The influence of emotions on the relationship between Corporate Social Responsibility and consumer loyalty

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Abstract

Research on the role of Corporate Social Responsibility (CSR) in consumer loyalty has become increasingly important in recent academic literature. In this context, it has been suggested that emotions can turn into the mechanism which properly explains the reactions of consumers towards CSR. However, so far, the studies that analyze the role of the affective and emotional variables in this process are practically inexistent. This work aims to contribute to the literature by analyzing the influence of CSR initiatives in consumer loyalty considering a variable of an emotional nature, that is, the admiration for the company. The information provided by 252 consumers confirms that CSR practices are positively related to consumer’s loyalty to the company, both directly and indirectly, through the impact on perceived organizational reputation and admiration.

Keywords: Corporate Social Responsibility, Reputation, Admiration, Loyalty.

JEL codes: M14, M31.
Introduction

The critical challenges that organizations currently face require markedly strategic responses that are much more complex and in-depth than they have been to date (D’Aprile and Mannarini, 2012). As socio-economic actors, organizations must address economic imperatives and simultaneously consider the social, environmental, or discretionary needs expressed by stakeholders. In this regard, in recent years, concerns over corporate social responsibility (CSR) have become a challenge from the academic and organizational perspective. Thus, CSR has been studied in business (Orlitzky, Schmidt, and Rynes, 2003; Peloza and Shang, 2011; Salazar, Husted, and Biehl, 2012; van Beurden and Gössling, 2008), organizational (Bigné, Chumpitaz, Andreu, and Swaen, 2005; Hemingway and Maclagan, 2004), and, to a lesser extent, consumer behavioral (Bhattacharya and Sen, 2004; Lichtenstein, Drumwright, and Braig, 2004; Sen and Bhattacharya, 2001) contexts. However, despite advances in research, the recent literature emphasizes the need to further study CSR, particularly the influence of CSR initiatives on consumer responses (Fatma and Rahman, 2015; Golob, Lah, and Jančič, 2008).

Today, consumer demand and the impact of the perception of CSR initiatives on consumer behavior are one of the main reasons why organizations focus on such actions. Studies in the literature show that CSR initiatives undertaken by organizations exert an impact on consumer behavior and attitudes (Becker-Olsen, Cudmore, and Hill, 2006; Mandhachitara and Poothong, 2011). CSR has been shown to affect variables such as consumer satisfaction, identification with and commitment to the organization, the perception of corporate image and reputation, loyalty to the company, or purchase intent (Luo and Bhattacharya, 2006; Marin, Ruiz, and Rubio, 2009; Öberseder, Schlegelmilch, and Murphy, 2013). However, despite the efforts made, the findings on the consumer perception of CSR and the responses derived from such perception remain inadequate. Therefore, it is clear that there is still a lack of research in this field (Öberseder, Schlegelmilch, Murphy, and Gruber, 2014; Stanaland, Lwin, and Murphy, 2011; Tian, Wang, and Yang, 2011).

In such an environment, it is essential for organizations to keep the most powerful asset they have (Clarkson, 1995), i.e., customers. Their main goal must be aimed at ensuring that consumers experience a strong commitment to their product or brand so that they continue to buy it in the future (Chaudhuri and Holbrook, 2001; Pan, Sheng, and Xie, 2012). In short, this means that their objective must be to effectively increase consumer loyalty. Ganesh, Arnold, and Reynolds (2000) state that loyal customers are valuable for ensuring the future of the business, in both the short and the long term, mainly because keeping the customers that the company already has is less expensive than attracting new customers (Gerpott et al., 2001). Hence, achieving consumer loyalty is considered a strategic issue by organizations (Oliver, 1999). In this regard, the academic literature posits that consumer loyalty is one of the most important variables to consider to achieve increased sales, organizational success, and high profitability (Evanschitzky et al., 2012; Lichtenstein, Drumwright, and
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Braig, 2004; Wang, 2010). However, loyalty has always been a significant concept for academic research, which is reflected in the numerous studies in the marketing literature that address this concept (Kandampully, Zhang, and Bilgihan, 2015; Toufaily, Ricard, and Perrien, 2013).

In this regard, the recent literature in the field of CSR has focused on consumer loyalty (Martínez and Bosque, 2013), so much so that most studies that propose models with this construct consider social responsibility as one of its precursors. The abundant empirical evidence in this area demonstrates that acting under the guidelines of CSR positively affects consumer behavior and, more specifically, enhances the loyalty felt toward the organization (He and Li, 2011; Klein and Dawar, 2004; Marin et al., 2009; Pérez, García de los Salmones, and Rodríguez del Bosque, 2013; Pirsch, Gupta, and Grau, 2007). However, despite the large amount of research, there is a clear lack of consensus with regard to the direct or indirect effects that CSR generates on customer loyalty. Some of the studies assert that the perception of CSR has sufficient capacity to attract and retain consumers, such that they uphold a direct relationship between both variables (Barcelos, 2015). However, there are studies that argue that CSR improves consumer attitudes and behavior, such as identification with the organization, trust, corporate image, or satisfaction with the organization, and that these mediating variables effectively manage to affect consumer loyalty (Cha, Yi, and Bagozzi, 2015; García de los Salmones, Crespo, and Bosque, 2005; He and Li, 2011; Marin et al., 2009; Martínez and Bosque, 2013; Pérez et al., 2013), thus confirming an indirect relationship between both variables.

This lack of consensus shows that there is limited knowledge about the relationship between CSR and consumer loyalty (Martínez and Rodríguez del Bosque, 2015). This paper contributes to creating knowledge in this field by analyzing the impact of CSR practices on consumer loyalty and proposing the existence of not only a direct relationship between both variables but also an indirect relationship, i.e., through organizational reputation perceived by consumers and their admiration for the company.

The development of CSR practices is related to the customer perception of organizational reputation (Galbreath and Shum, 2012; Marín, Cuestas, and Román, 2015). Simultaneously, this ability to achieve good perceived reputation can have a positive impact on the ability of the company to keep its customers (Hur, Kim, and Woo, 2014; Melo and Garrido-Morgado, 2012). In this context, it has been suggested that entrepreneurship can elicit responses of an emotional nature in the consumer and that these may affect the results from socially responsible programs or policies. However, research that addresses the study of emotions in the context of CSR is practically nonexistent, despite calls to research by the recent literature stressing the need for in-depth study on the role of moral emotions (Ketola, 2008; Xie, Bagozzi, and Grønhaug, 2015).

Given the lack of research in this field and by addressing the issues raised here, the model proposed includes the influence of CSR on consumer loyalty, both directly and indirectly. It also estimates the effect of emotions throughout the process.
Accordingly, the current study aims to analyze in depth three fundamental questions: (1) how CSR has an impact on consumer loyalty, (2) how CSR has an impact on the generation of organizational reputation, and the latter on loyalty, and (3) how emotions, particularly admiration, have an impact on the CSR-loyalty relationship.

By addressing these issues, the main contributions of this work to the marketing literature are as follows: (1) the impact of socially responsible behaviors on customer loyalty to the business is analyzed; (2) the benefits of CSR are identified as a tool for generating organizational reputation; and (3) the recent calls by the literature to introduce emotional variables into traditional models of consumer behavior are addressed (Algoe and Haidt, 2009; Romani, Grappi, and Bagozzi, 2013; Sweetman, Spears, Livingstone, and Manstead, 2013; Xie et al., 2015), showing that emotions are indeed a mechanism that can adequately explain consumer reactions to CSR.

**Conceptual framework**

**Corporate Social Responsibility**

Attention to CSR by academics and professionals has gained prominence in recent years. Organizations consider it to be a key strategic management task to achieve good performance in the market (Lock and Seele, 2015), and researchers have shifted from focusing their efforts on conceptualizing and determining the dimensionality of the construct (Alvarado-Herrera, Bigné, Aldas-Manzano, and Currás-Pérez, 2015) to analyzing its impact on the financial sector (Peloza and Shang, 2011; Salazar et al., 2012), the marketing sector (i.e., Öberseder et al., 2013), or on the context of organizational behavior (Aguilera and Rupp, 2007). However, there remains no widely accepted conceptualization of CSR, and research in these areas continues to emerge (Saeidi, Sofian, Saeidi, Saeidi, and Saeidei, 2015), particularly with regard to consumer behavior and organizational behavior.

As research in the field of CSR progresses, new concepts, theories, and perspectives arise. In this sense, far from reaching a consensus, the literature continues to offer a wide variety of conceptualizations (Parmar et al., 2010; Peloza and Shang, 2011). The vigor of the first definitions (Bowen, 1953; Davis, 1960; Frederick, 1960) and of the most contemporary definitions (Brown and Dacin, 1997; Luo and Bhattacharya, 2001) is unquestionable; all have provided the basis for the theoretical and empirical work on CSR, from approaches as varied as: (1) stakeholders’ interest, (2) social obligation, (3) management processes, or (4) responses to an ethical demand (Garriga and Melé, 2004; Maignan and Ferrell, 2004).

However, given the lack of a widely accepted definition, the contextual nature of CSR must be considered. In this sense, from the consumer’s perspective, we believe that the most appropriate definition is that proposed by Du, Bhattacharya and Sen (2011), who consider CSR to be the company’s commitment to maximizing
long-term economic, social, and environmental well-being through its business practices, the resources available, and the policies that it develops. This definition is closely linked to the concept of the “Triple Bottom Line” (Elkington, 1997), as part of the social approach of CSR (van Marrewijk, 2003), indicating that organizations must operate to satisfy society. Unlike others that are based on models such as Carroll’s pyramid (Carroll, 1991), this approach is closer to the consumer’s perception of CSR, more accurately reflecting the CSR dimensions that the consumer is able to comprehend: (1) the economic dimension, (2) the social dimension, and (3) the environmental dimension (Alvarado-Herrera et al., 2015; van Marrewijk, 2003). It can also be regarded as being in line with the theory of sustainable development (Gladwin, Kennelly, and Krause, 1995).

A growing body of academic research supports the positive impact of CSR on consumer attitudes and behavior (Lichtenstein et al., 2004; Sen and Bhattacharya, 2001; Tian et al., 2011). The empirical evidence in this field shows its relationship with variables such as consumer identification with the organization, satisfaction, perceived organizational image, loyalty, and buying intention, among others (Öber-seder et al., 2013). Consumers judge the company based on its performance in terms of CSR, and depending on its assessment, their behavior regarding the company and its products will be more or less positive (Su, Huang, van der Veen, and Chen, 2014).

Corporate reputation

Fombrun (1996) and Rindova (1997) argue that corporate reputation is a mental scheme that synthesizes, organizes, and simplifies the information provided by the company, i.e., it acts as an interpretive filter for the individual. For their part, Walsh and Beatty (2007) conceptualize this term in the context of customers and understand it to be the “the customer’s overall evaluation of a firm based on his or her reactions to the firm’s goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities” (Walsh and Beatty, 2007, p.129). However, there is no widely accepted concept. The fact that it is a concept with a large body of research in multiple disciplines (Fombrun and Van Riel, 1997; Gotsi and Wilson, 2001) and the lack of agreement on its dimensionality (Dollinger, Golden, and Saxton, 1997) are two reasons for the absence of a unanimous conceptualization. However, the reason most widely suggested in the literature is the confusion regarding corporate reputation and organizational image (Martínez and Olmedo, 2010).

In recent years, the literature has stressed the need to distinguish between corporate image and reputation. These two concepts are of a different nature, but they share an elementary bond between them (Gray and Balmer, 1998); hence, both terms are often used indiscriminately (Alvarado and Schlesinger, 2008). Corporate image is defined as “perceptions about a brand as reflected by the brand associations held in
consumer memory” (Keller, 1993, p. 3), i.e., the image is a reflection of the public’s opinion regarding the organization, resulting from its compliance with the expectations that the consumer sets for it (Hoeffler and Keller, 2002). However, the concept of corporate reputation has added meaning. In this case, the concept encompasses an evolution over time, reflecting a slow accumulation of results of the organization’s current and past actions, the perceptions of the stakeholders involved, and many other dimensions (Gray and Balmer, 1998). Therefore, reputation must be characterized by a certain consistency and continuity over time, and its handling is practically impossible (Martínez and Olmedo, 2010).

Research agrees that corporate reputation is a high value intangible asset for organizations (Keh and Xie, 2009; Raithel and Schwaiger, 2015). There is evidence of its positive contribution to financial performance (Dowling, 2006; Roberts and Dowling, 2002). However, the literature emphasizes the need to further the understanding of the mechanism by which the perception of corporate reputation affects consumer attitudes and behavior.

In a highly competitive context, the consumer decision-making process is not only under the influence of purely tangible attributes, such as price and quality, but is also affected by more intangible characteristics (Cretu and Brodie, 2007). In this sense, empirical evidence confirms that corporate reputation influences the consumer buying decision-making process. Operating under the umbrella of a good organizational reputation allows the company to maintain a good position in the market (Carmeli and Tishler, 2005; Helm, Garnefeld, and Tolsdorf, 2009). Reputation is particularly important in two situations (Hur et al., 2014): (1) when there is a lack of information, consumers find in reputation the necessary support for the purchasing decision-making process (Schnietz and Epstein, 2005); and (2) when consumers are faced with a situation of ambivalence, that is, when the individual has contradictory information about the company. An example of the latter situation occurs when the consumer receives negative information about the organization, producing a conflict between his initial opinion and that information; in such a case, if the consumer previously had a positive perception of the organization’s reputation, the negative effects will be diminished (Lange, Lee, and Dai, 2011).

Generating a positive corporate reputation is a lengthy process with a significant degree of complexity. To date, only aspects other than the perception of the quality of products/services offered by the company or the perception of its financial strength and profitability have been considered to be determinants of that reputation (Carter, 2006). Although research in this direction is profuse, there is an obvious lack of studies that focus on other antecedents of corporate reputation. In this regard, a line of research has arisen that suggests that the role of CSR contributes to strengthening corporate reputation (Galbreath and Shum, 2012). Empirical evidence shows that, as the organization participates in actions that go beyond economic and financial performance and the compliance with the minimum requirements, the positive impact on organizational reputation is greater (Becker-Olsen et al., 2006; Ellen, Webb, and Mohr, 2006; Hur et al., 2014; Marín et al., 2015; Saeidi et al., 2015). Therefore,
the effective management of organizational equity in CSR actions may contribute
to achieving high levels of corporate reputation (Fombrun, 2005; Hsu, 2011; Hur
et al., 2014; Lai, Chiu, Yang, and Pai, 2010; Melo and Garrido-Morgado, 2012).
Accordingly, the following hypothesis is proposed:

\[ H_1: \text{CSR is positively related to the consumer’s perceived corporate reputation.} \]

Admiration

Emotions are states that are associated with the responses produced during a
consumption experience (Jiménez and Piñero, 2014). Previous literature has analyz-
ed consumer responses to brands, products, and services based on strictly cognitive
aspects. However, the emotional part, i.e., emotions directly affect the consumer
experience (Cohen, Pham, and Andrade, 2008).

Despite the significant impact that emotions can have on different fields, most of
these studies have been performed in the field of psychology. To better understand
the nature of emotions, studies on emotions must be considered, and these studies
generally suggest the need to differentiate between positive emotions and negative
emotions (Algoe and Haidt, 2009; Han, Lerner, and Keltner, 2007). Emotions also
differ in the attention provided by the academic literature. Although evidence shows
that more positive than negative emotions are experienced (Fredrickson and Losada,
2005), negative emotions exert a greater impact on consumer behavior (Xie et al.,
2015). Therefore, the research to date has more intensely analyzed negative emo-
tions, whereas positive emotions have undergone a lesser degree of analysis (Xie et
al., 2015). Nevertheless, it is a particularly attractive field (Romani et al., 2013). The
positive emotions that have received more attention in the literature are joy, pride,
and enjoyment (Goetz, Frenzel, Stoeger, and Hall, 2010). However, other positive
emotions that imply moral phenomena such as gratitude or admiration should also
be considered (Andersson, Giacalone, and Jurkiewicz, 2007).

There is evidence that emotions significantly affect consumer behavior (Kervyn,
Fiske, and Malone, 2012). They are critical factors that stimulate the manner in
which consumers perceive, feel, and behave before brands or organizations (Ivens,
Leischnig, Múller, and Valta, 2015). In this sense, emotions are defined as “a form
of affection that involves visceral responses associated with a specific benchmark and
that give rise to an action” (Chaudhuri and Holbrook, 2001). Although emotions
are feelings that influence consumer attitudes and behavior, emotional and affective
aspects have received little attention from the academic literature, which is almost
equally devoted to the knowledge of consumer responses related to knowledge with
a strong cognitive character.

Admiration is understood as surprise and is associated with a fact for which the
individual shows a sense of approval, evoking a certain pleasure, respect, and esteem
(Darwin, Ekman, and Prodger, 1998). As soon as someone, either a person or a
group, participates in a praiseworthy action, the individual experiences admiration for it (Sweetman et al., 2013), such that he or she feels the need to assist or cooperate with that person or group (Cuddy, Fiske, and Glick, 2007).

In this regard, we suggest that admiration mediates the effects of the perception of CSR of consumers and their behavior. The participation of the company in praiseworthy actions, be they social, environmental, or economic, from the consumer’s perspective generates a feeling of admiration for that organization by consumers, leading them to behave positively toward it, basing their behavior on that admiration for the company. In a similar vein, Cegarra-Navarro and Martínez-Martínez (2009) suggest that CSR activities have an effective impact on the following: (1) the financial performance of the organization, (2) the perceived quality of the products and services offered, (3) corporate culture, (4) ethical obligations, (5) the possibility to conduct international business, and (6) the organization’s innovative capacity, considering each of these actions as a source of admiration for the consumer. However, we consider that the moral implications of the CSR construct itself are able to induce consumers’ admiration for the organization that develops it.

Additionally, the literature in this area suggests that, as consumers experience positive emotions resulting from additional efforts of the organization, some behaviors that result in a benefit to the organization will occur (Morales, 2005; Palmatier, Jarvis, Bechkoff, and Kardes, 2009). In particular, research in this area has recently recognized the significance of positive emotions in generating consumer loyalty. Several works acknowledge the ability of this group of emotions to evoke in the consumer an attachment to the company that keeps him or her loyal to it (Gracia, Bakker, and Grau, 2011; Han and Jeong, 2013). In this regard, we hope that the process of admiration, which falls within the field of positive emotions, results in a behavior of reciprocity with the company by the consumer. It is expected that this feeling will encourage customers to remain loyal to the organization (Thompson, 1998).

Therefore, CSR initiatives are postulated as the determinant of affective aspects experienced by consumers during the process of interaction with the organization, which in turn will exert a positive influence on consumer behavior. However, empirical evidence has not supported any model that integrates these aspects into one model (Su et al., 2014). Accordingly, the following hypothesis is proposed:

\[ H_2: \text{CSR is positively related to the consumer's admiration for the organization.} \]

Regarding corporate reputation, there is evidence that it is a critical variable for assessing organizations (Keh and Xie, 2009). The recent literature has analyzed the influence of reputation on variables such as consumers’ commitment to and organizational identification with the company (Bartikowski, Walsh, and Beatty, 2011; Keh and Xie, 2009). In this respect, the authors of these works explain these variables as consumers’ emotional responses to the organization’s good reputation. These researchers find that a favorable reputation is able to evoke emotions and feelings
in the consumer (Lange et al., 2011), which in turn has a positive impact on aspects of consumer behavior (Bennett and Gabriel, 2001). Indeed, Raithel and Schwaiger (2015) suggest the need for a new conceptualization of reputation in which affective components have a greater weight.

Given these arguments, and the calls by the literature to consider positive emotions in the classical models of consumer behavior, it may be expected that corporate reputation could behave as CSR does and thus positively affects admiration, additionally contributing to generating customer loyalty to the organization. In view of the above, the following hypothesis is proposed:

\[ H_3: \text{The organizational reputation is positively related to the consumer’s admiration for the organization.} \]

Loyalty

Pan, Sheng, and Xie (2012) define consumer loyalty as the commitment experienced with a product and/or brand and the intention to buy it again in the future. Therefore, in line with proposals by others (Han, Kim, and Kim, 2011; Russell-Bennett, McColl-Kennedy, and Coote, 2007), these authors understand that loyalty is formed by an attitudinal component and a behavioral component. In other words, loyalty is a combination of the attitude of an individual regarding an organization or its products and the motivational consequences of the repetition of purchase or support for the company (Dick and Basu, 1994). The marketing literature recognizes the significance of this construct (Kandampully, Zhang, and Bilgihan, 2015). Because it derives from its conceptualization, achieving consumer loyalty increases the frequency of product purchase or the chances that new releases will have more success. It is therefore one of the most important variables in increasing sales and achieving business success and profitability (Hallowell, 2013; Reichheld, 1993).

To the extent that its significance has been acknowledged, research has also grown in the field of loyalty. Accordingly, there is a large body of literature that highlights multiple determinants of this construct. In this sense, one of the most comprehensive works is that by Pan, Sheng, and Xie (2012), who differentiate between the following: (1) factors related to the customer and (2) factors related to the product. The factors related to the customer include customer satisfaction, trust, psychological commitment, and loyalty programs, whereas the factors related to the product include perceived value, product quality, perception of equity or justice, cost of change, and brand reputation.

Recently, a new line of research that understands loyalty from a broader and more comprehensive perspective has emerged. According to this current (Martínez and Bosque, 2013), loyalty must be analyzed in terms of attitude, which means that a positive assessment of the company is the result of an emotional bond between the consumer and the organization, resulting in real loyalty. In this sense, CSR can be
understood as a trustworthy mechanism for the consumer, thus generating loyalty. Several authors (Barcelos, 2015; García de los Salmones, Crespo, and Bosque, 2005; Pérez, García de los Salmones, and Rodríguez del Bosque, 2013) suggest the use of CSR as an indicator that is sufficiently significant for the consumer to express a desire to maintain a relationship with an organization that develops such initiatives. They believe that CSR may be useful in strengthening the bond between consumers and the company, to the extent that it is able to convey respect for consumers and efforts to properly serve them. Consumer perception of a socially responsible behavior can convey the sufficient character (Aaker, 1996) and a differentiated system of values (Turban and Greening, 1997) and generate the necessary confidence in the organization (Maignan, Ferrell, and Hult, 1999), so that the consumer decides to buy its products and remain loyal to it. According to this approach, the following hypothesis is presented in these terms:

\[ H_4: \text{CSR is positively related to the consumer’s loyalty.} \]

On the other hand, previous research has pointed to the role of psychological and emotional aspects in the consumer buying decision-making process (Bhattacharya et al., 2009). Hence, Fatma and Rahman (2016) suggest that, although CSR does not provide any direct benefit, it has psychological benefits. Following this line of argumentation, we suggest that admiration, which has previously been developed owing to the presence of CSR in the organization, exerts a positive and direct impact on the generation of consumer loyalty. Therefore, we would face an indirect impact of CSR on consumer loyalty, mediated by emotions. In this regard, the hypothesis developed is as follows:

\[ H_5: \text{The consumer’s admiration for the organization is positively related to the consumer’s loyalty.} \]
Methodology

Sample

The data were obtained through personal surveys conducted in the respondents’ homes. Sample selection was performed by random sampling, following the Random Route system, which is a commonly used method when personal in-home surveys are conducted. Among its advantages, it helps connect with a population for which no complete record is available to create equal selection probabilities (Bauer, 2014).

The sample was composed of 252 people who were responsible for their home shopping and residing in the province of Ourense, Spain. The allocation of the sample was proportional to the resident population by age group in each of the five census districts of the town. The sample consisted of 42.5% males and 57.5% females. A total of 31.3% of the respondents were between 18 and 34 years of age, with 36.5% being between 35 and 54 and the remaining 32.1% being 55 or older. Regarding their educational level, 65.5% of respondents had completed primary and secondary education, and 28.5% had higher education. The remaining 6% did not attend school or did not answer this question. A total of 51.6% were active workers, and the remaining 48.4% were distributed among students, homemakers, retired individuals, or the unemployed.

Measurement of variables

The measurement scales gather consumer perceptions regarding the variables considered in the model. They involve a seven-point Likert-type scale (1 = strongly disagree, 7 = strongly agree).

Corporate social responsibility was measured through the 18-item scale proposed by Alvarado-Herrera, Bigne, Aldas-Manzano, and Curras-Perez (2015). CSR was considered a second-order factor with three dimensions of six items each: (1) the social dimension, (2) the economic dimension, and (3) the environmental dimension. For each dimension, the Cronbach’s alpha coefficient was: 0.95, 0.88, and 0.95, respectively. Corporate reputation was measured by using the four-item scale by Martínez and Rodríguez del Bosque (2014). The Cronbach’s alpha coefficient for this scale was 0.89. Regarding admiration, the five-item scale by Sweetman et al. (2013) was used. The Cronbach’s alpha coefficient for this scale was 0.93. Finally, to measure consumer loyalty, the seven-item scale proposed by García de los Salmones et al. (2005) was used. The Cronbach’s alpha coefficient for this scale was 0.96.

The original scales were written in English; thus, they were subjected to a translation process following the methodology proposed by Brislin (1986). A pre-test was also conducted by using a sample of 10 consumers.
Results

The study of the *convergent and discriminant validity* of the measurement scales was conducted through a confirmatory factor analysis by using the Amos 21 software package ($X^2 = 1333.82$; d.f. = 606; CFI = 0.93; TLI = 0.92; IFI = 0.93; RMSEA = 0.06). As a result of this analysis, it was decided to remove one of the indicators of corporate reputation because it had factor loadings on the construct of less than 0.5. After this process of filtering the measurement scales, all factor loadings were found to be substantial (> 0.5) and significant ($p < 0.05$), confirming the convergent validity of the scales (Table 1).

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Items</th>
<th>Factor loadings</th>
</tr>
</thead>
</table>
| Corporate Social Responsibility (social dimension) | 1. Trying to sponsor educational programs 0.91  
2. Trying to sponsor public health programs 0.90  
3. Trying to be highly committed to well-defined ethical principles 0.72  
4. Trying to sponsor cultural programs 0.95  
5. Trying to make financial donations to social causes 0.89  
6. Trying to help to improve quality of life in the local community 0.78 |
| Corporate Social Responsibility (environment dimension) | 1. Trying to sponsor pro-environmental programs 0.90  
2. Trying to allocate resources to offer products compatible with the environment 0.95  
3. Trying to carry out programs to reduce pollution 0.95  
4. Trying to protect the environment 0.97  
5. Trying to recycle its waste materials properly 0.80  
6. Trying to use only the necessary natural resources 0.73 |
| Corporate Social Responsibility (economic dimension) | 1. Trying to maximize profits in order to guarantee its continuity 0.63  
2. Trying to build solid relations with its customers to assure its long-term economic success 0.88  
3. Trying to continuously improve the quality of the services that they offer 0.83  
4. Trying to have a competitive pricing policy 0.70  
5. Trying to always improve its financial performance 0.58  
6. Trying to do its best to be more productive 0.54 |
| Corporate reputation | 1. I consider that Coren is a respected company 0.85  
2. I consider that Coren is a recognized company 0.73  
3. I consider that Coren is an admired company 0.84  
4. I consider that Coren is a prestigious company 0.83 |

Table 1. Constructs, items and factor loadings
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<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Items</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admiration</td>
<td>I feel admiration for Coren</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>I feel respect for Coren</td>
<td>0.67</td>
</tr>
<tr>
<td></td>
<td>I feel reverence for Coren</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>I feel awe toward Coren</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>I feel inspired by Coren</td>
<td>0.89</td>
</tr>
<tr>
<td>Loyalty</td>
<td>I shall continue with Coren in the next few years</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>If I had to buy the product again, I would choose Coren again</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td>I consider myself to be loyal to Coren</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>To me, Coren is clearly the best brand on the market</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>I would recommend Coren if somebody asked for my advice</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>I would continue with Coren even if its rates increased slightly</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>I would change Coren if another brand offered better rates</td>
<td>0.87</td>
</tr>
</tbody>
</table>

(*) Factor loadings are standardized and significant at p<0.001.

To assess discriminant validity, the confidence intervals for the correlations between pairs of variables were calculated. As none of the intervals included the value one, discriminant validity between constructs was assumed.

Structural equation modeling (SEM) with AMOS software was used to test the proposed hypotheses. The model fit of the proposed structural model was acceptable ($X^2 = 1343.63; \text{d.f.} = 607; \text{CFI} = 0.93; \text{TLI} = 0.92; \text{IFI}=0.93; \text{RMSEA} = 0.07$). All the relationships were significant (p<0.05) and on the expected sense (Figure 2).

![Figure 2. Structural model](image)

Note: * p <0.01.

As predicted, CSR practices are positively related to perceived corporate reputation by the consumer ($H_1$: $\beta = 0.53$, p<0.01) and to the admiration that the individual feels for the company ($H_2$: $\beta = 0.28$, p<0.01). The perception of corporate reputation has a positive impact on consumer admiration ($H_3$: $\beta = 0.44$, p<0.01), which is also positively related to consumer’s loyalty ($H_5$: $\beta = 0.52$, p<0.01).
p<0.01). Finally, CSR has a direct and positive impact on consumer’s loyalty (H₄: β = 0.39, p<0.01).

Discussion, conclusions, and implications

This work has increased knowledge in the field of CSR from the perspective of consumers, delving into the benefits of these initiatives generating customer loyalty. Overall, the results confirm the proposed model and reveal the significance of emotions as a mechanism that explains consumer reactions to CSR.

CSR is conceptualized as a multidimensional construct. The three dimensions that are more easily identified by consumers (social, environmental, and economic dimensions) and that correspond to the well-known *Triple Bottom Line* (Elkington, 1997) or the perspective of sustainable development for others (Gladwin et al., 1995) are considered. Additionally, by using this conceptualization of CSR, the calls to take into account the impact of CSR on organizational reputation are addressed, assuming the multidimensionality of the construct (Melo and Garrido-Morgado, 2012).

The results confirm the positive effect that CSR exerts on consumer loyalty, through its impact on corporate reputation, and an emotional aspect, i.e., admiration. Similarly, a direct and positive relationship between CSR and loyalty is also confirmed. The results confirm that a socially responsible behavior increases consumer loyalty to the organization. In line with previously developed research (Galbreath and Shum, 2012), the direct and positive relationship of the perception of social responsibility and corporate reputation is confirmed. The relationship between CSR and the generation of positive emotions is also confirmed. The performance of organizations under the rules of CSR encourages the individual to feel admiration for them, which positively affects the consumer’s behavior. Simultaneously, corporate reputation also directly and positively affects consumer admiration for the company. Consequently, in addition to the role of the cognitive part that explains the relationship between CSR and consumer behavior, this research demonstrates the very prominent role of emotions throughout the process.

With regard to the current debate in the literature on the relationship between CSR and loyalty, we confirm that there is an indirect relationship through the variables noted, i.e., reputation and admiration. However, the direct and positive influence of CSR on the generation of consumer loyalty is also significant. This result is consistent with the results obtained by previous research (Barcelos, 2015).

In addition to the theoretical implications, this research also has important implications for management. In view of the results and given that CSR initiatives have an impact on consumer loyalty to the organization, companies should be encouraged to participate in such actions. Consumers require socially responsible actions of companies when addressing them and other stakeholders, which does not always occur. Therefore, the strategic efforts of companies must be along those lines, starting with the identification of possible mistakes, their rectification, and a subsequent action
that is in accordance with what is required of them. It would also be appropriate to address the need to properly communicate the efforts that were made to all stakeholders, particularly to consumers.

Despite the contributions of this investigation, it is not without limitations. By using customers as a single source of information to measure all of the variables in the model, we acknowledge the possible presence of a bias associated with common method variance. In the future, it would be beneficial to use other sources to supplement the responses that were provided by consumers. On the other hand, the hypotheses were tested in a single company in a specific sector. Consequently, in future studies, it is necessary to test the model in more companies and new sectors to verify that the results actually broadly apply. Furthermore, this research is a cross-sectional study. It is desirable to obtain data longitudinally to conclude that the results of the causal relationships that were explored are successful. Simultaneously, the possibility to include new variables in the proposed model should be considered to better explain the relationship between CSR and consumer loyalty while considering the impact of emotions. Specifically, it would be interesting to introduce moderating variables of the relationships raised in the model, such as gratitude.

References


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