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THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CONSUMER LOYALTY

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More firms today are beginning to realise the importance of corporate social responsibility (CSR), and its impact on societal well being, apart from the overall governance of the supply chain processes of every organisation. Ratings are being developed to measure performances of most firms with regard to their CSR efforts besides their financial performance. This rating would then be used to measure each firm's progress in the business world. Many studies have been conducted linking CSR to consumer loyalty. It is found that the higher the CSR rating the stronger the bond would be between these two. Given this scenario, the main objective of this study is to find relevant evidence to link consumer loyalty and CSR initiatives within a company. A case study approach was used to empirically test our research model derived from the literature. Quantitative analysis based on a total of 100 responses from a leading electronics manufacturer in Malaysia was used to address the research objectives. The findings of this study suggest that the higher the practice of CSR the stronger is the consumer loyalty towards a particular firm. The study also shows that by investing in CSR, a firm could achieve a positive outcome in terms of its financial performance. CSR can provide the additional competitive edge to a particular firm. However, the linearity of this relationship warrants more testing and empirical research.

Keywords: corporate social responsibility (CSR) in Malaysia, customer loyalty, brand equity

INTRODUCTION

In the past, financial performance was the major criterion to evaluate a firm's value. Higher ranks were given to firms that provide greater margins financially. Maximisation of shareholders' wealth was, by far, the focal point of profit-driven organisations. In this regard, the emphasis on CSR in the past was not evident. In this decade, however, the perception about CSR has changed significantly (Aasad, 2010). The success of a company is now also being measured by its contribution to society (Pokorny, 1995; Saunders, 2006). Through CSR,

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individualistic and unscrupulous behaviour in business can be prevented (Pakseresht, 2010).

More firms today are beginning to realise the importance of CSR and its impact on societal well being. Ratings are being developed to measure performance of most firms with regard to their CSR efforts besides their financial performance. Such ratings are being carefully monitored by independent watchdogs such as Malaysia Stock Exchange (*Bursa Malaysia*) in the local context (Lim, 2011). To date, some countries have already made it compulsory to include CSR ratings into their corporate report and some are even required to publish their CSR scores to the public. This reaffirms the relevance of CSR to the context of modern day business and management. Many studies have been conducted linking CSR to consumer loyalty. Contemporary review of CSR related literature indicates that well implemented CSR initiatives can improve consumer loyalty (Aasad, 2010; Saunders, 2006; Pakseresht, 2010).

The main objective of this study is to ascertain whether CSR efforts do impact consumer loyalty in a given company. Do CSR initiatives have significant value in helping to attract indirect marketing value for companies? Does CSR help to enhance customer loyalty towards a particular company? These questions motivate this study. A case study approach was used to empirically test our research model which is derived from the literature. A quantitative analysis based on a total of 100 responses from a leading electronics manufacturer in Malaysia was used to address the research objectives in response to the questions put forth earlier.

The paper proceeds as follows. The following section provides an overview of literature pertaining to CSR, customer loyalty, and the relationship between these two concepts. Section three presents the methodology used in this study. Section four discusses the study's findings. The paper ends with our recommendations and limitations of the study in light of the given topic.

LITERATURE REVIEW

In a study conducted by Saunders (2006), it is found that the percentage of consumers who are more likely to recommend a brand that supports a good cause over the one that does not is 52%. Meanwhile 55% of consumers contend that in a recession they will buy from brands that support good causes even if they are not necessarily the cheapest. Companies that have made CSR a central part of their businesses are reaping the benefits in the form of company sustainability, reducing liabilities, and insurance costs, as well as improved brand image (Saunders, 2006). Today, corporations know that CSR is inextricably linked to

their reputation and brand identity (Ahearne, Bhattacharya and Gruen, 2010). The consumers' idea of a company comprise perception in two broad categories, brand performance and brand equity. Brand equity refers to the perception consumers have about a company above and beyond those that are narrowly reflected via product quality and company performance (Pokorny, 1995). Brand performance refers to the contribution of the brand towards the business performance as a whole (Pokorny, 1995). Ahearne, Bhattacharya and Gruen (2010) relate brand performance to tangible and measurable outcomes that a brand possesses with regard to the economic value of a company.

To win loyalty in today's markets, companies have to focus on building and maintaining customer loyalty and CSR has become a useful tool in this regard. However, the relationship between CSR and customer loyalty remains largely unexplored (Liu and Zhou, 2010). CSR might affect the value of a company's brand. Intense competition has in many markets decreased the prospects for differentiation in terms of technology and product/service quality. For this reason, CSR is an important attribute that can enhance a company's image (Ahmad and Jaseem, 2006).

Corporate Social Responsibility

During the industrial revolution a significant portion of the human work force was replaced with machines used in factories. This helped to produce a substantial number of millionaires and corporate figures causing a significant gap between the upper class and working class (Ahmad and Jaseem, 2006). The significant income disparity between the rich (entrepreneurs) and the poor (working class), led to the call for social justice and hence the advent of sound realisation of socially responsible practices (Pokorny 1995; Bergtedt and Nilsson, 2010). In the last twenty years, CSR has become increasingly important to multinational enterprises, with clear links to business case for corporations (Brown and Dacin, 1997; Porter and Kramer, 2011). The major plus point that CSR brings is to ensure that companies are on par with the expectations of their customers (Surricchio, 2009). Baker (2001) stated that CSR is the positive outcome a company provides while it manages its normal business trade. CSR is said to provide a long term commitment to social contribution be it towards the society or for the development of a particular company's workers. In doing so, a company as a whole, can organise its business ethically in order to directly contribute to the betterment of the society as a whole (Soni, 2009; Verhoeff, 2009; Verma, 2010).

Neito (2009) stated that when blended together, CSR and branding strategies can add value to companies in the eyes of both customers and employees. Levine (2008) suggested that due to the importance of CSR some non-governmental

organisations (NGOs) are looking into options to make it legally mandatory for CSR programmes to become part of every corporation's business agenda.

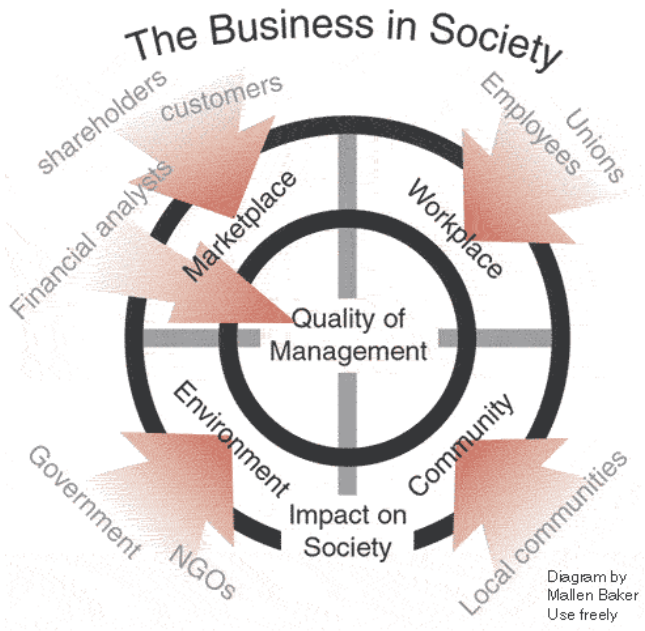

Figure 1: Baker's Model 2001

As shown in Figure 1, Baker (2001) stated that CSR efforts in an organisation can impact society in four main areas namely, the environment, community, workplace and the marketplace. The author further suggested that these four CSR impact areas are tied to the relevant stakeholder groups for the organisation. The main stakeholders that are impacted by the four CSR impact areas are shareholders, employees and unions, local communities, and the government. The author asserts that in terms of business quality, a company (driven by profits) needs to stamp its impact on the marketplace, workplace, environment, and on the community specifically. This is in addition to its traditional focus on financial imperatives. The author further suggested that a company should develop and execute carefully planned CSR initiatives to distinguish itself as a leader in terms of being a responsible business entity, taking all major shareholder dimensions into perspective, rather than solely focusing on the shareholders' maximisation maxim.

Consumer Loyalty

Chaffey (2008) defined consumer loyalty as a desire on the part of the customer to continue to conduct business with a given company over time. Kotler and

Armstrong (2008) uses the idea of repetitive buying patterns of a particular brand as an indication of consumer loyalty. This also includes a verbal promotion of the currently used product or services by the incumbent consumer to others who have yet to try a particular product or service (Kotler and Armstrong, 2008). The author classified purchase behavioural loyalty into three aspects: (1) The hardcore – those who only buy one particular brand; (2) The softcore – those who buy only a couple of brands; and (3) The switchers – those with no loyalty. Kotler's work in this context implies that CSR efforts could convert the "softcore" and "switchers" consumers to the "hardcore" category. Grant (2000) stated that a loyal consumer is seldom discount-oriented. He associated loyalty to recognition and preference towards a particular company or its brands. The author further asserted that consumer loyalty can be enhanced though its societal contributions.

Brand Equity

In the early days, giving away branded articles to customers will get businesses recognised (Buchholtz and Carroll, 2003). Today, corporations know that CSR is linked to their reputation and brand identity (Holding and Pilling, 2006). Manhaimer (2007) stated that customer loyalty is linked to brand equity. Stated differently, this means that there is a possible relationship between CSR and loyalty via brand equity. CSR efforts by a company can enhance its brand equity and thus the overall consumer loyalty.

Smith, Gradojevic and Irwin (2007) asserted that one of the most interesting marketing factors that most private companies were indulging in is in developing brand equity. Pakseresht (2010) argued that now, most companies are distinguished by their brand thus they are evaluated based on how they perform in the eyes of society. This is further substantiated given the fact that technology and web-based intelligent sources assist consumers in verifying indexes about a particular company *vis-a-vis* its social responsibility. Van Heerde, Gupta and Wittink (2003) also suggested that brand equity can impact loyalty and these two factors in turn can be driven by CSR initiatives.

Other researchers such as Balsara (2009) called for making CSR compulsory in relation to a company's overall brand strategy. These authors added that CSR can be used to not only promote a cause, but also help to create unique brand equity for the company. Myers (2003) suggested that customers tend to affiliate themselves with a particular brand based on the value of its brand. Upon such significant relationship with the brand, a company can form a unique identification between the customer and the brand.

The above discussion implies that a possible relationship exists between consumer loyalty, brand equity and CSR initiatives.

Company Identity Attraction

Davis (2008) suggested that companies that associate themselves with consumer attributes do better than companies that identify themselves by their products. Verma (2010) elaborated that companies can distinguish themselves from their competitors through the way that they carry out their business in accordance with their own corporate mission that focuses on consumer loyalty. Melisende (2007) explained that a firm can attract consumers by providing a unique identity. He further asserted that identity attraction can also benefit from CSR ideals. Longinos and Salvador (2007), in this context, argued that corporate performance is associated with CSR initiatives and that CSR ideals can help a company to raise its identity attraction thereby increasing consumer loyalty. In this regard, one could hypothesise that CSR, company identity attraction, and consumer loyalty are related (Pavithira, 2009; Chaffey, 2008; Langford and Smith, 2004).

Consumer-Company Identification

Consumer-company identification (CCI) is often defined as the extent to which a consumer affiliates her/himself to a particular company's business objectives and ideals in general (Davis, 2008; Farfan, 2007). Bhattacharya and Sen (2003) defined CCI as the extent to which consumers are willing to identify themselves and develop significant relationship with a company – leading to consumers becoming champions for the product, service, and what the company represents. CCI is often measured in three ways: (1) The feeling of interest towards supporting a particular company; (2) The affiliation towards the particular company; and (3) The similarity between the other consumers of the particular company (Davis, 2008; Farfan, 2007; Balsara, 2009; Marx, 2011; Melisende, 2007). Perez (2009) related CCI with the way in which a company carries itself during trade and its business goal with the intention of influencing purchasing habit. The author in this context suggested that CSR efforts can impact CCI as CSR efforts can enhance the ability of consumers to identify themselves with a particular product and company. Nevertheless, other researchers asserted only limited studies exist to determine if CCI and CSR relationship does indeed hold true (Marx, 2011; Brown and Dacin 1997; Melisende, 2007). Wu and Chen (2010) also stated that the CCI and CSR relationship in relation to consumer loyalty does not exist. Given rather sporadic viewpoints on this matter, this study aims to examine if the CCI relationship does indeed impact consumer loyalty and if this relationship is induced via CSR ideals.

CONCEPTUAL FRAMEWORK

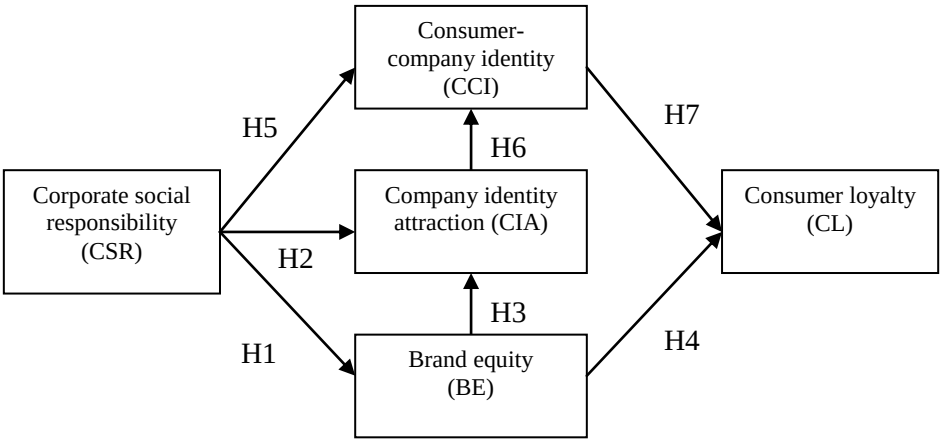

Figure 2: Conceptual framework

Figure 2 highlights the conceptual framework used in this study. The framework is derived from the literature as discussed earlier. The framework consists of five major constructs. The constructs, operational definition, and the sources from which they were derived, are summarised in Table 1.

Table 1: Constructs and operational definition

Construct	Operational definition	Sources
Corporate social responsibility (CSR)	Responsible efforts by a company in its effort to contribute positively towards various stakeholder groups in society	Asaad, 2010 Pakseresht, 2010 Porter and Kramer, 2011
Consumer-company identity (CCI)	Significant and meaningful relationship between consumers and a company that leads them to become champions for the product and/or company	Bhattacharya and Sen (2003) Davis (2008) Farfan (2007) Balsara(2009)
Company identity attraction (CIA)	The ability of a company to create/develop an identity that is unique to the consumers	Davis (2008) Pavithira (2009) Chaffey (2008)
Brand equity (BE)	Value of a brand as perceived by consumers	Balsara (2009)
Consumer loyalty (CL)	Extent to which consumers affiliate themselves to a company, resulting into repeat purchase behaviour	Kotler and Armstrong (2008) Chaffey (2008)

The research framework suggests that CSR efforts, when implemented well can impact:

1. CCI (Bhattacharya and Sen, 2003; Davis, 2008; Farfan, 2007; Balsara 2009)
2. CIA (Davis, 2008; Pavithira, 2009; Chaffey, 2008)
3. BE (Balsara, 2009)

The framework further suggests that CCI, CIA and BE can impact consumer loyalty as suggested by researchers such as Chaffey (2008) and Kotler and Armstrong (2008). Given this backdrop, a total of seven hypotheses are formed and tested. The hypotheses are presented in a null form (Robson, 2003):

H1: CSR initiatives and BE are not related
H2: CSR does not impact CIA
H3: BE does not impact CIA
H4: BE does not impact CL
H5: CSR does not impact CCI
H6: CIA does not impact CCI
H7: CCI does not impact CL

METHODOLOGY

This study is driven by a positivistic epistemology based on quantitative techniques. Robson (2003) states that in discussing methodology, four aspects are vital: (1) role of theory; (2) the instrumentation process; (3) sampling process; and (4) data collection method used in the study. In terms of theory, as mentioned, the conceptual model used in this study (as presented in Figure 2) was derived from the literature based on earlier work by various authors. We have combined these into a consolidated model that was put through testing. All the five variables earlier stated in the conceptual framework were operationalised into measurable statements in the questionnaire. The exogenous variable consists of CSR while the endogenous variables consist of CCI, CIA and BE.

The unit of analysis was individual customers of a large scale electronic manufacturing company, based in Penang, Malaysia.[1] Purposive sampling was used to select the company based on two criteria. Firstly, the company or case examined has a strong brand presence in Malaysia. Secondly, the identified company has experience in implementing CSR related projects. Upon identification of this company based on these two criteria, a total of 150 questionnaires were sent to the customers of this company, based on the sample frame of existing customers of the company. This process was facilitated by the sales manager of the company – he assisted the project team members in

distributing the surveys to the existing consumers based on the 2011 listing of existing consumers. In this process, a simple random sampling technique was used to identify the target respondents. In terms of analysis, both descriptive and inferential statistics were conducted using SPSS.

ANALYSIS

The post analysis results were used to verify the conceptual framework to determine if CSR is related to the other variables namely; CCI, CIA, BE and CL. The findings were then used to examine the implications of CSR on CL in the context of the case examined. After eliminating for errors in responses, 101 questionnaires were deemed useful for analysis.

Descriptive Results

As indicated by Table 2, 4% of the respondents were below the age of 20, 39.6% were in the age 21–30 category, 34.7% under the range of 31–40, 17.8% were aged between 41–50 and the remaining 4% respondents were 51 and above. Majority of the respondents were aged between 21–30. They can be considered as baby boomers and they represent the newer members of the workforce.

In terms of gender, 62.4% of the respondents were females while 37.6% were male. In terms of educational background, the majority of the respondents were graduates (66%). In terms of salary, the majority of the respondents earned more than RM70,000 annually (approximately 26%), followed by approximately 25% who earned between RM40,000–RM50,000. 10% of the respondents earned below RM30,000 annually.

Table 2: Frequency on demographic profile

Age		Frequency	Percent	Valid percent	Cumulative percent
Valid	Below 20	4	4.0	4.0	4.0
	21–30	40	39.6	39.6	43.6
	31–40	35	34.7	34.7	78.2
	41–50	18	17.8	17.8	96.0
	51 and above	4	4.0	4.0	100.0
	Total	101	100.0	100.0	
Gender		**Frequency**	**Percent**	**Valid percent**	**Cumulative percent**
Valid	Male	38	37.6	37.6	37.6
	Female	63	62.4	62.4	100.0
	Total	101	100.0	100.0	
Education background		**Frequency**	**Percent**	**Valid percent**	**Cumulative percent**
Valid	Primary	3	3.0	3.0	3.0
	Secondary	15	14.9	14.9	17.8
	Degree	67	66.3	66.3	84.2
	Master	8	7.9	7.9	92.1
	PhD/Doctorate	8	7.9	7.9	100.0
	Total	101	100.0	100.0	
Salary range (RM)		**Frequency**	**Percent**	**Valid percent**	**Cumulative percent**
Valid	Below 30,000	10	9.9	9.9	9.9
	30,001–40,000	15	14.9	14.9	24.8
	40,001–50,000	24	23.8	23.8	48.5
	50,001–60,000	16	15.8	15.8	64.4
	60,001–70,000	10	9.9	9.9	74.3
	70,001 and above	26	25.7	25.7	100.0
	Total	101	100.0	100.0	

Hypothesis Testing

In order to test the hypothesis, the bi-variate correlations were generated to determine the significance between the variables defined and posited in the seven hypotheses. The value generated through Pearson's Correlation Coefficient and sig (2-tailed) were used to determine the strength of relationship between the affected nodes. Owing to the nature of the questionnaire, the direct and indirect effect estimation could not be conducted.

Hypothesis 1

The first hypothesis implies that there is no relationship between BE and CSR. Based on Table 3, all paired wise correlations are positive. This is an indication that there exists a positive relationship between BE and CSR. Twelve out of 15 *P*-values are below 0.05. This shows that most of the time, the increase in CSR will result in higher BE. Therefore hypothesis 1 is proven to be false. There is a significant relationship between BE and the CSR, contrary to the null hypothesis presented earlier.

Table 3: Regression weights on hypothesis 1

		BE1	BE2	BE3	BE4	BE5
CSR1	Pearson Correlation	.179	.115	.216(*)	.226(*)	.178
	Sig. (2-tailed)	.073	.252	.030	.023	.074
	N	101	101	101	101	101
CSR2	Pearson Correlation	.724(**)	.351(**)	.718(**)	.594(**)	.638(**)
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	101	101	101	101	101
CSR3	Pearson Correlation	.678(**)	.354(**)	.686(**)	.590(**)	.634(**)
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	101	101	101	101	101

Note: * significance at 90% confidence level
** significance at 95% confidence level

Hypothesis 2

The second hypothesis states that there is no relationship between the CIA and CSR. Based on Table 4, all paired wise correlations are positive. This is an indication that there exists a positive relationship between CIA and CSR. Seven out of nine *P*-values are below 0.05. This shows that most of the time, the increase in CSR will result in higher CIA. Therefore hypothesis 2 is proven to be false. There is a significant relationship between CIA and the CSR based on the findings of this study.

Hypothesis 3

The third hypothesis states that there is no relationship between BE and the CIA. Based on Table 5, all paired wise correlations are positive, indicating that there exists a positive relationship between BE and CIA. All *P*-values are below 0.05. This result implies that an increase in BE will result in higher CIA. Therefore

hypothesis 3 is proven to be false. There is a significant relationship between BE and the CIA, based on the findings of this study.

Table 4: Regression weights on hypothesis 2

		CIA1	CIA2	CIA3
CSR1	Pearson Correlation	.266(**)	.189	.195
	Sig. (2-tailed)	.007	.058	.050
	N	101	101	101
CSR2	Pearson Correlation	.771(**)	.673(**)	.699(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101
CSR3	Pearson Correlation	.701(**)	.675(**)	.676(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101

Note: ** significance at 95% confidence level

Table 5: Regression weights on hypothesis 3

		CIA1	CIA2	CIA3
BE1	Pearson Correlation	.868(**)	.802(**)	.752(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101
BE2	Pearson Correlation	.539(**)	.464(**)	.435(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101
BE3	Pearson Correlation	.822(**)	.808(**)	.803(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101
BE4	Pearson Correlation	.748(**)	.723(**)	.739(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101
BE5	Pearson Correlation	.778(**)	.683(**)	.668(**)
	Sig. (2-tailed)	.000	.000	.000
	N	101	101	101

Note: ** significance at 95% confidence level

Hypothesis 4

The fourth hypothesis implies that there is no relationship between CL and BE. Based on Table 6, all paired wise correlations are positive, suggesting that there exists a positive relationship between BE and CL. All *P*-values are below 0.05, suggesting that an increase in BE will result in higher CL. Therefore hypothesis 4 is proven to be false. There is a significant relationship between BE and the CL, based on the findings of this study.

Table 6: Regression weights on hypothesis 4

		CL1	CL2	CL3	CL4
BE1	Pearson Correlation	.754(**)	.765(**)	.758(**)	.809(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
BE2	Pearson Correlation	.383(**)	.416(**)	.511(**)	.519(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
BE3	Pearson Correlation	.729(**)	.742(**)	.731(**)	.825(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
BE4	Pearson Correlation	.678(**)	.683(**)	.721(**)	.732(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
BE5	Pearson Correlation	.667(**)	.652(**)	.662(**)	.805(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101

Note: ** significance at 95% confidence level

Hypothesis 5

The fifth hypothesis states that there is no relationship between CSR and CCI. Based on Table 7, all paired wise correlations are positive, suggesting that there exists a positive relationship between CSR and CCI. Eight out of 12 of the *P*-values are below 0.05. In this context, one could argue that an increase in CSR will result in higher CCI even when the relationship is not highly significant. There is still a weight-age of dependency relationship between these two variables. Therefore hypothesis 5 is also proven to be false. There is a mild relationship between CSR and the CCI based on the findings of this study.

Table 7: Regression weights on hypothesis 5

		CCI1	CCI2	CCI3	CCI4
CSR1	Pearson Correlation	.159	.198(*)	.167	.134
	Sig. (2-tailed)	.113	.047	.095	.181
	N	101	101	101	101
CSR2	Pearson Correlation	.291(**)	.446(**)	.621(**)	.642(**)
	Sig. (2-tailed)	.003	.000	.000	.000
	N	101	101	101	101
CSR3	Pearson Correlation	.279(**)	.521(**)	.628(**)	.640(**)
	Sig. (2-tailed)	.005	.000	.000	.000
	N	101	101	101	101

Note: * significance at 90% confidence level
** significance at 95% confidence level

Hypothesis 6

The sixth hypothesis implies that there is no relationship between the CIA and the CCI. Based on Table 8, all paired wise correlations are positive, indicating that there exists a positive relationship between CIA and the CCI. All of the *P*-values are below 0.05. In this regard, one can suggest that an increase in CIA will result in higher CCI. Therefore hypothesis 6 is proven to be false. There is a significant relationship between CIA and the CCI based on the findings of this study.

Table 8: Regression weights on hypothesis 6

		CCI1	CCI2	CCI3	CCI4
CIA1	Pearson Correlation	.396(**)	.509(**)	.751(**)	.741(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
CIA2	Pearson Correlation	.324(**)	.539(**)	.732(**)	.813(**)
	Sig. (2-tailed)	.001	.000	.000	.000
	N	101	101	101	101
CIA3	Pearson Correlation	.300(**)	.393(**)	.682(**)	.750(**)
	Sig. (2-tailed)	.002	.000	.000	.000
	N	101	101	101	101

Note: ** significance at 95% confidence level

Hypothesis 7

The seventh hypothesis states that there is no relationship between CCI and CL. Based on Table 9, all paired wise correlations are positive, indicating that there exists a positive relationship between CCI and CL. All the *P*-values are below 0.05. This suggests that an increase in CCI will result in higher CL. Therefore hypothesis 7 is proven to be false. There is a significant relationship between CCI and CL based on the findings of this study.

Table 9: Regression weights on hypothesis 7

		CL1	CL2	CL3	CL4
CCI1	Pearson Correlation	.343(**)	.314(**)	.362(**)	.342(**)
	Sig. (2-tailed)	.000	.001	.000	.000
	N	101	101	101	101
CCI2	Pearson Correlation	.527(**)	.413(**)	.429(**)	.568(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
CCI3	Pearson Correlation	.747(**)	.710(**)	.663(**)	.808(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101
CCI4	Pearson Correlation	.767(**)	.678(**)	.698(**)	.795(**)
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101

Note: ** significance at 95% confidence level

DISCUSSION

The summary of the study's findings are presented in Table 10. The implications of the results to the existing body of work on CSR are discussed therein. As mentioned earlier, the hypotheses were written in null form (Robson, 2003), and as such, a rejection of any particular hypothesis implies that a relationship does exist between the constructs under study (Robson, 2003).

Table 10: Summary of findings

Hypothesis	Results
H1: CSR initiatives and BE are not related	Rejected
H2: CSR does not impact CIA	Rejected
H3: BE does not impact CIA	Rejected
H4: BE does not impact CL	Rejected
H5: CSR does not impact CCI	Rejected
H6: CIA does not impact CCI	Rejected
H7: CCI does not impact CL	Rejected

Overall, this study has strengthened the previous research done on CSR and CL. The outcome of the analysis result shows (as per Table 10) that the final model is a tested one based on the framework of 7 hypotheses thus reaffirming the implication of CSR towards CL. The rejection of hypothesis 1 implies that there is a relationship between CSR initiatives and BE in the case of this company. This finding is in line with prior work by Neito (2009) who stated that CSR imperatives can add value to all major stakeholders in a company and this includes adding value to consumers. Consumers are likely to perceive CSR ideas and ideals positively and thus could perceive the overall brand as adding value to their lives (Neito, 2009). This finding also echoes prior work by Buchholtz and Carroll (2003), and Kotler and Armstrong (2008) who also suggested that CSR, when implemented well in a company, can lead to greater BE.

Hypothesis 2 states that CSR does not impact CIA which implies that there is no relationship between CSR and the identity CSR efforts offers to a particular company. Our findings show that this hypothesis was rejected; implying that, in the case of this company in Penang, CSR efforts do impact the identity of the company, making it more attractive to consumers. When executed properly, CSR initiatives are able to better position a company in the eyes of consumers thus making this company more attractive relative to its competitors (Neito, 2009). Examples of such initiatives include establishing proper governance in the supply chain activities and also providing consumers with clear and transparent pricing strategies (Porter and Kramer, 2011). Our findings are also in line with prior work by Pavithira (2009); Chaffey (2008); Langford and Smith (2004). A similar case in point in the local scene would be DiGi, the telecommunications player famous for its brand attractiveness given its sustained CSR momentum in the marketplace and community (DiGi, 2010).

In the third hypothesis, we examined the relationship between BE and CIA and stated that the two constructs are not related. Our findings rejected H3 indicating

that, in the case of this company, BE and CIA are related. This is in line with prior findings by Balsara (2009) and Melisende (2007). Balsara (2009), for instance, stated that higher BE often leads to the product/company being more attractive to consumers. Similar sentiments were found in the work of Kotler and Armstrong (2008). In this context, in relation to BE and CIA, our findings are consistent with prior findings as reported in the literature.

Hypothesis 4 which states that BE does not impact CL was also rejected. In the case of this company, our findings suggest that BE does impact CL. As put forth by earlier commentators such as Holding and Piling (2006), Manhaimer (2007), Buchholtz and Carroll (2003) and Smith, Gradojevic and Irwin (2007), BE and CL are closely related. A higher BE often leads to more loyal consumers (Manhaimer, 2007). When a consumer perceives a brand to be of high value, the probability of repeat purchase behaviour is greater (Kotler and Armstrong, 2008; Manhaimer, 2007). Our finding in relation to this hypothesis is consistent with the literature – the customers of the company studied tend to repeat their purchases as they perceived the company's brand positively.

As mentioned in the literature review, the relationship between CCI, CSR and CL remains inconclusive (Wu and Chen, 2010; Perez, 2009). While commentators such as Perez (2009) suggested that CCI can lead to greater CL, the relationship between CCI and CL mediated by CSR ideals remains inconclusive. Our findings in this context, is consistent with the sporadic viewpoints in the literature. Although H5 was rejected, i.e., suggesting that there is a relationship between CCI and CSR in this case, the relationship is rather weak. In this regard, more research can be done in to ascertain the impact of CSR on CCI.

With reference to H6, this study suggests that CIA and the CCI are indeed related, consistent with the arguments from prior work by Davis (2008), Farfan (2007), Balsara (2009), Marx (2011) and Melisende (2007). Generally, our study supports prior arguments that the ability of a company to attract consumers given a unique value proposition in its product/service offering, naturally results into a significant and meaningful relationship between consumers and a company that leads them to become champions for the product and/or company (Bhattacharya and Sen, 2003; Davis, 2008; Farfan, 2007; Balsara, 2009). In addition, consistent with prior findings, the results of this study also shows that CCI and CL are positively correlated (Bhattacharya and Sen, 2003; Davis, 2008; Kotler and Armstrong, 2008).

Implications to Theory

The findings of this study imply that the higher the practice of CSR the stronger the CL towards a particular firm. CSR can provide the additional competitive

edge to a particular firm albeit the linearity of this relationship warrants more testing and empirical research. Our review of literature on CSR and marketing suggests that while there is some evidence that CSR imperatives can have tangible outcomes to a company's financial performance and sustainability, the literature in general lacks sound empirical support (e.g., Porter and Kramer, 2011; Kotler, 2008). In addition, a comprehensive framework that examines the relationship between CSR and fundamental marketing constructs e.g., BE, CL and consumer identification with companies is still at its infancy. The research framework used in this study therefore offers a platform for future work and researchers who intend to examine CSR and CL.

Implications to Practice

In most emerging economies such as Malaysia, the phrase CSR is often confused with Corporate Philanthropy or Promotional CSR. Promotional CSR is when corporate sustainability and responsibility are seen mainly as a public relations opportunity to enhance brand, image and reputation of the company (Visser, 2010). The concept of creating shared value is not well understood nor appreciated, and firms often view CSR as a nice to have yet an extravagant add on to improve branding or corporate reputation instead of a "must have" aspect that is integrated into business to ensure long term sustainability and maximising stakeholder value. Part of the problem lies with companies themselves which remain trapped in an outdated approach to value creation that has emerged over the past few decades (Porter and Kramer, 2011). But this trend is visibly changing. There is evidence that mainstream investors and analysts are paying greater attention to CSR-related issues and, more generally, to intangible assets and intellectual capital. This is likely to increase the profile of CSR issues in the financial valuation of enterprises (David, 2010).

Many managers of larger firms are not reluctant to engage in this non-revenue measurable practice. Most that follow the practice of the CSR believe that CSR will indefinitely provide them with an additional advantage towards CL, and hence increase their competitive edge. Most researchers believe that consumers are channelling their purchasing focus to moral and ethical concerns of a particular company rather than putting too much emphasis over the cost of a product. This middle ranged income group has emerged as one of the most influential groups that determine a market preference trend, and hence CL.

LIMITATIONS OF STUDY

The survey is conducted based on a limited number of respondents, confined to a particular demographic only. The results might actually differ should respondents

from different states or even country are obtained. This is because the social mentality of a particular group of people could vary based on their actual location. The context is only based on a single large firm. CL with regard to CSR was examined within the boundaries of a single company.

Any future studies should try to include several companies into the study context. Future researchers should also include a wider demographic or country given the diversity in relation to demography, lifestyle, and perhaps awareness of the CSR concept and implementation within an institutional setting.

CONCLUSION

Upon reviewing previous studies done on CSR, we could hardly get any that links CL to the CSR particularly via the BE, CCI and CIA relationship. In this context, one can suggest that this study has enhanced and strengthened the implication of CSR on CL in the case of a large electronics manufacturing company in Malaysia.

The results of the analysis show that positive relationships are obtained and a final model is derived to link CSR with CL. BE, CCI and CIA were also found to have significant relationship with CSR. The limitation of the current study is also explained in order to provide a better picture of the situation in relation to this study. As such this study can be used and extended by future researchers who intend to examine the relevance of CSR in light of developing effective brand strategies and in order to unleash the value of the proposition offered by CL.

NOTES

1. The researchers are not allowed to disclose the name of the company based on company policy.

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