

# An Analysis of the Correlation between CSR Practices and Brand Loyalty Based on Consumer Perceptions

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**Abstract:** Amidst intensifying global competition, corporate social responsibility (CSR) practices have become not only a moral imperative but also a core strategy for shaping brand image and maintaining consumer relationships. This study examines consumer perceptions of corporate CSR activities and explores the inherent connection between these perceptions and brand loyalty. Integrating social identity, stakeholder engagement, and customer satisfaction theories, we construct a "perceived CSR → corporate identity/customer satisfaction → brand loyalty" model. Using questionnaire data from consumers across multiple industries in a specific region, we employ structural equation modeling (SEM) and hierarchical regression analysis to empirically reveal the underlying mechanisms. The results indicate that consumers' positive perceptions of a company's CSR practices significantly enhance their identification with and satisfaction with the company's identity, thereby positively promoting affective and behavioral loyalty. The study also reveals the moderating role of consumer characteristics and the transparency of corporate CSR communication in this process. The significance of this study lies in providing empirical evidence and theoretical guidance for companies to design more precise CSR strategies that are more receptive to consumer recognition and translate into loyalty, highlighting the importance of implementing CSR from a consumer perception perspective.

**Keywords:** Corporate Social Responsibility Perception; Brand Loyalty; Consumer Behavior; Corporate Identification; Customer Satisfaction; Influence Mechanism.

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## 1. Introduction

With the deepening global adoption of sustainable development concepts and the rapid development of information dissemination, corporate social responsibility has risen from a marginalized ethical issue to the core of corporate strategic management. As one of a company's most important stakeholders, consumers' interpretation and feedback on CSR practices profoundly influence a company's reputational capital and long-term market performance. Traditional CSR research has tended to focus on compliance, resource investment, or financial performance from a corporate perspective, while relatively neglecting the central role of consumers as information receivers and value judges. Consumers' perception of a company's CSR efforts is not a passive process; rather, they actively interpret and evaluate them based on their own values, experiences, and corporate communications. The quality of this subjective perception directly determines whether CSR investments can translate into tangible market returns, particularly valuable brand loyalty.

Brand loyalty, manifested as consumers' deep commitment to a brand and consistent repeat purchase behavior, is the cornerstone of a company's ability to withstand competition and achieve stable profits. While existing literature has begun to explore the potential connection between CSR and brand loyalty, it often remains at the conceptual level or single-dimensional validation, lacking a systematic analysis of the key mediating variable, consumer perception. The underlying pathways and boundary conditions for how perceptions ultimately influence loyalty behavior through complex psychological mechanisms remain unclear. For example, why do consumers have vastly different evaluations of seemingly similar CSR activities? Which types of CSR practices are most likely to resonate with consumers? How do individual traits influence this conversion process? What role does

corporate communication strategy play? Answering these questions is crucial for companies to optimize CSR resource allocation, enhance communication effectiveness, and maximize loyalty gains.

Thus, based on the perspective of consumer perception, this study aims to deeply deconstruct the cognitive evaluation process of consumers regarding corporate CSR practices, empirically examine the impact of such perceptions on brand loyalty, and uncover the key psychological mediating mechanisms and important moderating variables. Through rigorous theoretical construction and empirical analysis, this study aims to address the shortcomings of existing theories in explaining micro-psychological mechanisms and provide concrete and actionable strategic insights for companies on how to cultivate and consolidate brand loyalty through effective, consumer-insight-based CSR management.

## 2. Definition of Core Concepts and Theoretical Foundation

A clear definition of core concepts is the logical starting point for this research. This article discusses "consumer-perceived CSR practices," specifically referring to consumers' subjective understanding, interpretation, and overall evaluation of a company's fulfillment of its economic, legal, ethical, and philanthropic responsibilities, based on direct or indirect information. This emphasizes consumer agency, significantly influenced by factors such as their personal values, knowledge, and corporate transparency. Carroll's classic CSR pyramid model provides a foundation for understanding the multidimensional structure of CSR. "Brand loyalty," on the other hand, is a multidimensional construct encompassing both behavioral and attitudinal dimensions. Jacoby and Chestnut's research emphasizes the importance of attitudinal loyalty as a deeper driver of behavioral loyalty.

The two core theories underpinning this research are social identity theory and stakeholder theory. Social identity theory posits that individuals derive a sense of self-worth and belonging through group membership [1]. When consumers perceive a company's active fulfillment of its social responsibilities, particularly when such behaviors align with their own values, they develop a sense of identification with the company's organizational identity. This "corporate identification" allows consumers to view a company's success and reputation as part of their self-image, thereby fostering a willingness to defend and support the company, such as choosing its products, paying a premium, and defending it. This is the deep-seated foundation of brand loyalty. According to stakeholder theory, companies must strike a balance between the interests of various stakeholders. As core stakeholders, consumers' perception of a company's social performance directly determines their trust, satisfaction, and willingness to establish a long-term relationship with the company. Positive perceptions of CSR are seen as a sign that a company meets consumers' expectations for higher-level social value beyond product functionality. This can effectively enhance customer satisfaction and trust, and thus become a fertile ground for cultivating brand loyalty. Customer satisfaction theory further expands on the mechanisms of emotional bond formation, identifying perceived CSR as a key antecedent to enhancing overall consumer experience and satisfaction.

### **3. Analysis of the Pathways in Which Consumer Perceptions of CSR Affect Brand Loyalty**

Consumers' positive perceptions of a company's CSR practices primarily influence the formation of brand loyalty through two core psychological pathways: corporate identification and customer satisfaction. On the corporate identification path, when consumers perceive a company's sincere and effective efforts in environmental protection and community contributions, especially when these efforts resonate with their own ethical standards and concerns, they will view the company as a responsible and respectable member of society. This positive group identity fosters a sense of corporate identification—they see the company as part of their social identity or as a representative of its values. This deep sense of identity translates into a strong emotional attachment and a sense of ownership in the company's success, manifested in: a stronger willingness to repurchase, a willingness to pay a higher price for the brand, and proactively recommending the brand to others and protecting its reputation [2]. For example, a consumer may become a loyal fan of an outdoor brand because they identify with its long-standing commitment to environmental protection, continuing to purchase even at a higher price and sharing the brand's environmental story on social media.

On the customer satisfaction path, the CSR information consumers perceive significantly influences their overall evaluation of a company and their satisfaction with the consumer experience. Consumers purchase not only the product/service itself but also the corporate image and values embodied by the product. Understanding that a company actively undertakes social responsibility makes consumers feel that their purchases indirectly support a "good" cause, thereby gaining a sense of psychological satisfaction and moral pleasure that transcends the functional value of the

product. This positive emotion stemming from "supporting a responsible company" significantly increases consumers' overall satisfaction and trust in the company. Trust reduces concerns about future transaction uncertainty, and satisfaction strengthens the motivation to continue trading. Empirical research often finds that this satisfaction and trust driven by perceived CSR is a key driver of consumers' continued preference for a brand among numerous alternatives, reducing switching behavior, and increasing its share of consumer spending. In short, CSR enhances the value of the consumer experience by satisfying consumers' spiritual needs, thereby strengthening the foundation of behavioral loyalty.

### **4. Discussion of Key Moderators Affecting the Correlation**

The relationship between consumer perceptions of CSR and brand loyalty is not static; its strength and manifestation are significantly influenced by a variety of key moderators. The primary moderator is individual consumer characteristics. Consumers' personal values serve as a core filter. Consumers who strongly identify with values such as altruism, collectivism, environmental protection, or social equity are generally more sensitive to a company's CSR information and are more likely to translate their positive CSR perceptions into strong identification and loyalty. In contrast, consumers with stronger utilitarian or economic values may prioritize product price and functionality, and the impact of CSR on their loyalty is relatively weak. Consumers' CSR knowledge also plays a significant role. Consumers with a deeper understanding of CSR, corporate practices, and their social impact are better able to discern the authenticity and effectiveness of CSR activities, their perceived evaluations are more rational and robust, and their resulting loyalty is more enduring. Research also shows that the strength of consumers' moral identity is a powerful moderator; those with high moral identity are more likely to express their support for responsible companies through purchasing.

A company's own CSR communication strategy is another crucial moderator. Transparency in communication is the foundation of trust. When consumers clearly understand the motivations, specific content, implementation process, resources invested, and measurable outcomes of CSR activities, their perceived authenticity and value are significantly enhanced, thereby strengthening the positive impact on loyalty. Conversely, communication that is ambiguous, exaggerated, or smacks of "greenwashing" can severely undermine trust and even provoke resentment. The choice of communication channels and consistency are equally important. Delivering consistent and consistent CSR information through multiple channels that consumers trust is more effective in shaping and strengthening consumer perceptions than single or fragmented promotions. Whether communication focuses on issues highly relevant to target consumers also determines its resonance and impact. Furthermore, a company's past reputational record constitutes significant "background noise." Companies with a good reputation are more likely to interpret their CSR efforts as genuine and credible; however, companies with a poor reputation may view their CSR activities as crisis PR or image repair tools, weakening or even reversing their positive impact [3].

## 5. Research on the Differential Impact of CSR Practices Across Different Dimensions

Consumers do not view different types of corporate social responsibility practices equally; their perceived strength and the impact on brand loyalty vary significantly. Based on the mainstream CSR classification framework, research reveals the differential impact of different CSR dimensions. Financial responsibility, as the foundation, represents consumers' fundamental expectations of companies. Consumers generally expect companies to provide value-for-money products and services, maintain profitability, protect jobs, and sustain operations. Failure to fulfill financial responsibilities directly undermines consumer loyalty. However, merely fulfilling financial responsibilities is often viewed as "duty," and its perceived marginal contribution to loyalty is relatively limited; it serves more as a baseline to prevent loyalty erosion.

Legal responsibility is the bottom line that companies must fulfill. Consumers demand strict compliance with the law. Whether or not this legal bottom line is upheld directly impacts the foundation of consumer trust. Once a serious violation occurs, trust can collapse instantly, and loyalty with it. However, in reality, consumers often view perfect compliance with the law as a "passing score" for a company's operations, and this positive impression is typically less effective in fostering loyalty than higher-level responsibilities.

Ethical responsibility refers to ethical principles that go beyond legal provisions. Consumers tend to respond more positively to companies' ethical performance. This includes treating all parties fairly, upholding business integrity, and protecting user privacy. When consumers see a company excel in ethical practices, they are more likely to develop a sense of moral identification and respect for the company, which directly translates into stronger brand preference and proactive recommendations [4].

Charitable acts, due to their voluntary and altruistic nature, often deeply resonate with consumers, especially when the projects address issues of concern to consumers and are effectively executed. Such acts of kindness can significantly enhance a company's image, foster a sense of belonging and pride among consumers, and have a direct and significant impact on fostering brand loyalty. However, their effectiveness is also most susceptible to scrutiny: Are the motives pure? Is it simply a show? Therefore, transparency and connection to core business are crucial. Overall, companies' ethical and philanthropic efforts are more likely to win consumer favor and loyalty, while economic and legal responsibility are essential safeguards.

## 6. Strategic Recommendations for Companies to Optimize CSR Practices

To truly drive brand loyalty through CSR, companies must reshape their strategies around consumer perception. The primary task is to thoroughly understand consumers: Move beyond a scattershot approach and delve deeply into the target audience's values, social concerns, and CSR expectations. Through research, social media listening, and in-depth user interviews, companies can pinpoint the areas of responsibility that most resonate with them. Focusing resources on these pain points and value propositions, ensuring CSR initiatives precisely resonate, can transform investment into loyalty. For

example, the outdoor brand Patagonia prioritizes environmental protection as its core mission, deeply resonating with its consumers' love of nature and forming a strong foundation for brand loyalty.

Strengthening transparency and genuine communication are key to building trust. Companies need to establish a systematic and regular CSR information disclosure mechanism that not only publishes achievements but also transparently discloses goal setting, implementation processes, challenges encountered, resource investment, and verifiable impact assessments. Leverage diverse channels for ongoing communication, telling authentic, concrete, and engaging stories that showcase the details of CSR practices and the human element behind them. Avoid overpromises and exaggerated promotions, proactively acknowledge shortcomings, and demonstrate improvement plans [5]. Transparent and sincere communication can effectively alleviate consumer concerns, enhance perceived authenticity and credibility, and lay the foundation for trust that fosters loyalty.

Promote the deep integration of CSR with core businesses and integrate responsibility concepts into the value chain. Treating CSR as an add-on activity is ineffective; instead, it should be integrated into core business processes such as corporate strategy, product development, procurement, production, marketing, and service. For example, introducing eco-friendly packaging, building a fair trade supply chain, and genuinely conveying the concept of responsibility in marketing. This deeply embedded approach not only makes CSR more effective and sustainable, but more importantly, it allows consumers to naturally and over time perceive the brand's reliability when purchasing products and viewing advertisements. This consistent sense of authenticity is more persuasive than any slogan, making responsibility truly part of the brand's DNA, thereby earning deep consumer recognition and long-term support.

Doing isn't enough; you must also learn to "listen." Companies must invest in establishing a system that can "take the pulse" of consumer perception: continuously tracking awareness of CSR activities and whether perceptions are improving or declining. Regularly monitor progress toward key "intermediate indicators" and ultimate goals. The approach should be practical: conducting surveys, reviewing real online reviews, and engaging with user communities. Through this direct feedback, we can understand what drives consumer buy-in and what drives consumer dismay. Then, decisively adjust CSR priorities, spending, and messaging based on these "market voices." This is the only way to ensure that CSR is not a "face-saving project" that only costs money and has no effect, but a real engine that can continuously "fuel" brand loyalty.

## 7. Conclusion

This research focuses on the central role of consumer perception, revealing the complex relationship between corporate social responsibility practices and brand loyalty. Empirical evidence suggests that the key to whether CSR translates into brand loyalty lies in consumers' subjective interpretation of a company's CSR activities, rather than unilateral corporate investment or promotion. When consumers positively evaluate a company's fulfillment of its responsibilities across economic, legal, ethical, and philanthropic dimensions, loyalty is enhanced primarily through two psychological mechanisms: first, it strengthens

corporate identification, allowing consumers to view the company as an extension of their own social identity or values, thereby stimulating deep emotional attachment and supportive behavior; second, it enhances overall satisfaction and trust, allowing consumers to derive moral satisfaction from supporting "responsible" companies, transcending the inherent value of the product and ultimately strengthening their willingness to repurchase and continue transactions. Individual consumer characteristics, such as personal values, CSR knowledge, and the strength of their moral identity, determine their sensitivity to CSR information and willingness to convert. A company's own CSR communication strategy, particularly its transparency, consistency, issue relevance, and past reputational context, profoundly shapes consumers' perceived authenticity and trust. Crucially, different dimensions of CSR practice have varying effects on loyalty: while economic and legal responsibilities are the cornerstones of trust, positive perceptions of ethical and philanthropic dimensions often evoke stronger emotional resonance and identification, and are more effective in boosting emotional loyalty and word-of-mouth behavior.

Based on these findings, companies urgently need to shift their perspective and place consumers at the center of their CSR strategies. Key strategies for optimizing CSR practices include: gaining a deep understanding of target consumers' values and expectations to precisely focus CSR investments; establishing a highly transparent information disclosure and sincere communication system to earn trust; deeply integrating responsibility concepts into core business processes to make CSR part of the brand's DNA; and establishing a long-term consumer perception monitoring and

feedback mechanism to dynamically optimize strategies. Only in this way can companies effectively guide consumers to develop positive and authentic CSR perceptions, and then, through the bridge of identification and satisfaction, effectively transform social responsibility investments into valuable and sustainable brand loyalty resources, achieving social value while also gaining a solid competitive advantage in the market. Future research could further explore the applicability of CSR perception models across different cultural contexts and innovative approaches to CSR communication strategies in the new media environment.

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