

# **RESEARCH ARTICLE**

# Corporate Social Responsibility (CSR) Activity for Service Brand: Effects of CSR-Brand Fit, Consumer-CSR Fit on Skepticism and Brand Loyalty

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# ABSTRACT

Because of the widespread CSR practice, the quality and outcome of CSR activities vary, and the tendency of consumers to become suspicious of CSR activities is increasing. This paper intends to examine how the antecedents "CSR-brand fit" and "consumer-CSR fit" impact on consumers' skepticism and how skepticism influences service brand loyalty. A questionnaire is designed with the case "Meituan's Green Mountain Project" and conducted to examine the relationship of different variables. Adopting survey data methodology, there are 91 Chinese Meituan users participated in the survey, and significant results were generated through simple linear regression analysis in SPSS. The result indicates that the increase in CSR-brand fit and consumer-CSR fit can reduce consumers' skepticism, and there is no significant relationship between skepticism and brand loyalty. Thus, it is found through the results that enhancing consumers' perception of the congruity between brand image and CSR activities, and improving the perceived fit between CSR activities and personal relevance, can contribute to minimizing consumers' skepticism. In this case, the author proposes practical solutions with the functional theory of attitudes and the self-image congruence model. The solutions guide practitioners to pay attention to the compatibility, fit, and logic of content when planning CSR activities, with the aim of reducing the level of skepticism, leading to an effective outcome for brands.

### **KEYWORDS**

Corporate Social Responsibility, CSR-Brand Fit, Consumer-CSR Fit, Skepticism, Brand Loyalty, Service Brand, Self-image Congruence Model, Functional Theory of Attitude

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#### 1. Introduction

Corporate social responsibility (CSR) is a popular trend in current enterprise practice. Importantly, many service brands prefer to carry out CSR activities to enhance brand loyalty and achieve sustainable development (He & Li, 2011). Service brand usually provides intangible products, such as express service and food-delivery service. For example, Meituan is a typical high-tech service brand that mainly provides online food order service, offline food delivery service, and bicycle rental service, and it carries out a series of CSR activities. "Green Mountain Project" is one of Meituan's typical environmentally-friendly CSR campaigns, aiming at reducing the use of disposable tableware from the source.

However, for many companies, implementing CSR activities is not just an opportunity but also a challenge, as the factors that need to be considered when planning CSR activities are crucial. The purpose of this paper is to study the elements that generate consumers' skepticism and how skepticism affects brand loyalty. Based on the existing articles, the literature review of this paper explains the context and definitions of research variables, making hypotheses about the factors that shape skepticism. Furthermore, findings are explained to put forward practical suggestions for practitioners based on the functional theory of attitudes and self-image congruence.

#### 2. Problem Statement

It is worth noting that as CSR practice becomes more prevalent, the audience is more likely to become suspicious of companies' true motives. Moreno and Kang (2020) emphasize that consumer evaluation, especially consumer skepticism towards CSR of companies, may lead to different results in their purchase intention. Furthermore, for service enterprises, it is necessary to establish brand loyalty because the changeability of service brings higher perceived risks to service consumers, and a well-performed service brand has the advantage of reducing risks to improve service brand evaluation (Harris & Goode, 2004; He & Li, 2011).

According to the situation mentioned above, the author considers that the relationships between consumers' interpretation of CSR activities, skepticism, and service brand loyalty are worth studying, which help practitioners develop better strategies for CSR campaigns. Therefore, this paper takes Meituan as an example to study the antecedents of "CSR-brand fit" and "consumer-CSR fit" that form consumer skepticism towards CSR activity and examines whether skepticism can affect service brand loyalty.

#### 3. Literature Review

# 3.1 CSR and Service Brand Loyalty

With the widespread implementation of CSR, its definition has become more complex. In line with the research purpose of this paper, CSR is defined as a group of activities that corporations conduct to solve environmental and social well-being problems (Moreno & Kang, 2020). The successful outcome of CSR application often refers to positive changes in consumers' behavioral intention, brand loyalty, and brand evaluation (Moreno & Kang, 2020; Venger & Pomirleanu, 2018).

Importantly, in the context of a service brand, the impact of CSR on brand loyalty is a significant issue because "service brands are typically corporate brands" (He & Li, 2011, p. 677). Moreover, brand loyalty is particularly important for service brands because service consumption is characterized by periodicity and continuity (Berry, 2000; He & Li, 2011). Favorable service brands usually gain more consumers' trust, which increases intangible consumption (He & Li, 2011).

#### 3.2 Skepticism and Service Brand Loyalty

Skepticism means the degree of consumers' uncertainty and doubts about the company's ethical standards and social responsibility (Moreno & Kang, 2020). According to the literature of Moreno and Kang (2020), skepticism has a negative effect on brand loyalty, which is based on a durable and trustful consumer-brand relationship. Therefore, the hypothesis is proposed: H1: Skepticism negatively influences service brand loyalty.

#### 3.3 CSR-Brand Fit, Consumer-CSR Fit, and Skepticism

CSR-brand fit indicates the congruence between the corporation's value and its CSR activities (Moreno & Kang, 2020). Reviewing previous literature, a high level of CSR-brand fit can reduce consumers' skeptical attitude because they tend to believe that CSR activity is not just about self-serving purposes (Jacques, 2006; Moreno & Kang, 2020; Sohn et al., 2012). Therefore, the hypothesis is proposed:

H2: CSR-brand fit negatively influences skepticism.

Consumer-CSR fit refers to the perceived relevance between consumers and CSR campaigns, which is related to consumers' trust and responsiveness to the CSR activity (Lee et al., 2012; Moreno & Kang, 2020). When the level of consumer-CSR fit is high, consumers tend to build a personally and emotionally connection with the CSR campaign (Moreno & Kang, 2020; Schmeltz, 2017). In this case, they hold a little skeptical attitude toward the brand's CSR campaign (Moreno & Kang, 2020). Therefore, the hypothesis is proposed:

H3: Consumer-CSR fit negatively influences skepticism.

#### 4. Methodology

The author carried out a survey among 91 Meituan's users in China using an online questionnaire. Respondents are asked to report their attitudes towards Meituan's "Green Mountain Project". The model and measurements adopted in the survey are mainly cited by Moreno and Kang (2020) and Cha et al. (2016) (See Figure 1 and Appendix Survey Questions).

The male-female ratio of the respondents is nearly 1:4, and more than 90% of the respondents are millennials (See Table 1). SPSS is used for conducting correlation analysis to test the correlations between different variables.

#### 5. Data Analysis

The simple linear regression 1 reveals that there is no significant relationship between skepticism and service brand loyalty in general (F(1, 89)=1.033, p>0.05, R<sup>2</sup>=0.098). (See Table 1) The regression coefficient, -0.089 is not statistically significant (t=-1.016, p > 0.05).

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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.107ª	0.011	0.000	0.6057

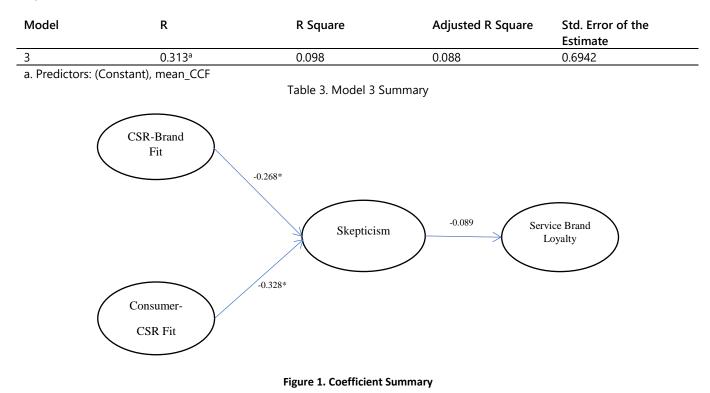
Table 1. Model 1 Summary

The simple linear regression 2 indicates that there is a significant relationship between CSR-brand fit and skepticism in general  $(F(1, 89))=6.178, p<0.05, R^2=0.065)$ . (See Table 2) The regression coefficient, -0.328, is statistically significant (t=-2.485, p<0.05), proving that hypothesis 2 holds. It is expected that a one-unit increase in CSR-brand fit to produce a 0.328 decrease in the skepticism of consumers.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	0.255ª	0.065	0.054	0.7068
a. Predictors: (Co	onstant), mean_CBF			

Table 2. Model 2 Summary

The simple linear regression 3 shows that there is a significant relationship between consumer-CSR fit and skepticism in general (F(1, 89)=9.643, p<0.01, R<sup>2</sup>=0.098). (See Table 3) The regression coefficient, -0.268, is statistically significant (t=-3.105, p<0.01), proving that hypothesis 3 holds. It is expected that a one-unit increase in consumer-CSR fit to produce a 0.268 decrease in the skepticism of consumers' attitudes.



\*. The coefficient is significant at the 0.05 level

\*\*. The coefficient is significant at the 0.01 level

Gender	Table 1. Demographic Informat	Percentage	
Male	20	21.98%	
Female	68	74.73%	
Others	3	3.3%	
Birth year	Frequency	Percentage	
1988	1	1.0%	
1994	1	1.0%	
1996	1	1.0%	
1998	1	1.0%	
1999	3	3.2%	
2000	23	25.2%	
2001	35	38.4%	
2002	13	14.2%	
2003	13	14.2%	
Province	Frequency	Percentage	
GuangDong	68	74.7%	
LiaoNing	1	1.1%	
TianJin	7	7.7%	
FuJian	1	1.1%	
HuBei	1	1.1%	
BeiJing	4	4.4%	
HongKong	1	1.1%	
HuNan	1	1.1%	
ZheJiang	1	1.1%	
GuiZhou	2	2.2%	
ShanXi	1	1.1%	
SiChuan	1	1.1%	
Macau	1	1.1%	
HeiLongJiang	1	1.1%	
Current education level	Frequency	Percentage	
High school student or less	2	2.2%	
Undergraduate student	87	95.6%	
Graduate student	2	2.2%	
PhD or above	0	0%	
Monthly living expense	Frequency	Percentage	
Under 1500 RMB	13	14.29%	
1500-3000 RMB	46	50.55%	
3000-4500 RMB	25	27.47%	
4500-6000 RMB	3	3.3%	
6000 RMB or above	4	4.4%	

#### Table 1. Demographic Information of Respondents

#### 6. Findings and Solutions

According to the data analysis, the second hypothesis (H2) and the third hypothesis (H3) hold, while there is no significant evidence to support the first hypothesis (H1). First, it proves that the higher the CSR-brand fit, the lower the skepticism. Second, skepticism decreases with the increase of consumer-CSR fit. Finally, skepticism has no significant effect on service brand loyalty. As a result, these results indicate that improving consumers' perception towards the fit between brand image and CSR activities, as well as the relevance of CSR activities to consumers personally, can help relieve consumers' skeptical attitudes.

Then, the findings stated above are combined with the knowledge function, value-expressive function, and self-image congruence model to propose further explanations and practical solutions.

Firstly, the four survey questions about "CSR-brand fit" ask consumers to report their understanding and evaluation of Meituan and its CSR activity "Green Mountain Project" (See Appendix Survey Questions). The negative correlation between CSR-brand fit and skepticism is related to the knowledge function of the functional theory of attitudes. Knowledge function indicates people's

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attitudes are formed based on their needs for meaning, order, and structure, and this can apply to relieve people's ambiguity towards some new ideas, products, or activities (Solomon, 2019).

It can be concluded that when consumers believe the CSR activity is logically related to the service brand image and highly complementary to the brand core business, they will hold a less skeptical attitude, which is consistent with knowledge function. Therefore, practitioners should emphasize the "knowledge function" to improve the "CSR-brand fit" when conducting CSR communication or campaigns, as it helps reduce consumers' skepticism to generate a better result in consumers' responsiveness and participation.

Moreover, the survey questions of "consumer-CSR fit" ask people to evaluate the degree of their personal relevance to Meituan's CSR activity (See Appendix Survey Questions). In the practical scenario, in order to improve the perceived personal relevance, the value-expressive function can provide some solutions for the negative correlation between consumer-CSR fit and skepticism. Value-expressive function means people generate attitudes towards a product or idea based on their perceived fit between the product and self-concept (Solomon, 2019). Similarly, the self-image congruence model also mentions the purpose of value expression, and it proves that cognitive dissonance arouses when the congruence between self-concept and product attributes is low (Solomon, 2019). Therefore, this low level of self-image congruence leads to dissonance and is relevant to how "consumer-CSR fit" shapes skepticism.

As a result, "consumer-CSR fit" and value expressive function provides practitioners with a strategic direction to avoid skepticism. When formulating CSR campaigns, practitioners should strategize the "value-expressive function", noting the congruence between consumers' self-concept and CSR activities to minimize their skepticism, such as increasing the relevance between the core value of CSR and the self-concept of the target audience in the communication contents, so as to promote people's awareness of the activities and improve the effectiveness of the activities.

#### 7. Discussion

In short, this paper takes Meituan as an example to study the factors that shape consumers' skepticism and provide practical suggestions for service brands' CSR practices. The data analysis shows a significant causal relationship between CSR-brand fit, consumer-CSR fit, and skepticism, and there is no casual relationship between skepticism and brand loyalty. The author combines the functional theory of attitudes and self-image congruence to propose several solutions. The skeptical attitudes of consumers are less likely to generate if practitioners improve the relevance between consumers and the CSR activities while promoting compatible CSR communication content that helps consumers develop a logical understanding toward the brand and its CSR activities.

For the limitations, although some research proves the existence of a negative correlation between skepticism and brand loyalty, the data analysis in this paper reflects a different result. The author speculates that there is a limitation in current status because Meituan has already formed high and stable brand loyalty in China, so the result "no significant correlation between skepticism and brand loyalty" can be drawn in this case. Moreover, during the data collection process, in order to ensure the consistency of stimulus, the questionnaire was designed with Meituan's Green Mountain Project, so the feedback of respondents was mainly based on their evaluation of Meituan's CSR. However, Meituan is only one of many service brands. Although it is representative to a certain extent, it has great limitations because the service provided by Meituan cannot be thoroughly generalized to the whole service industry. Furthermore, the sample of the survey is non-random. The ratio of males to females is not 1:1, and most respondents are college students who live in southern China. Similarly, the uneven distribution of living expenses may also influence the results. The limitation of the sample can be improved by testing the model in a larger random sample.

In a future study, qualitative research can be conducted to explore new ideas based on demographic factors such as cultural differences, gender, and education level. Besides, the context of the research can be placed in other industries rather than service brands, such as the commercial industry and non-governmental organizations (NGOs). Moreover, the content types of CSR activities can also be studied as one of the research topics, while this paper intends to draw a conclusion through a single type of CSR activity (environmental friendliness) without taking the characteristics of the contents into full consideration.

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#### **Appendix Survey Questions**

(Note: The CSR campaign/activity in the following questions refers to Meituan's Green Mountain Project.) \*1-Strongly disagree, 2-Disagree, 3-Slightly disagree, 4-Neutral, 5-Slightly agree, 6-Agree, 7-Strongly agree

IV / DV	Content of the Question	Sources
CSR-brand Fit (Cronbach's Alpha=0.817)	By knowing/participating Meituan's CSR campaign, I think: (1) Carrying out this CSR campaign is compatible with Meituan's core business. (2) It makes sense that Meituan carries out this CSR campaign. (3) Carrying out this CSR campaign is complementary to Meituan's core business. (4) There is a logical fit between the core business of Meituan and the CSR campaign that it carries out.	Pérez & del Bosque (2015)
Consumer-CSR Fit (Cronbach's Alpha=0.821)	By knowing/participating Meituan's CSR campaign, I think: (1) Meituan's CSR activity is personally relevant to me. (2) Meituan's CSR activity affects my personal life.	Kim & Ferguson (2018)
Skepticism (Cronbach's Alpha=0.907)	By knowing/participating Meituan's CSR campaign, I think: (1) It is doubtful that Meituan is a socially responsible brand. (2) It is uncertain that Meituan is concerned to improve the well-being of society. (3) It is unsure that Meituan follows high ethical standards. (4) It is questionable that Meituan acts in a socially responsible way.	Skarmeas & Leonidou (2013)
Service Brand Loyalty (Cronbach's Alpha=0.781)	By knowing/participating Meituan's CSR campaign, I think: (1) I will choose Meituan as my online food delivery app in the future. (2) I will prefer to choose Meituan to other online food delivery apps. (3) I will recommend Meituan to someone else.	Cha et al. (2016)