

Print ISSN: 2288-4637 / Online ISSN 2288-4645
doi:10.13106/jafeb.2021.vol8.no8.0157

Corporate Social Responsibility and Consumer-Company Identification in Vietnamese Project-Based Organizations

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Received: April 10, 2021 Revised: June 26, 2021 Accepted: July 04, 2021

Abstract

In the past four decades, corporate social responsibility (CSR) issues have grown substantially due to the increasing demand for transparency and growing expectations that corporations should manage and improve their social, environmental, and economic performance. As a result, most organizations, companies, and governments provide CSR reports, while a large number of companies are still engaged in defining and integrating CSR into several aspects of their business. CSR is an obligation to society (Lee, 2020). The linkage between CSR and consumer-company identification (CCI) is important under company stakeholders. Consumers who care about those issues often change their shopping habits to bring greater value to the community. They will avoid buying environmentally or socially harmful products, and actively seek the products and services of the companies that carry out social responsibility. Companies conducting CSR activities such as charity works or environmental activities will be easy to associate as a responsible organization for always meeting the necessity of society. Therefore, companies must consider CSR a long-term strategy. The strategic approach to CSR plays an increasingly significant part in the business competitiveness - which helps create companies' values while gains trust and respect from the consumers, partners in particular, and the social community in general. This study is conducted to show evidence from project-based organizations about the CSR factors that influence consumer loyalty and the impact level of those factors on customer loyalty.

Keywords: Corporate Social Responsibility, Consumer-Company Identification, Customer Loyalty

JEL Classification Code: I12, M14, M31

1. Introduction

Vietnam has been a member of the ASEAN since 1995 when it joined as part of its ongoing process of integrating into the global economy and opening to the world. Proactively and positively Vietnam has been integrating into the international arena. Joining the Trans-Pacific Partnership Agreement (TPP) is one of the specific strategies of international integration of Vietnam. Under the TPP, tariffs on most goods and services will be reduced, hence Vietnamese firms will find themselves exposed to the competition they had never encountered before. ASEAN-based firms, with perhaps the

exception of a few Singaporean companies, do not have the same level of global competency as large American and Japanese firms.

For the business enterprise, sustainable development means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining, and enhancing the human and natural resources that will be needed in the future. Progressive businesses are already demonstrating that companies that introduce sustainability into their business models are profitable and successful. Shareholders and consumers want and value sustainable development. More consumers than ever are demanding that companies change the way they do business, become more transparent, and take an active role in addressing social, cultural, and environmental issues. Corporate Social Responsibility (CSR) has taken its place in today's corporate world, and businesses that ignore it do so at their peril.

With a growing emphasis on corporate social responsibility (CSR), companies must decide how to integrate CSR into their organizational strategy. For most companies,

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CSR has been a tool for improving business performance (Pakawaru et al., 2021). Considering implementing CSR an important project-based idea is essential for every business. The subject of CSR has continuously been challenged by those who want corporations to move beyond transparency, ethical behavior, and stakeholder engagement. Today, responsible behaviors are increasingly being embedded into new sustainable business models that are designed to meet environmental, societal, and governance deficits.

Regarding the spice industry market, in recent years, a series of serious environmental violations, labor rights violations, or poor-quality production have made society frustrated, consumers confused, and have seriously affected people's lives. For example, reports indicate that Vedan, a Taiwanese company, which produces monosodium glutamate, has inflicted significant environmental damage for over a decade to the Thi Vai River. There were rumors that Chinsu soy sauce was dangerous because it contains the substance 3-MCPD, which has been found to cause cancer in laboratory animals. These examples show that businesses do not focus on implementing social responsibility, while consumers increasingly raised their concerns on these issues.

According to Nielsen's study of social responsibility, the survey showed that nearly 3 out of 4 in Vietnam (73%) are willing to pay extra money for products and services from businesses that are committed to developing community and environment. This study analyses how consumers perceive the corporate social responsibility (CSR) actions carried out by retailing firms. Specifically, our study empirically demonstrates that investment in CSR policies increases consumer value, satisfaction, and loyalty to the company.

2. Literature Review and Hypothesis Development

A number of studies showed that traditional criteria such as price and quality decide consumer buying behavior (Som et al., 2012). However, a certain percentage of individual customers are also being affected by CSR policies (Mohr et al., 2001). Coupled with that, one of the reasons that make businesses focus on CSR in project-based works is its influence on buying behavior, as consumers increasingly require more from businesses, not merely just the quality of products and low prices (Bhattacharya & Sen, 2003; Tran et al., 2020). Bowen (2013) defined CSR as an obligation to pursue policies, make decisions or follow lines of action, which are desirable in terms of the objectives and values of society.

CSR is a management concept whereby companies integrate social and environmental concerns in their business

operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives ("Triple-Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders. Carroll's four-part definition of CSR was originally stated as follows: "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time". This set of four responsibilities creates a foundation or infrastructure that helps to delineate in some detail and to frame or characterize the nature of businesses' responsibilities to the society of which it is a part (Carroll, 1991). Following the four corporate responsibilities above, CSR is selected by each business and its project-based operations are derived from this choice.

Carroll's pyramid suggests that corporate has to fulfill responsibility at four levels – Economic, Legal, Ethical, and Philanthropic. The lowest level of the pyramid represents a business's first responsibility, which is to be profitable. Without profit, the company would not be able to pay their workers, employees will lose their jobs even before the company starts CSR activities. Being profitable is the only way for a company to be able to survive long term, and benefit society. Additionally, this also means that it is a company's duty to produce goods and services that are needed/wanted by the customers, at a reasonable price. The second level of the pyramid is the business's legal obligation to obey the law. This is the most important responsibility out of the four levels as this will show how companies conduct their business in the marketplace. Employment laws, competition with other companies, tax regulations, and the health and safety of employees are some examples of the legal responsibilities a company should adhere to. Failing to be legally responsible can be very bad for businesses. The ethical layer of the pyramid is described as doing the right thing, being fair in all situations, and also avoiding harm. A company should not only be obeying the law, but it should also do its business ethically. Unlike the first two levels, this is something that a company is not obligated to do. However, a company should be ethical as this not only shows their stakeholders that they are moral and just, but people will feel more comfortable purchasing goods/services from the company as well. Being environmentally friendly, treating suppliers/employees properly are a few examples of being ethically responsible. At the top of the pyramid, occupying the smallest space is philanthropy. Businesses have long been criticized for their carbon footprint, their part in pollution, using natural resources, and more. To counterbalance these negatives, they should "give back" to the community they take from. Even though this is the highest level of CSR, it should not be taken lightly as many people would want to do business with companies that are giving back to society.

Philanthropic responsibility is more than just doing what is right, but it is something that holds true to the company's values, to give back to society.

CSR describes the extent to which organizational outcomes are consistent with societal values and expectations. At its grassroots, being socially responsible has been a concern very much related to the rationale that businesses are more likely to do well in a flourishing society than in one that is falling apart. Over the past decades, both the concept and the practice have evolved as a reflection of the challenges created by an ever-changing society (Bhattacharya & Sen, 2004; Brønn, & Vrioni, 2001; Menon, & Menon., 1997). Dahlsrud (2006) analyzed 37 definitions used by researchers in their studies on CSR and noticed that most of the definitions are based on five dimensions: environmental, social, economic, stakeholder, and voluntariness. The environmental dimension considers the environment where the business organization survives. The business practices should be developed in such a way that they should not harm the environment. Thus they should concentrate on developing practices in an environmentally friendly way. The social dimension explains the relationship between society and business organizations. Business organizations should provide their contribution to society in a better manner by including the concern for social issues in their business operations. It should also consider the impact of such activities on the local communities. The economic dimension focuses on the profitability of the business operation which aims at maximizing the wealth of the business. Though profit maximization is the basis of the existence of any business, it must foster the socio-economic development of the nation. The stakeholder dimension ensures a good relationship with its entire stakeholders mainly with local communities, suppliers, customers, and employees in the organization. The smooth running of a business is possible only if the organization has a cordial relationship with its stakeholders. Voluntariness assumes the discretionary right to make decisions that are not imposed by the duty to fulfill certain conditions. Voluntariness is largely associated with the proactivity that transcends the imposed standards and rules. Voluntariness dimension means overcoming the minimum of prescribed standards related to product quality or safety, community support, support to charitable institutions, support to employees in social projects engagement through volunteering, and establish corporate foundations (Tangngisalu, 2020).

This research chose the model of Dahlsrud (2006) because these factors are suitable for the spice industry which causes pollution to the environment.

2.1. The Concept of Stakeholders in CSR

In the Dahlsrud model (2006), there is a stakeholder factor; this section will present the concept for this component.

The idea of stakeholders has its roots in the tradition that sees the business as an integral part of society and not just an isolated element for making profits for shareholders. Stakeholders are the key parts of the system that influence corporate decision-making in the way of bringing all sides of the business in balance through fulfilling everyone's needs without harm to other parts of the system. Stakeholders are those persons and groups who contribute to the wealth-creating potential of the firm and are its potential beneficiaries and/or those who voluntarily or involuntarily become exposed to risk from the activities of a firm. Thus, stakeholders include shareholders, holders of options issued by the firm, debt holders, employees (especially those investing firm-specific human capital), local communities, environment as latent stakeholders, regulatory authorities, the government, inter-organizational alliance partners, customers, and suppliers" (Peterson, 2004; Rupp et al., 2006).

CSR includes the responsible business organization with respect to stakeholders (shareholders, employees, customers, and suppliers), the business relationship with the state (local and national) institutions and standards, the business as a responsible member of society in which it operates, and the global community aspects. Businesses need to be managed so that the activities meet or exceed the ethical, legal, commercial, and public expectations. In today's modern-day context, CSR has become the mantra for businesses as it can be seen as a strategic approach for firms to succeed in their business endeavors. Hence, it remains the most widely used concept to refer to organizational-stakeholder relationships. An understanding of a stakeholder approach to CSR is an important means for a firm to enhance its commitment to operate in an economically, socially, and environmentally sustainable manner. The goal has become minimizing conflicts between stakeholders and prevention all unethical behaviors. Taking a stakeholder approach to CSR means that the main focus is on integration across stakeholders and on practical managerial solutions that create value for customers, employees, suppliers, communities, and financiers. Companies implement CSR activities to improve their relationships with stakeholders. However, many researchers pointed out that organizations must carry out cultural change when moving toward CSR organizations. Sustainability is a very important part of the stakeholder dimension of CSR due to needing for companies to take responsibility for a wider group of direct and indirect collaborators. They must take into account the whole supply chain and establish such a level of collaboration that all unsustainable or socially irresponsible practices are detected and prevented. When joining the global market many companies have faced barriers imposed by industrialized countries because they failed to meet environmental, human rights, and safety requirements. To participate in international trade and gain

a competitive advantage, companies began to strategically consider the adoption of CSR.

From the studies above and the definition of stakeholder, the authors adjusted the Dahlsrud model (2006), hence, the CSR components in this study will remain 4 factors: Environment, Society, Employees, and Consumers. Environment: Every decision and operation of businesses is always accompanied by the impact on the environment such as discharging air emissions, discharging waste into the water environment, using and disposing of toxic and hazardous substances along with other types of pollution (noise, radiation, biological hazardous substances). In terms of the environment, business activities can involve in CSR by reducing the use of natural resources, contributing to lessening climate change, biodiversity degradation, and organisms. Labor issues include all work-related policies and activities carried out by employees, laborers, and subcontractors of the businesses (issues of salary and working condition (working time, safety and health, training and communication, welfare, holidays, days off), social protection (health insurance, family benefits, unemployment reduction), incentive policies, recruitment and termination of an employment contract, labor allocation, collective negotiations, social dialogue). When purchasing and using any products, consumers must be assured of safety, given complete information of the products, the usage, and the objective reviews on products, and informed about possible risks. Businesses must not isolate themselves from the community where businesses operate. Community harmony and development means businesses must respect the community and include project-based implementation for activities such as supporting and identifying priorities for social investment and development in the community, building a transparent relationship with local authorities, promoting training and education opportunities for the community, respecting and promoting cultural activities, giving career opportunities and supporting local skills development activities, applying knowledge, skills, and reasonable technologies to solve environmental and social issues at businesses.

2.2. The Impact of Implementing CSR on Consumers and C–C Identification

The studies of Berger and Kanetkar (1995), showed that customers always support businesses committed to carrying out marketing campaigns for beautiful goals, environmentally friendly and social ethics activities (Maignan & Ferrell, 2004). The studies of Maignan and Ferrell (2004) pointed out the positive impact of CSR activities on C–C Identification. Also in their study, Handelman and Arnold (1999) noted that customers usually give positive comments to businesses that are committed to doing CSR with

specific criteria (Riketta, 2004). Research showed that CSR program leads to an increase in consumer attitudes towards businesses, including the faith in the honesty of businesses, consumer satisfaction, advertising truths, environmental support, workers support, and job introduction (Aaker, 1996; Swanson & Davis, 2006).

Sen and Bhattacharya (2001, 2003) and Webb et al. (2008) mentioned that the most influential factors on consumers are philanthropy, environmental protection, and ethical behavior. The study of Sen and Bhattacharya (2001) also showed that the efforts of businesses in many fields of CSR (funding, community support, and businesses' views in issues related to women, ethnic minorities, gays, and people with disability) directly affect consumers' attraction toward products. Consumers who care for these issues, often change their shopping habits to bring greater value to the community. They will avoid buying environmentally or socially harmful products, and actively seek the products, services of businesses that carry out social responsibility (Mohr & Webb, 2005). Firms seeking to enhance customer loyalty can do so by using CSR as a means of creating a favorable corporate image. This can be better achieved if companies adopt a sustainable development approach and address social and environmental dimensions as well as the economic dimension (Sen et al., 2006).

The consumers are more than essential to the business because without them, putting up a profit-generating firm is useless. Customers buy the products or services which they think can benefit them. It simply would not work if there is no support from the buying public. Consumers are hungry for more information of all kinds when it comes to corporate social responsibility practices, and many are willing to pay more to companies that can provide it (Ahearne et al., 2005). The competition in the business world of today is stiff, and it can be quite challenging for a company to set itself apart in the eyes of customers. However, businesses that take social responsibility seriously can win consumers, as well as develop a platform to market and earn their audience's attention. Simply put, social responsibility can help people see a company as a positive force in society (Shamir, 1991). Thus, summarizing the above two things, there is the last hypothesis as follows:

H1: Environmental factor positively impacts the C–C Identification.

H2: Labor factor positively impacts the C–C Identification.

H3: Consumer factor positively impacts the C–C Identification.

H4: Community Engagement factor positively impacts the C–C Identification.

H5: Honesty in Business factor affecting C–C Identification.

H6: There is the influence of social responsibility on loyalty through C–C Identification.

2.3. The Affection of CSR to Loyalty Through C–C Identification

2.3.1. The Concept of Loyalty

Customer loyalty is the act of choosing one company's products and services consistently over its competitors. When a customer is loyal to one company, they aren't easily swayed by price or availability. They would rather pay more and ensure the same quality service and product they know and love (Chaudhuri, 1999). Customer loyalty is a measure of a customer's likeliness to do repeat business with a company or brand. It is the result of customer satisfaction, positive customer experiences, and the overall value of the goods or services a customer receives from a business (Ganesh et al., 2000).

Primarily, customer loyalty is when a person transacts with a brand (or purchases a specific product) on an ongoing basis. Customer loyalty is a customer's willingness to repeatedly return to a company to conduct business. This is typically due to the delightful and remarkable experiences they have with that brand (Schultz & Bailey, 2000). Customer loyalty is a measurement of the likelihood that customers will continue doing business with the company. It's the result of their overall satisfaction with not only the products and services but also at every touchpoint in the customer journey. Customer loyalty helps build closer ties with customers (Oliver, 1997). When companies improve the experience a customer has with their brands, they become more than just another website or online store. Customers trust the business/company with their money because the company/business gives them something of value in return. The right customer loyalty tactics help companies form these longer-lasting relationships, which, in turn, can increase customer lifetime value, help with new customer acquisition, and boost revenue (Engel & Blackwell, 1982).

Loyalty is expressed by buying more in one brand, willing to pay a higher price, and creating the business reputation through positive word of mouth (Ganesh et al., 2000). The role of loyalty is the foundation for generating revenue for the business and there is a connection between loyalty and profit. At the same time, in the field of marketing, customer loyalty is considered an important goal and a determinant of business success. Anderson and Mittal (2000) also perceived that customer loyalty is a fundamental element of the businesses' development, benefits, and assets. Customer loyalty is something all companies should aspire to simply by virtue of their existence: The point of starting a for-profit company is to attract and keep happy customers who buy your products to drive revenue.

These persuasive arguments make businesses unable to ignore consumer loyalty and they must find ways to enhance customer loyalty to the products, and one of which is implementing corporate social responsibility.

2.3.2. The Affection of CSR to Loyalty Through the C–C Identification

Maignan and Ferrell (2004) identified the positive relationship between CSR and consumer loyalty in a manager survey. By being socially responsible, a company demonstrates that it incorporates ethical practices in how it does business. Customers are becoming increasingly aware of local, national, and global issues, and there is no denying that their buying decisions are now being greatly influenced by these issues. Therefore, they tend to buy more from companies that show their concern and their action over issues that also resonate greatly with the customers (Highhouse et al., 2003; Barber, 1998). Bhattacharya and Sen (2003) pointed out that consumer loyalty goes a long way in helping a business stay afloat. Part of what makes a functioning business is customers; without them, the business simply would not exist. For their loyalty, consumers expect brands and businesses to not be all about making a profit, but to give back to society. CSR creates a landing place in the minds of the target consumers. CSR not only creates brand awareness among the consumers but also leads to a positive brand image in the minds of the potential consumers. It is found that positive brand image could influence customer loyalty so that they would repurchase more product or service and recommend others to buy (Brown & Dacin, 1997; Bergami & Bagozzi, 2000; Dutton et al., 1994).

As a result, the conceptual model of the hypothesis is developed as follows (Figure 1).

3. Research Methodology

The study consists of two main steps: qualitative and quantitative research. Qualitative research is conducted by

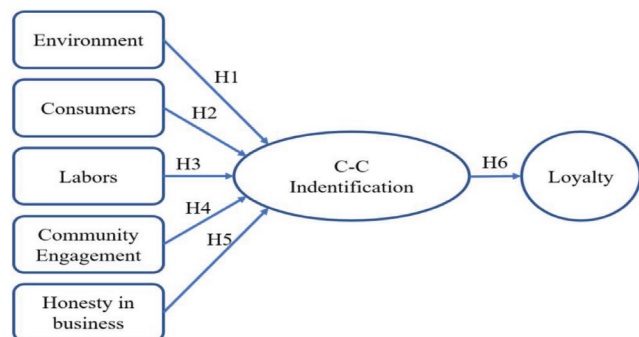


Figure 1: Research Theoretical Framework

an in-depth interview method. This research aims to explore and adjust the scale of CSR factors that affect Corporate Engagement and Consumer Loyalty. Quantitative research includes a Preliminary study: surveying 30 consumers in 10 districts in Vietnam who use spice products using a formal questionnaire. In official research, 200 to 300 consumers using spice products were surveyed to check their reliability, unidirectional, and convergent validity. In the official quantitative research, an intensive survey was carried out by creating a questionnaire.

The data collection was based on consumers using dipping sauce, sauce, and spice products. After getting the data, the researcher performed Exploratory Factor Analysis (EFA). The scale of reliability was judged using Cronbach's Alpha, and the unsuitable variables were removed. Cronbach's alpha is the most common measure of internal consistency ("reliability"). It is most commonly used when you have multiple (Likert) questions in a survey/questionnaire that form a scale and you wish to determine if the scale is reliable. The next step was to affirm the scale by analyzing confirmatory factor (Confirmatory Factor Analysis – CFA), and the model's reliability was judged by composite reliability, convergent validity, and discriminant validity. Finally, the researcher analyzed the theoretical model using structural equation modeling – SEM. Questions about business social responsibility factors include environment, honesty in business, workers, consumers, and community engagement. All of the questions in this part use a 5-point Likert scale (from 1 – completely disagree to 5 – completely agree). A 5-point Likert scale is a type of psychometric response scale in which responders specify their level of agreement to a statement typically in five points: (1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly agree.

Choosing a sample size needs careful consideration to match the theme variable, then, based on the study of a sample size selection of the appropriate number of samples must be made. According to Bollen (1989), the sample size must be proportional to variables in the ratio of 5:1. Hatcher (1994) also suggested that the minimum sample size must be 5 times the total number of variables. According to Gorsuch (1983), the minimum sample size was 200.

This research adopts the Bollen (1989) and Hatcher (1994) method of choosing sample size which means the minimum sample size must be 5 times the total number of variables. The number of variables in this topic is 44, so the minimum sample size will be 44 times 5 equals 220 samples. With the ability to collect data for this research and ensure the response rate, the authors chose a sample number of 240 for the research purpose. Before analyzing all the collected data, the authors removed invalid forms (incomplete or wrongly answered forms).

4. Results

A total of 240 paper questionnaires were collected during the data collection process. After processing the data, 10 questionnaires were rejected because of the lack of information or a single answer chosen. Therefore, the remaining 230 questionnaires are used for analysis in the next section. In the data, 157/230 are women accounting for 68.3% and 73/230 are men accounting for 31.7%. The ratio between the age and occupation of interviewees is not too different (Table 1).

Statistical results showed that workers comprised the highest proportion (32.2%), followed by office workers (28.3%), students (20.4%), state employees (13%), and other occupations (6.1%). In terms of age, the group under 20 years accounted for 8.3%, 20–30 years accounted for 36.5%, 31–40 years old accounted for 25.2%, 41–50 years accounted for 22.6%, and over 50 years accounted for 7.4%. Cronbach alpha's value ranged from 0.757 to 0.846. In which the scale of honesty in business had the lowest value of 0.757 and the highest value of 0.846 belongs to the environmental scale.

All the components with factor loading were < 0.3 and components loading on 2 columns or variables do not load the same factor. The value of sig. is $0.000 < 0.05$, so it can be said that the variables are not correlated to each other in the total variable. The KMO (Kaiser Meyer Olkin) index is equal to $0.756 > 0.5$ (satisfying the condition greater than 0.5 and less than 1) so factor analysis is appropriate. The Eigenvalue is equal to 1.476 greater than 1 and the variance explained is $53.412\% > 50\%$, so the condition of EFA is satisfied. The load of the observed variables ranged from 0.752 to 0.897 and

Table 1: Occupational Statistics

Occupations	Ratio	Age	Ratio	Income Ranges	Ratio
Students	20.4%	<20	8.3%	<3 million	14.8%
Office workers	28.3%	20–30	36.5%	From 3 to 5 million	19.1%
Workers	32.2%	31–40	25.2%	From 6 to 10 million	22.6%
State employees	13%	41–50	22.6%	From 11 to 15 million	32.6%
Others	6.1%	>50	7.4%	>15 million	10.9%

is greater than 0.6. The variance explained (VE) of the scales oscillates from 59.195% to 72.352%. Composite reliability (CR) ranges from 0.654 to 0.702. The results showed that the scales achieved convergence validity and reliability.

The results showed that $CMIN / df = 1.781 < 2$; $GFI = 0.888$, $TLI = 0.898$, and $CFI = 0.917$ (all close to 0.9 with very low difference); $RMSEA = 0.058$; and $Hoelter = 162$. All of these indicators are satisfactory, thereby, confirming that the model is appropriate to the data. Besides, from r_{A-B} , correlation coefficients between pairs of components oscillate from 0.033 to 0.754, and r^2_{A-B} index ranges from 0.05 to 0.568. VE of scales oscillates from 0.42 to 0.75. Therefore, all cases show that the VE of each component is greater than the square of the correlation coefficient between the respective components. Hence, it is possible to conclude that the concepts and scales have discriminant validity.

4.1. Verification of Theoretical Models

Results for statistical indicators show $\chi^2 = 198.504$ and $df = 128$; $\chi^2/df = 1.535 < 2$; $GFI = 0.921$, $TLI = 0.946$, and $CFI = 0.955$ (all greater than 0.9); $HOELTER = 184$; $RMSEA = 0.048 < 0.05$. These all proved that the model is considered appropriate to the data. When the number of samples increases, these indicators are also raised.

The results in Table 2 showed that the p -value between concepts is < 0.05 so these concepts have a statistical idea and affect each other. On the other hand, the unstandardized coefficients of these concepts are positive, therefore, it can be concluded that the concepts have a proportional relationship with each other.

4.2. Hypothesis Test Results

According to the hypotheses presented in chapter 3 and testing results presented above, hypotheses H5 and H2 are not accepted, but the remaining are. The acceptance of hypothesis H6, where CSR components such as Environment, Employees, Consumers, Community Engagement impact customer loyalty through the C–C Identification factor, proves that businesses implementing CSR will gain customer loyalty.

H1: Environmental factor impacts C–C identification, which proves that consumers will trust and have long-term loyalty with businesses/companies that are environmentally responsible, however, if businesses pollute the environment, customers will turn their back. For example, Vedan wedges production company discharged untreated wastewater directly into the Thi Vai river that caused a great impact on people living on either side of the river. As soon as this case was announced, Vedan products (mostly MSG) were boycotted by consumers. Despite some recoveries in recent years, many consumers have replaced Vedan wedges with other brands' wedges. Therefore, the environment variable has a strong impact on consumer-brand identification, which is proved from the total effect (0.409) of the environmental variable on consumer-brand identification. However, this effect is low because business problems are always kept private by companies and are only revealed to customers when being discovered by the press or the authorities.

H2: Employee factor affecting C–C identification is removed from the model because its factor loading is negative. Labor issues are always kept private by the businesses and become internal problems. Consumers are just buyers and users so that they can only know about labor issues when these issues are mentioned in the mass media.

H3: Consumer factor affects the C–C identification when businesses guarantee consumers' rights such as information security, customer satisfaction with complaint handling, and businesses have good consumer-company relationships. Bad handling of customer complaints can ruin the brand's reputation. For example, Tan Hiep Phat Group, the maker of several popular drinks in Vietnam, is being boycotted on the Internet and scrutinized by the country's consumer association, only days after winning a lawsuit that sent one of its consumers to prison. After Tan Hiep Phat won the lawsuit, it was immediately hit by strong protests by consumers, who insisted it was unethical for the firm to treat its customer that way. A huge wave of people had taken to the Internet to urge one another to 'boycott' products made by Tan Hiep Phat, leading to the company admitting to suffering whopping damage worth at least VND2 trillion (\$89.29 million). When businesses pay attention to the quality of products, provide the best products, focus more on product improvement and

Table 2: Results of Causality Between Concepts in the Research Model

Respects	Estimates	SE	CR	p-value
Community engagement → Consumers	0.593	0.16	3.693	***
C–C Identification → Loyalty	0.334	0.068	4.907	***
Community engagement → Customer's Brand Awareness	0.278	0.134	2.078	0.038
Consumers → C–C Identification	0.188	0.085	2.207	***

Note: *** $p < 0.000$.

development to meet the needs of consumers, it will be sustainable in the market and have customer loyalty. This is proved from the total effect (0.742) of the consumer variable on consumer-brand identification.

H4: Community engagement factor affects C–C identification when businesses carry out charitable activities such as extract part of the purchase price for supporting charities or organized scholarships for poor students who overcome difficulties, build houses of gratitude, support people in areas hit by natural disasters, or community development activities such as building infrastructure, schools, health stations, training and career development for the locals. This will form a more positive image of the business in the minds of the consumer. This is proved from the total effect (0.636) of the community engagement variable on consumer-brand identification.

H5: Honesty in business factor impacting C–C identification is removed from the model because its factor loading is too small and negative.

H6: Social responsibility factor impacts C–C Identification. When a business fulfills its social responsibility, it will attract customers and form a positive image of that business in customers' minds. However, due to many different factors impacting the business, the business cannot gain customer loyalty. This is also proved from the total effect (0.334) of the social responsibility variable on consumer's brand awareness and customer loyalty.

5. Conclusion and Recommendation

After conducting data analysis with SPSS and Amos software, it can be seen that three factors affect business engagement and loyalty: environment, consumers, and community engagement. In particular, the environmental factor impacts the most with a factor loading of 0.837, followed by consumer factor with a factor loading of 0.808, and finally the community engagement factor with a factor loading of 0.777. Businesses have a responsibility to ensure that their activities are carried out in a sustainable manner. For a business to continue ethically, it must respect the planet by limiting its impact on the environment as much as possible. Customers today are more focused on environmental issues, along with charity and community development, instead of only caring about price and product quality. In general, businesses should consider the project-based implementation of CSR as a long-term strategy due to its effect on the competitiveness of businesses, creating business value, and gaining consumer's trust and respect.

The results showed that the community engagement factor has the biggest impact on consumers buying spice products. Businesses can strengthen cooperation with the local community by opening local vocational training institutions for training and recruiting workers.

This will bring about a skilled labor force for businesses, solve employment problems for the local people, and strengthen the relationship between businesses and the locals. Businesses should actively participate in social assistance programs such as building gratitude houses, supporting disabled people, orphaned children, flood and natural disasters victims as well. Besides doing charity by extracting a part of the product price to contribute or support community activities, businesses can build schools to provide needy children in remote areas an opportunity to go to school. Business leaders and organizational staff representatives should visit and give gifts to soldiers who are guarding far-off islands, organize music nights and festivals for them, etc. Businesses can also organize a green campaign or a parade walk with elders, and call on young people to participate. In such programs, there should be gifts for poor families and the disadvantaged. From that businesses will be able to approach many consumers and leave a good image.

Nowadays the environment is seriously polluted. Environment-friendly companies save money, have greater productivity, enjoy competitive advantages, and set a positive example through their actions. With so many easy ways of going green, there is simply no reason not to adopt environmental responsibility as a core part of your business strategy. Companies should continuously operate equipment such as wastewater and exhaust gas filters while processing to prevent wastewater/hazardous fumes from being discharged in the open and polluting the environment. Companies need to invest in innovating clean technology and green technology and apply eco-friendly production methods for sustainable development (for example investing in wind and solar energy systems). In case the investment cost is very high, businesses can launch campaigns such as planting trees and improving water sources. These campaigns can be carried out 2 to 3 times a year to create conditions to improve the environment, get employees and laborers in the business to understand CSR towards the environment, and also a sympathetic view towards consumers. For businesses that have been affecting the surrounding environment during production processes, there should be sufficient compensation policies for local citizens. This is very important to show that businesses regard people who are also customers of the businesses.

The last factor is consumers. For businesses that want to have a high competitive edge, besides implementing other factors, product quality must be a top priority. For customers to be assured of product quality, businesses should establish an official website, where it is necessary to provide sufficient information about the business, information about products as well as origins, ingredients, usages, and benefits for customers, and there should be an FAQ section to answer questions from customers as well as hotline so

that customers can call directly to report difficulties in the usage of the product, ask queries about the product, and register complaints regarding product quality or any other complaints. Particularly, for products that expired or have problems, businesses need to take measures and plans to recall products for checking immediately as to avoid its impact on the reputation of businesses and other products.

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