

CORPORATE SOCIAL RESPONSIBILITY AND ITS IMPACT ON SERVICE QUALITY, CONSUMER TRUST AND LOYALTY

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ABSTRACT

This study investigates the effects of Corporate Social Responsibility (or CSR) fulfillment on consumer loyalty in the service market environment by comparing them with the effects of marketing mix strategies. This study also examines two potential mediating factors (i.e., service quality and consumer trust) in understanding how CSR relates to consumer loyalty. The results show that CSR performance builds customer trust, which leads to customer loyalty. CSR activities also affect customer perceptions of service quality although their effect is weaker than that of marketing mix strategies. The paper concludes with a discussion of the implications of the study for researchers and marketers.

Keywords: corporate social responsibility; service quality; consumer trust; marketing mix strategies; consumer loyalty

INTRODUCTION

Many companies are now paying much attention to their social responsibilities and are making efforts to fulfill them (Mohr, Webb, and Harris 2001). Not only are they facing pressure to do so (Folkes and Kamins 1999) from consumers (Klein, Smith, and John 2004; Luo and Bhattacharya 2006) and non-profit organizations (Lichtenstein, Drumwright, and Braig 2004), they are also coming to realize that a public image as a socially responsible company is a valuable strategic asset, one that may be related to profitability (Berens, van Riel, and van Bruggen 2005; Brown and Dacin 1997). Many studies have shown that firms that perform socially responsible activities receive more positive evaluations from consumers than those that do not (e.g., Berens et al. 2005; Brown and Dacin 1997; Lichtenstein et al. 2004; Sen and Bhattacharya 2001).

The present study investigates consumers' responses to corporate social responsibility (or CSR, hereafter) activities. Although many studies have already been conducted in this area, the existing research has several limitations. First, it has focused its attention on a limited number of CSR activities; foremost among them, donations (Berens et al. 2005; Chang and Lee 2010; Holmes and Kilbane 1993; Lafferty 1996; Lichtenstein et al. 2004), community support (Kaplan 2002; Lafferty and Goldsmith 1999), the environment (Berens et al. 2005; Drumwright 1994), minorities (Sen and Bhattacharya 2001), and product quality management (Lafferty and Goldsmith 1999; Folkes and Kamins 1999). However, CSR, just as societal obligations for companies (Lichtenstein et al. 2004; Mohr et al. 2001), is a fairly comprehensive construct that can be defined multi-dimensionally to include many factors. Our study offers a robust understanding of CSR by investigating its effects along several dimensions at the same time in the Korean market environment. Many foreign companies operating in Korea are now faced with turbulent market environment and fierce competition. These companies realize that having a socially responsible corporate image is a valuable strategic asset. Second, the effects of CSR activities have only been examined through direct evaluation of consumer attitudes towards a company's product (e.g., Berens et al. 2005; Brown and Dacin 1997; Sen and Bhattacharya 2001). Far more useful would be to evaluate consumer attitudes toward the company itself (Luo and Bhattacharya 2006). After all, it is the firms that engage in socially responsible activities to develop favorable relationships with consumers (Willmott 2003). A firm that behaves in a socially conscientious manner builds trust, showing that it will respect the long-term interests of its customers through its actions (Crosby, Evans, and Cowels 1990). Then, it is somewhat surprising that little research to date has explored the relationship between CSR fulfillment and consumer trust on the company (cf. Castaldo et al 2009; van Herpen, Pennings, and Meulenbergh 2003; Vlachos et al. 2009). Our study addresses such a limitation by considering consumer trust as one of the key variables.

Finally, if research in this area is to be useful to marketers, it should compare the effects of CSR performance with those of other marketing activities. A clear picture of the relative strengths of each might provide a justification for CSR, as well as specific guidelines for its implementation. Little research to date has tried to compare the effects of CSR performance with those of the company's various marketing mix activities. Thus, our study examines the CSR's effects on service quality perceptions, consumer trust and loyalty as compared with those of a marketing mix. It is expected that the results of this study would provide useful guidelines for international marketers in prioritizing marketing strategies and tactics for building up their images and long-term relationships with their customers in Korean market.

In sum, the purpose of this research is to examine the effect of the multi-dimensional performance of CSR on service quality, consumer trust and loyalty as compared to the effect of marketing mix activities in the Korean environment.

RESEARCH HYPOTHESES

The main idea of this paper is that CSR fulfillment induces consumer loyalty to the company by eliciting favorable evaluations of the service quality and building customer trust. The effect of CSR activities is compared to that of marketing mix performance. It is suspected that CSR and marketing mix activities may take different processes in influencing and determining customer loyalty. The key constructs are reviewed and their relationships are hypothesized in this section.

Corporate Social Responsibility: A Consumer Perspective

Researchers and practitioners have long been interested in CSR. Bowen (1953) defined CSR as societal obligations, a perspective that entails maximizing beneficial impacts as well as minimizing harmful effects for society as a whole (Petkus and Woodruff 1992). Carroll (1979) divided CSR into four dimensions; i.e., economic, legal, ethical, and philanthropic responsibilities of the firms. The recent trend is to consider CSR as an obligation to diverse stakeholders of the companies (e.g., customers, employees, shareholders, etc.) rather than to the society in general (Maignan and Ferrell 2004). Among these stakeholders, consumers are viewed as one of the most important groups (van Herpen et al. 2003; Jones 1999).

Nevertheless, only a few studies (e.g., van Herpen et al. 2003; Maignan 2001) have explored what dimension(s) of CSR performance consumers expect of companies (Mohr et al. 2001). One of the potential barriers to research for such a purpose is the absence of a set of comprehensive measures that would assess CSR activities from the consumer's point-of-view. Maignan (2001) showed that consumers do distinguish among economic, legal, ethical, and discretionary responsibilities. She also indicated that consumers are likely to be less interested in large, abstract categories than in the concrete activities of companies. Van Herpen et al. (2003), in their study of the perceptions of retail service consumers, suggested that customer relations, environmental concerns, donations, and integrated quality would be the dimensions underlying CSR. Recently, Kim et al. (2005) found five dimensions of CSR performance through an empirical consumer study in the Korean market; i.e., (a) societal contribution, (b) environmental preservation, (c) community activities, (d) economic responsibilities, and (e) consumer protection.

These studies reveal that consumers see CSR as a multi-dimensional phenomenon (Mohr et al. 2001), one that benefits them through community activities and consumer protection, for instance, as well as society as a whole (Folkes and Kamins 1999). In addition, the studies suggest that CSR implementation involves avoiding harm as well as doing good (Petkus and Woodruff 1992).

The Effect of CSR on Consumer Loyalty Through Trust

Trust is one's expectation, assumption, or belief that another party's future actions will be beneficial, favorable, or at least not detrimental, to one's interests (Kramer 1999; Robinson 1996). It is clear that trust and CSR are closely related concepts (Castaldo et al. 2009; Petkus and Woodruff 1992; Vlachos et al. 2009). Specifically, it is expected that CSR activities would help a firm gain customer trust.

Prior studies also have considered trust as a multi-dimensional concept. Two major dimensions that have been investigated are benevolence and competence (Mayer, Davis, and Schoorman 1995; Sirdeshmukh, Singh, and Sabol 2002). Trust in another party's benevolence, also known as affect-based trust (McAllister 1995), is faith that the other party will treat one well out of unselfish motives. This dimension of trust embraces such concepts as caring, concern, and altruism (Frost, Stimpson, and Maughan 1978). Studies of organizational citizenship (e.g., Organ 1988; Smith, Organ, and Near 1983) have shown that altruistic behavior (or acts performed to help others rather than for compensation or for the sake of organizational efficiency) can be the foundation of affect-based trust (McAllister 1995). Trust in another party's competence, or cognitive-based trust, is defined as "confidence in a partner's reliability and integrity (Morgan and Hunt 1994, p.23)." In the context of marketing, trust in competence is consumers' faith that a company will not do them any harm.

CSR implementation that demonstrates a firm's benevolence and competence is taken by stakeholders as diagnostic evidence that the firm can be trusted (Sirdeshmukh et al. 2002). Hosmer (1994) showed that firms that acknowledge moral issues and try to address them will gain the trust of stakeholders. Similarly, recent research demonstrated that the perceived CSR activities of retailers affect customer trust positively (Castaldo et al 2009; Pivato, Misani, and Tencati 2008; van Herpen, Pennings, and Meulenbergh 2003).

Trust is critical to a successful consumer-company relationship (Berry 1995; Morgan and Hunt 1994). It is especially important in industries that offer intangible services rather than tangible products; the high degree of perceived risk generally involved in purchasing intangible services can be reduced by the level of consumer trust in the service provider (Berry 1995). Trust is also essential to establishing commitment in a consumer-brand relationship (Fournier 1998; Chaudhuri and Holbrook 2001). Commitment, or "an enduring desire to maintain a valued relationship (Moorman, Zaltman, and Deshpande 1992, p. 316)," entails both affective and cognitive aspects, and may also be described as loyalty (Oliver 1999).

A firm that is trusted by its customers can maintain long-term relationships with them and ensure their loyalty (Chaudhuri and Holbrook 2001; Garbarino and Johnson 1999). Trust has been recognized as a mediating variable in many marketing studies (Morgan and Hunt 1994). More recently, scholars have tried to demonstrate a mediating role of consumer trust in the relationship between CSR and loyalty (Pivato, Misani, and Tencati 2008; Vlachos et al. 2009). Therefore, the following hypotheses are proposed:

- H1. CSR fulfillment has a positive effect on consumer trust.*
- H2. Consumer trust has a positive effect on consumer loyalty.*

Effects of CSR and Marketing Activities on Perceived Service Quality

The benefits customers receive from a product or service are one of the most significant factors determining their loyalty to that product or service. These benefits can be defined and measured as product/service quality (Parasuraman, Zeithaml, and Berry 1985; Zeithaml 1988). It is important to note that customers perceive product/service quality mainly through extrinsic attributes such as brand name and price (Dodds, Monroe, and Grewal 1991). According to a number of studies, consumers prefer a simplified decision-making process, and therefore depend on extrinsic cues, which are easier to evaluate than intrinsic (or physical/functional) attributes (Wright 1975; Zeithaml 1988). Consumers seem to use extrinsic product cues as an indicator of quality (Agarwal and Teas 2001).

Traditional marketing activities are generally concerned with planning on and implementing the marketing mix strategies (or so-called 4Ps), which are, from a consumer's point-of-view, considered as the extrinsic attributes of a product or service. For example, marketers try to build up their brands in the market, decide on the price more attractive than competition, diversify their product lines, and carry out advertising plans that would make their brands look more special (Aaker and Jacobson 1994; Agarwal and Teas 2001; Dodds et al. 1991; Jacoby and Olson 1971; Milgrom and Rovers 1986). These marketing activities are expected to form and affect product/service quality image.

On the other hand, corporate image is also known to affect perceived quality (Ricks 2005). According to Keller and Aaker (1995), corporate image directly affects consumers' quality perceptions. A positive corporate image will tend to produce positive associations with the company's products or services; such association is one of the attributes consumers depend on when they evaluate product quality (Brown and Dacin 1997). Prior studies of the corporate image have dealt primarily with perceptions of corporate competence and how they affect perceived product quality. However, past studies have found only an indirect or moderating effect of CSR activities on perceived quality (Berens, et al. 2005; Brown and Dacin 1997; Ricks 2005). These studies used only a few aspects of CSR, which is actually a fairly comprehensive concept with many dimensions, as discussed above. It is quite possible that a more robust understanding of CSR would yield its direct effect on perceived quality. In fact, when van Herpen et al. (2003) used a multi-dimensional model of CSR, they found its direct positive effect on consumer evaluations of retailers. de los Salmones et al. (2005) also demonstrated that CSR has a direct effect on consumers' overall perceptions of service quality in the context of mobile telephone service. Based on the social identity theory, customers' CSR associations will generate positive consumer-company identification. It is also suspected that C-C identification results in numerous corporate benefits such as quality and satisfaction (Lichtenstein et al. 2004; Luo and Bhattacharya 2006).

Thus, in forming perceptions of product/service quality, consumers are likely to draw diagnostic information from both the company's marketing activities and performance of CSR. In this context, marketing mix performance can be related to corporate ability image (i.e., CA), and it is expected to more impact than CSR effect on consumer perceptions of product quality. On the basis of the discussions above, the following hypotheses are set forth:

- H3. CSR fulfillment has a positive effect on perceived service quality.*
- H4. Marketing mix activities have a positive effect on perceived service quality.*
- H5. Marketing mix activities have a stronger positive effect than CSR performance on perceived service quality.*
- H6. Perceived service quality has a positive effect on consumer trust and loyalty.*

The hypotheses discussed and proposed thus far are illustrated in the form of a conceptual model (see Figure 1).

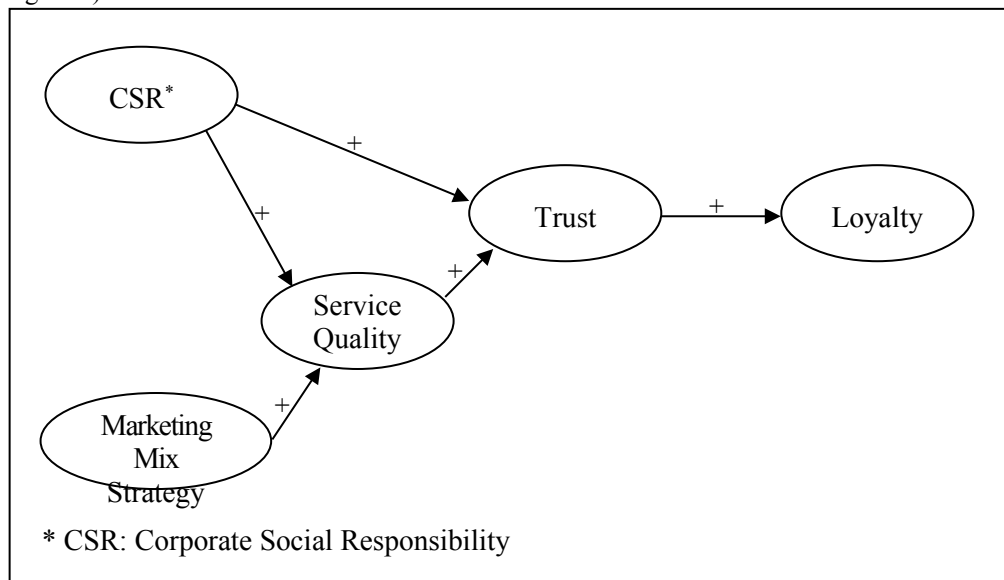


Figure 1 Conceptual Model

METHOD

To test the hypotheses, we took a survey with students and business people for convenience. Student and business people are expected to be representative of the service user population in Korea. The respondents and procedure are described more specifically in this section.

Respondents

While marketing activities are usually conducted at the level of the individual brand, CSR is fulfilled at the company level. To compare the effects of the two types of activities, we selected the Korean companies which used family brand names. In these cases, the company name is consistent with its brand name. The main respondent group was made up of Korean university students and business people. We chose service companies with which our respondents were likely to be familiar, i.e., a service provider for mobile phones and a family restaurant.

Procedure

A convenience sampling of university students and business people participated in the survey. Questionnaires were administered in marketing classes of undergraduate and MBA programs at a major metropolitan university. Out of 312 questionnaires administered, 308 were returned. Screening of the returned questionnaires yielded 300 for analysis, a sufficient number for the structural equation modeling (Chou and Bentler 1990; Joreskog and Sorbon 1989).

Respondents were asked to select one specific brand for each of the two service industries (i.e., mobile phone service and family restaurant) and then to answer a series of questions about the brands they chose. The first questions measured perceptions of the CSR and the marketing mix activities; subsequent items measured perceived service quality, trust, and loyalty.

Measures

There are two exogenous variables in the model. One of them is CSR. It is a multi-dimensional construct that encompasses all the norms and activities through which a firm may benefit society. We measured this variable using 16 items developed by Kim et al. (2005), which address five dimensions of CSR: (a) societal contribution, (b) environmental preservation, (c) community activities, (d) economic responsibilities, and (e) consumer protection. The other exogenous variable, marketing-mix activities, was measured by asking respondents how they perceived the product, price, and promotions of a specific firm.

Perceived service quality, defined as consumers' subjective inference about the overall quality of a service, was measured using the concept developed by Parasuraman, et al. (1985) and Brady and Cronin (2001). Trust was defined as a confident belief that a company can be relied on to behave in a manner that serves the consumers' long-term interests (Crosby, et al. 1990). Trust was measured using three items adapted from van Herpen, et al. (2003). Finally, loyalty was defined as customers' intention to maintain a long-term relationship with a company. Javalgi and Moberg's construct and measures on loyalty (1997) were used. The items used in the study will be explained again in the next section.

RESULTS

A survey was taken with 312 respondents, yielding 300 usable returns for analysis. Out of 300, 51% respondents were male and 49% were female; 38% were 20-24 years of age, 43% were 25-29, 17% were 30-34, and 2% were 35 and over; 75% were students and 25% were business people.

Measurement Model

To validate our measures, we first examined their reliability and validity. Internal reliability was checked by computing Cronbach's alpha. All the measures for the constructs exceed 0.6 and thus, have internal reliability.

We checked the validity of the measures by running two confirmatory factor analyses, i.e., one for the CSR dimensions, and then another for all variables in the model. The results of the first analysis are shown in Table 1. The measurement model satisfies generally accepted fit criteria; the Goodness of Fit Index (GFI) is 0.93, the Comparative Fit Index (CFI) 0.98, and the Non-Normed Fit Index (NNFI) 0.97. The factor loadings for each item are the indicators of convergent validity. As shown in Table 2, loadings for all items are highly significant ($p < 0.01$). Accordingly, the CSR measures in our model have convergent validity.

Dimension	Indicator	Loading	t-value	Cronbach's alpha
Societal contribution	The company contributes actively to society.	1.00	-	0.93
	The company returns its profits to society.	1.09	23.78	
	The company is a good corporate citizen.	0.99	20.84	
	The company regularly contributes a portion of its profits to non-profit organizations.	1.01	20.76	
Environmental preservation	The company tries to preserve the environment.	1.00	-	0.89
	The company does not pollute the environment.	1.04	18.03	
	The company's services are environmentally friendly.	0.98	18.99	
Community activities	The company tries to help the community.	1.00	-	0.90
	The company has established a scholarship for students.	1.15	20.51	
	The company has built sports facilities for the community.	1.05	19.31	
Economic responsibilities	The company tries to improve productivity and to control manufacturing costs.	1.00	-	0.87
	The company manages its finances soundly.	0.98	15.69	
	The company tries to maintain a long-term view about the profit.	1.07	16.90	
Consumer protection	The company's employees try to obey the law and society's rules.	1.00	-	0.87
	The company does not disclose or misuse its customers' private information.	1.03	18.83	
	The company responds to customer complaints immediately.	0.97	15.77	

GFI = 0.93, CFI = 0.98, NNFI = 0.97, RMR = 0.039

Table 1 Results of Confirmatory Factor Analysis for CSR Measures

Divergent validity for the measures was checked by means of phi-value. If the phi-value is not 1 at the 95% confidence level ($\phi \pm 2 * S.E.$), we generally suggest that the divergent validity is achieved (Gerbing and Anderson 1988). Table 2 shows that no single dimension of the CSR construct has a correlation of 1, and thus, all five dimensions have divergent validity.

	Societal contribution	Environmental preservation	Community activities	Economic responsibilities	Consumer protection
Societal contribution	1.00				
Environmental preservation	0.81	1.00			
Community activities	0.82	0.80	1.00		
Economic responsibilities	0.69	0.71	0.70	1.00	
Consumer protection	0.74	0.79	0.72	0.79	1.00

Table 2 Phi-Values among CSR Dimensions

A second confirmatory factor analysis was run to validate all the variables in the model; the results are found in Table 3. The items for each CSR dimension were summed up to make a composite index for that dimension. The measurement model shows a good fit (GFI = 0.90, CFI = 0.94, NNFI = 0.93). The factor loading results, also on Table 3, indicate that all measures have convergent validity.

Dimension	Indicator	Loading	t-value	Cronbach's alpha
CSR	Societal contribution	1.00	-	0.92
	Environmental preservation	0.99	27.62	
	Community activities	1.01	25.95	
	Economic responsibilities	0.94	23.44	
	Consumer protection	1.04	26.26	
Marketing mix	The company provides a good quality service.	1.00	-	0.63
	The company asks for a reasonable price for its service.	0.43	4	
	The company actively advertises and does PR for its services.	1.75	6.81	
	The company aggressively promotes the sales of its services.	1.73	6.82	
Service quality	The company's employees provide extra services I do not expect.	1.00	-	0.74
	The company's employees provide exactly what they promise.	1.09	13.98	
	The company's services are easily accessible.	1.15	13.75	
Trust	I trust the company.	1.00	-	0.84
	I believe that the company is trustworthy.	1.00	27.20	
	The company gives me a feeling of trust.	1.02	26.16	
Loyalty	I am willing to pay more to use the company's services.	1.00	-	0.89
	I want to have a good, long-term relationship with the company.	1.09	20.16	
	I am a loyal customer to the company.	1.18	20.76	

GFI = 0.90, CFI = 0.94, NNFI = 0.93, RMR = 0.08

Table 3 Results of Confirmatory Factor Analysis for All Measures

Table 4 shows that the measures also have divergent validity.

	CSR	Marketing mix	Service quality	Trust	Loyalty
CSR	1.00				
Marketing mix	0.40	1.00			
Service quality	0.53	0.75	1.00		
Trust	0.90	0.45	0.63	1.00	
Loyalty	0.90	0.42	0.65	0.91	1.00

Table 4 Phi-Values among Variables

Structural Model

The structural model was tested using a correlation matrix and estimation by MLE. The results show good overall fit. The Chi-square is significant ($\chi^2_{(129)} = 631.96, p = 0.00$); the other indices are good (GFI = 0.90, CFI = 0.94, NNFI = 0.93), evidence of a good model fit. The overall model is presented with the estimates in Figure 2.

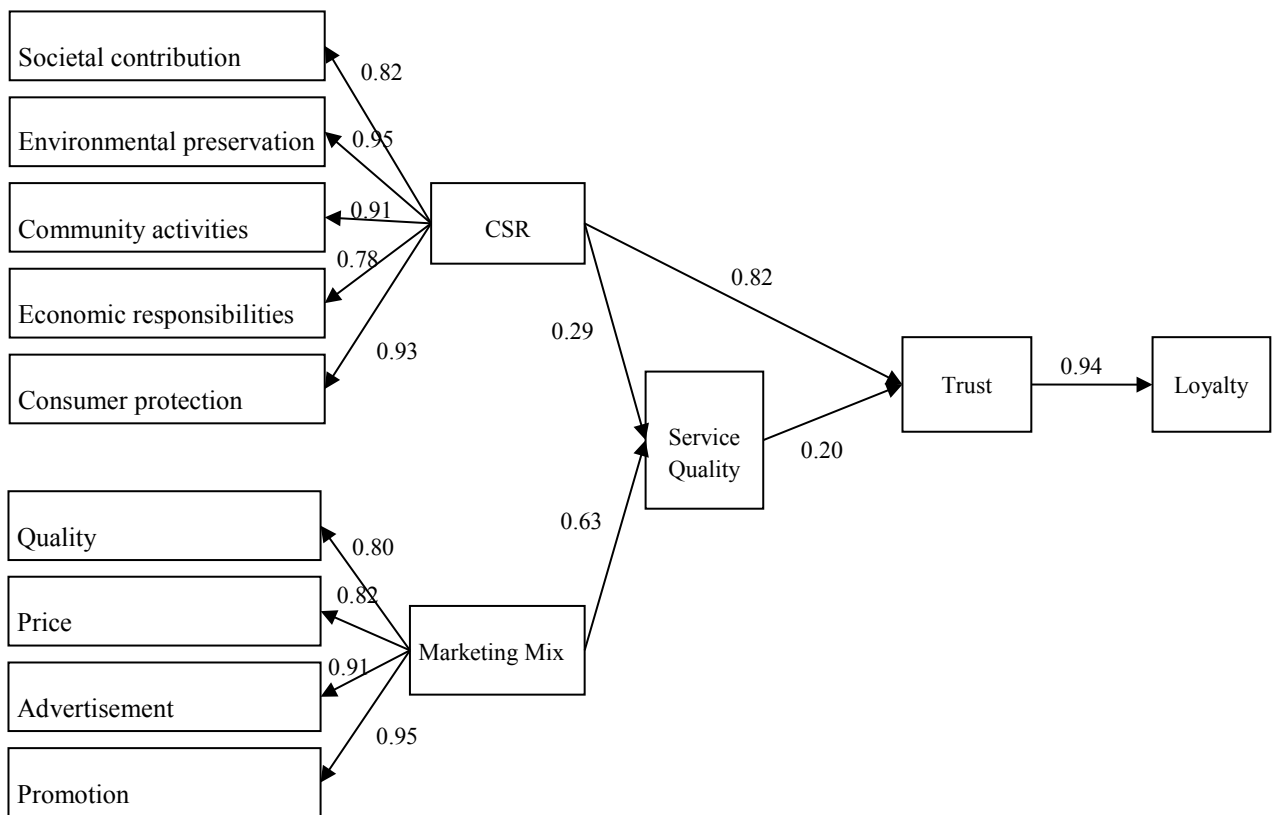


Figure 2 Estimates for the Model

Hypothesis 1 posits that CSR fulfillment is positively related to consumer trust. The results show that the hypothesis is supported ($\gamma = 0.82, p < 0.01$); i.e., companies that conduct CSR activities are more trusted by consumers than ones that do not. Hypothesis 2, that consumer trust leads to loyalty, is also supported ($\beta = 0.94, p < 0.01$). Hypothesis 3 concerns the potentially positive relationship between CSR and perceived service quality. The results show that CSR affects perceived quality in the positive direction ($\gamma = 0.29, p < 0.01$). We can conclude from the findings for Hypotheses 1 and 3 that CSR affects both consumer trust and perceived service quality. Hypothesis 4 concerns the potential impact of marketing mix on perceived quality. The analysis shows that the marketing mix activities significantly affect perceived service quality ($\gamma = 0.63, p < 0.01$). Hypothesis 5 compares the effects of CSR and marketing mix on service quality. The results show the effect of marketing mix ($\gamma = 0.63, p < 0.01$) is greater than that of CSR ($\gamma = 0.29, p < 0.01$), as predicted. Hypothesis 6 predicts a positive

relationship between perceived quality and consumer trust. Again, the hypothesis is supported ($\beta = 0.20$, $p < 0.01$). These findings are summarized in Table 5.

Hypothesis	Direction	γ (β)	t-value	Result
CSR \rightarrow Trust	+	0.82	20.57	Supported
Trust \rightarrow Loyalty	+	0.94	19.11	Supported
CSR \rightarrow Perceived quality	+	0.29	6.36	Supported
Marketing mix \rightarrow Perceived quality	+	0.63	11.01	Supported
CSR \rightarrow Perceived quality < Marketing mix \rightarrow Perceived quality				Supported
Perceived quality \rightarrow Trust	+	0.20	6.39	Supported

Table 5 Summary of Hypothesis Testing

DISCUSSION

Rapidly changing market environment has stiffened competition among companies as products are becoming more and more standardized with technological development. For this reason, proactive CSR fulfillment is attracting attention as a new tool for marketing communication, and thus, many companies are working to act in socially responsible ways. However, little is known about how best to fulfill CSR, or what exactly can be achieved thereby. A growing body of research is addressing these questions. In this sense, this present research provides insight for researchers and practitioners in this area in a timely manner.

Research Implications

The current study contributes to the literature in several ways. First of all, this study demonstrates that CSR fulfillment affects customer trust and loyalty. Thus, CSR performance can be a valuable part of marketing strategy especially when a firm tries to establish a strong bond with its customers.

Second, this study has also established the direct relationship between CSR and service quality perception. Prior research found that CSR activities affect the evaluation of companies either indirectly (Brown and Dacin 1997) or not at all when the corporate brand is highly visible (Berens, et al. 2005). However, our study shows that CSR performance, defined and measured robustly as a multi-dimensional construct, directly affects consumers' perceptions of service quality. The implication is that CSR activities are not only a useful strategy in building a favorable corporate image but also an effective marketing tool for services.

Third, the study compares and contrasts the effect of CSR activities and that of marketing mix strategies. Prior studies focused on the image-creating dimension of CSR, investigating its effects through comparison with corporate ability (or CA in Berens, et al. 2005; Brown and Dacin 1997). In contrast, the present study has investigated the effect of CSR on the basis of actual performance, comparing it with the effect of marketing mix, and found, as predicted, that the marketing mix has a more powerful effect than CSR on service quality perceptions.

Finally, while prior research on CSR defined the concept rather narrowly from the company's point-of-view, this study has considered it more broadly from the consumer's standpoint. Drawing from the recent research by Kim et al. (2005), we have defined CSR as a comprehensive, multi-dimensional construct, measuring its effects along five distinct dimensions as described above. Analysis of this robust conceptualization reveals that CSR affects consumers' perceptions of service quality, their trust, and ultimately, their loyalty to the company.

Managerial Implications

Almost twenty years ago, Kotler (1992) predicted that strategic orientation would change from the traditional marketing mix to relationship marketing. He argued that companies should therefore turn their attention from short-term transactional goals to longer-term relationship-building. Today, many companies seek a balance in their marketing endeavors between short-term profits and long-term relationships with customers. This study shows that CSR is an effective tool in both areas; i.e., it affects customers' perception of service quality in the short term and their trust and loyalty in the long term. The study also identifies five specific areas in which marketers can perform socially responsible activities, i.e., social contribution, environmental preservation, community activities, economic responsibilities, and consumer protection. It is believed that these dimensions would differ in their importance according to particular conditions. Marketers can find out relative effectiveness of the CSR activity dimensions and focus on the important areas to achieve their goals.

Limitations and Future Research

This study has several limitations to overcome in future research. First, because it used convenience sampling, the sample consisted mostly of young people in their 20s and 30s. Second, only two service categories were selected. The generalizability of the results should be tested in future studies that examine more diverse samples and a broader array of services. For example, this study was conducted using students and business individuals in Korea. There is a need for additional studies utilizing multi-cultural samples or samples from different cultures. Further studies should be conducted to determine relative importance of CSR dimensions depending on industry and customer characteristics.

This study shows that CSR is related to building good and long-term relationships between companies and consumers. Future research should investigate whether CSR, in fact, yields a positive financial outcome by forming such relationships. In addition, further studies should be conducted to determine which dimensions of CSR affect consumer trust and loyalty, and which leads to positive financial results. Such studies would provide useful insights and implications for both researchers and practitioners. Finally, the relationship between CSR and socially responsible consumer behavior (or SRCB in Mohr, et al. 2001) should also be investigated. It is suspected that consumers with different levels of ethical awareness would respond differently to CSR activities of companies.

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