personal commitment that is characterised by a continuous preference for the company's products or services. This is in line with the findings that revealed a positive impact of identification ($\beta = 0.313$, p-value <0.000) on customer loyalty which supports hypothesis H8 (C-C identification has a positive influence on customer loyalty).

Additionally, the findings showed that CSR had a statistically significant impact on identification, confirming that CSR did significantly predict identification in support of H4

(CSR has an effect on C-C Identification). They also showed that identification significantly predicted loyalty, thus confirming H5 (C-C Identification mediates the effects of CSR on consumer loyalty). Therefore, the overall results support the mediational hypothesis that CSR affects loyalty through effects on C-C Identification

Furthermore, the overall results suggest that credibility affects customer loyalty through effects on identification and trust. It was also found that trust exerted a stronger positive direct effect on customer loyalty than identification (stronger significance for H7 compared to H8), while the latent interaction of CSR and identification in predicting customer loyalty does not fit the model. The results lead the study to conclude that CC-identification is significant in mediating CSR and trust, which positively influences consumer loyalty, thus shedding light on the study's objective, which was to determine the mediating role of C-C identification on CSR and customer loyalty relationship.

CHAPTER SIX – CONCLUSION

6.1 Conclusion

The ability of businesses to achieve profitability while maintaining corporate social responsibility was paramount to the current study through understanding whether businesses can build profitable and long-lasting relationships with consumers through CSR. Simply put, the study aimed to determine if businesses can gain consumer loyalty through engaging in CSR initiatives, with a focus on the mediating role of C-C identification in the relationship.

The first deduction for the study is that businesses cannot gain consumer loyalty simply because they engage in CSR activities. The results herein reveal that consumer loyalty has a negative and statistically non-significant impact on loyalty. However, it is important to note that the study has confirmed that CSR has effects on consumer loyalty through effects on C-C identification. Based on the findings, CSR influences C-C Identification, which in turn impacts consumer loyalty.

Therefore, the study concludes that C-C identification plays a mediating role in the relationship between CSR and consumer loyalty. This is because consumers are able to create perceptions based on CSR in relation to their own values. Through the alignment of the firm's values (as reflected in their CSR practices) and their own, consumers gain an expressive benefit, which results in a state of self-categorisation and a cognitive state of consumer connection and closeness to a company. This connection and closeness with the company then translate into loyalty intentions. In understanding the current phenomena, the current study also supposes that C-C identification informs a sense of support for a company perceived to be socially responsible on the basis that when consumers identify with such company, they display a personal commitment that is characterised by a continuous preference for the company's products or services.

Additionally, C-C identification is not an automatic response to CSR but rather an outcome that occurs when corporate and consumer interests are aligned, emphasising the importance of CSR credibility and trust in achieving consumer loyalty as a result of CSR. The deduction from the study is that CSR credibility affects customer loyalty through effects on C-C identification and trust.

Furthermore, trust is a significant part of building long-lasting relationships between the company and its consumers. As seen in the study, there is a stronger significance for the hypothesis that trust has a positive influence on consumer loyalty compared to C-C identification, meaning that trust exerts a stronger positive and direct effect on customer loyalty than C-C identification as a dependent variable. Although C-C Identification influences consumer loyalty, consumers may reassess their trust in a firm based on the level of their alignment with the firm's CSR practices, which is of principal importance to the relationship and current study.

6.2 Contribution of the Study

This study aims to contribute to studies highlighting how CRS initiatives can be employed to drive consumer loyalty by applying C-C identification as a mediating factor. The results from the study will provide a guideline to companies that seek to partner with consumers to inform ideal practices to be put in place in SA in order to drive loyalty. The recommendations will be made consistent with the first marketing principle that asserts that all consumers are different and will, therefore, set to get an understanding of what resonates with the consumers in terms of their self-definitional needs and identification that inform their expectations from the corporate society on CSR related practices.

The study's contribution, which is to provide businesses with a guide on how to build stakeholder value while engaging in CSR, is to highlight the importance of firms to remain true

to their essence and brand identity. This way, their mission and what they stand for will be coherently communicated (both internally and externally) in all they do, including their CSR initiatives. This conforms with Aguinis and Glavas's (2012) assertion that proactive predictors are significant to the success of CSR practices as they convey genuine intentions of the business. It is important to note that the findings and current study are in agreement with Vitell's (2015) findings that it may be difficult for CSR initiatives to succeed without the assistance of consumers, thus affirming the critical role they play in the success of such initiative. However, the study argues that consumers will be more receptive to the initiatives and open to providing their support if they perceive such initiatives to be credible and authentic. The contribution herein is that while it is important for CSR to be understood within its location and context, as asserted by Vashchenko (2017), it is more important to engage in meaningful, authentic initiatives and speak to the brand's ethos.

The study's findings revealed that participation in CSR does not automatically yield loyalty intentions from consumers and that credibility and authenticity are significant factors in the realisation of trust and, ultimately, loyalty. However, the gap then will lie in ensuring that the awareness and education on the CSR initiatives are communicated to the right audience, i.e., audiences that will resonate with the values and find the impact of such practices valuable.

Through research, observations, and community immersions, firms will be able to understand how to effectively engage in segmentation strategies and successfully communicate their CSR engagements with their primary segments through appropriate channels in order to reach their consumers in an impactful way. By staying true to their mission and identity, firms will be able to build credibility. Consistent with the findings and literature, only when consumers resonate with the values expressed by the firm through their CSR initiatives will they identify with the firm and have a sense of belonging to the same family. This is also

anchored in the Rational Competence Theory centred around long-lasting relationships built through the creation of social bonds based on homogenous attitudes and values. Such bonds will enhance C-C Identification, cultivating trust between the firms and consumers and promoting loyalty.

The study also recommends identifying trust as the cornerstone of CSR and loyalty. This is because the findings show that trust plays a mediating role on the relationship between CSR and consumer loyalty and that trust exerted a stronger positive direct effect on customer loyalty than identification (stronger significance for H7 in comparison to H8). This finding aligns with findings by Chaudhuri and Holbrook (2001) that refer to trust as a consumer's belief that a company will deliver on its promise and serve the interest of the broader community. Central to the discussion is that consumers need to trust that businesses are genuine and serve to fulfil their promises to the broader community.

6.3 Limitations of the Study

At this stage, it is important for the study to reflect on its limitations before proceeding to make recommendations and suggestions for future research, as these need to be made in the full context of the current study's limitations.

First, the study conducted deductive correlation research to better understand the relationship between CSR and customer loyalty, with a focus on the mediating role of C-C identification in the relationship. Therefore, although the study attempted to determine the existence of a relationship between the variables, i.e., test the hypothesis, it was unable to determine causality. For example, the results obtained from the study supported hypotheses 2, 3, 4, 5, and 6 but did not confirm cause and effect between the variables. The latter would be possible through experimental research in which the independent variables (CSR, C-C

Identification, and trust) would be manipulated to monitor the impact on the dependent variable (consumer loyalty).

Second, the current research was informed by Rationalism and adopted a quantitative research approach. This method was ideal for the study given its time and resource limitations. The implication is that empiricism would have afforded the study to get more in-depth insights as it would have followed a qualitative research approach. Moreover, the mixed method approach would have allowed the study to collect and analyse both quantitative and qualitative data. The disadvantage would have been that the mixed method would be time-consuming and required more resources.

Furthermore, due to the limited time and resources, the study also employed cross-sectional research that looked at a section of the population to obtain an overall picture as it stood at the time of the study. The limitation is that the researcher was unable to measure change, as measuring change would have required two studies at two points in time on the same population. A longitudinal study would have presented the opportunity to study the same population over time, hence monitoring any changes at an individual level.

A total of 223 responses were collected for analysis; therefore, any generalisations need to be done with caution. This is noted as a limitation that can be improved upon by broadening the sample size. For example, to include all adults 18+ nationally and not only adults in Johannesburg. Furthermore, 36.5% of the responses were from male respondents versus 63.5% from female respondents. The imbalance in the gender responses bears a limitation for the research in carrying out an analysis based on gender and thus the descriptive analysis. A more balanced distribution of responses across the age groups would also benefit the descriptive analysis. For example, despite the literature that the 18 – 24 age group was more open to engaging in CSR, only 5% of the responses were from this age group.

6.4 Recommendations and suggestions for future research

The first recommendation for future research is to conduct a study that focuses on elements that contribute to CSR credibility, such as communication, transparency, reputation, etc., to further contribute to businesses on how credibility can be built. Ideally, the study must not only test the hypothesis or investigate the existence of relationships between the variables but must be experimental to determine cause and effect relationships. In this case, a mixed method approach that allows the study to collect and analyse both qualitative and quantitative data should be used to gain an in-depth understanding of how CSR initiatives influence the variables that build on credibility while also allowing confident generalisations to be made.

The study also recommends a longitudinal study in line with Porter and Kramer's (2011) assertion that CSR and consumers need to be studied on an ongoing basis in order to monitor any related changes to ensure the success of such initiatives. Even more so in the aftermath of the COVID-19 pandemic that had an adverse effect on individuals both locally and globally. This is because of the possibility of shifting perceptions, which could result in changes in the relationships between variables, e.g., variables that have strong and significant effects in building CSR credibility and trust, which translates into loyalty intentions. Future studies should also serve to explore the introduction of other variables during and post-Covid-19.

Having established trust as a cornerstone to building loyalty, the present study recommends future research that is twofold: causal and mediating factors that link trust to CSR, as well as those that link trust to consumer loyalty within a Corporate Social Responsibility context.

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Annexures

Appendix 1 – Social Responsibility & Welfare advertising report

Period From 01/01/2017 to 31/12/2021

Major Category	2017	2018	2019	2020	2021	Total
AUTOMOTIVE	3 039 406 316	3 141 909 967	2 852 287 410	2 183 165 345	2 517 511 327	13 734 280 365
BUSINESS TO BUSINESS & INDUSTRIAL	785 230 629	707 628 982	728 218 627	722 776 642	910 576 640	3 854 431 520
FINANCIAL SERVICES	6 896 938 113	6 802 000 093	7 134 647 130	6 652 789 278	8 482 494 020	35 968 868 634
FMCG - BABY CARE	255 580 497	285 283 442	332 405 141	352 517 648	413 343 746	1 639 130 474
FMCG - BEVERAGES	2 423 725 271	2 433 524 508	2 254 102 604	1 929 793 553	2 694 939 249	11 736 085 185
FMCG - FOOD	1 852 508 079	1 539 406 201	1 628 974 009	1 554 090 559	2 585 315 178	9 160 294 026
FMCG - HEALTH & BEAUTY	4 023 687 133	4 265 148 152	4 779 258 764	4 651 833 227	6 321 635 444	24 041 562 720
FMCG - HOMECARE & HOMEWARE	1 021 987 508	1 061 933 471	1 185 161 796	1 179 405 414	1 738 588 584	6 187 076 773
FMCG - PETS/SHOPS & PET CARE	96 831 761	116 442 279	113 611 631	118 524 231	92 150 547	537 560 449
FMCG - TOBACCO & RELATED	13 818 058	7 865 108	3 967 107	3 431 859	14 957 703	44 039 835
GOVERNMENT EDUCATION & HEALTH	1 197 064 926	1 215 970 088	1 389 514 457	1 527 498 322	1 594 748 502	6 924 796 295
MEDIA ADVERTISING & PROMOTIONS	689 380 484	696 776 687	741 312 085	565 124 334	647 213 310	3 339 806 900
MULTIMEDIA	2 702 224 891	2 742 479 118	2 619 590 763	2 562 807 008	3 889 267 810	14 516 369 590
PROFESSIONAL SERVICES	1 497 133 800	1 428 623 276	1 369 275 485	1 346 682 865	1 597 138 708	7 238 854 134
RETAIL	8 633 752 882	9 553 500 353	9 765 023 461	8 037 240 324	10 239 638 039	46 229 155 059
SMALL DISPLAY ADS	108 321 946	64 615 521	45 545 035	24 676 209	18 613 747	261 772 458
SOCIAL RESPONSIBILITY & WELFARE	988 523 061	1 066 214 238	1 081 120 841	1 521 221 403	1 336 879 758	5 993 959 301
TRAVEL SPORT AND LEISURE	2 674 563 569	2 894 145 902	3 103 460 473	2 048 460 417	2 791 948 528	13 512 578 889
Total	**38 900 678 924**	**40 023 467 386**	**41 127 476 819**	**36 982 038 638**	**47 886 960 840**	**204 920 622 607**

SOCIAL RESPONSIBILITY & WELFARE	2,54%	2,66%	2,63%	4,11%	2,79%	2,93%

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Appendix 2 – Data Collection instrument with measurement scales

CONSTRUCT	DESCRIPTION	SOURCE
Corporate Brand Equity	BA1 - I can recognise this company among other competitors BA2 - I am aware of this company. BA3 - Some characteristics of this company come to my mind quickly. BA4 - The company is concerned about improving the well-being of society. BA5 - It makes sense to buy from this company instead of any other brand, even if they are the same. BA6 - Even if another brand has the same features as this company, I would prefer to buy products from this company I selected. BA7 - If there is another brand as good as this company, I prefer to buy from this company.	Yoo and Donthu (2001)
CSR	CSR1 – The company is a socially responsible CSR2 - The company makes a positive contribution to society CSR3 - The company integrates charitable contributions into its business activities. CSR4 - The company is concerned about improving the well-being of society. CSR5 - This company shows its commitment toward society by improving the welfare of the communities in which it operates CSR6 - This company directs part of its budget to donations to social causes CSR7 - The company participates in environmental concerns, activities, and donations to improve the natural environment. CSR8 - The company behaves responsibly regarding the environment.	(Hur et al., 2014) (Martínez & Rodríguez del Bosque, 2013) (Deng & Xu, 2017)

CSR Credibility	CRE1 - The company's CSR programme has good intentions CRE2 - The company is genuinely interested in corporate giving CRE3 - The company's CSR programme is truthful in their achievements CRE4 - The company's CSR programme sincere/honest towards its customers CRE5 - The company's CSR programme is relevant to its business CRE6 - The company has nothing to hide CRE7 - The company provides full and accurate information to all its customers.	
C-C Identification	CCI1 - The company's principle aligns with my values CCI2 - When someone praises the company, it feels like a personal compliment CCI3 - When someone criticizes the company, it feels like a personal insult CCI4 - I am very interested in what others think about the company CCI5 - I strongly identify with the company CCI6 - The company fits my personality CCI7 - I feel closely linked to this company CCI8 - I will spread positive information about the company to others and resist negative information CCI9 - I concern myself to know and follow developments about the company.	Deng and Xu (2017) (Pérez & Del Bosque, 2015)
Socially Responsible Consumer Perceptions	SCL1 - When I have a choice between 2 equal products, I always purchase the one that is less harmful to the environment. SCL2 - When I am making purchases, I deliberately avoid those products that cause environmental damage. SCL3 - When there is a choice, I always choose the product which contributes to the least amount of pollution.	Buerke, Straatmann, Lin-Hi, and Mu¨ller (2016) Sudbury-Riley and Kohlbacher (2016)

	SCL4 - If I understand the potential damage to the environment that some products can cause, I do not purchase them. SCL5 - I try to purchase products from companies that make donations to charity. SCL6 - I try to avoid buying from companies that are known for bad working conditions for their employees. SCL7 - I do not buy products that use advertising that depicts minority groups in a negative way. SCL8 - I prefer to buy products from companies for which sustainability is more important than short-term profit. SCL9 - If a company treats its customers unfairly, I will prefer to buy from others. SCL10 - When making a purchase, I consider whether the company treats other market participants (e.g., competitors, suppliers) fairly	
Trust	TRU 1 - The company does not pretend to be something it isn't. TRU2 – The company delivers what it promises. TRU3 - The company is interested in its customers TRU4 - I trust the company to be sincere in dealing with consumers TRU5 - The company is an honest brand TRU6 - The company claims are believable TRU7 - Overall, I can confidently rely on the company TRU8 - The company is a company I have good feelings about TRU9 - The company is a company that I admire and respect TRU10 - The overall reputation of the company is very good.	(Kang & Hustvedt, 2014) (Martínez & Rodríguez del Bosque, 2013) (Park, Kim, & Kwon, 2017)
Loyalty	LOY1 - I consider the company my first choice to buy products or services	

	LOY2 - It is very likely that I will buy products from the company LOY3 - I am more willing to try the new products and services launched by this company LOY4 - I will say positive things about the company to other people LOY5 - I am likely to suggest the company's products to friends and relatives LOY6 - I will recommend the company to someone who seeks my advice LOY7 - I prefer this company to other companies	(Deng & Xu, 2017) (Öberseder, Schlegelmilch, Murphy, & Gruber, 2014) (Kang & Hustvedt, 2014)
Salience	SAL1 - I don't normally check to see whether a company has CSR initiatives. SAL 2 - If I don't know that a company has CSR initiatives, I don't bother trying to find out. SAL3 - Knowing whether a company has CSR initiatives is not important to me. SAL4 - Whether a company contributes to the well-being of society makes no difference to me. SAL5 - My purchase decisions are not influenced by CSR initiative of companies.	