

THE IMPACT OF PERCEIVED CSR ON CUSTOMER LOYALTY IN THE PERSONAL CARE PRODUCTS MARKET

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ABSTRACT. The current research investigates the impact of customers' perceptions of corporate social responsibility (CSR) on their loyalty towards brands/companies in one of the largest Central-Eastern European country's personal care products market. The paper reveals useful findings regarding the nature of the relationship between perceived CSR and customer loyalty in the specific socio-cultural and economic context of Central-Eastern European countries, and in the particular business sector of personal care products. A consumer survey was designed and implemented among a sample of 1462 personal care products companies' customers from the urban area of Romania. Perceived CSR was quantified with the aid of 28 specific items, while another set of 6 items was utilized to measure customer loyalty. The results indicate that customers' loyalty is not significantly influenced by how these perceive companies' responsibilities with regard to their economic success, employees, or community development and social sponsorship. However, other perceptions of CSR have a significant and positive impact on loyalty, the most important, by far, being customers' perceptions of companies' responsibility towards their customers, followed by how customers perceive companies' responsibilities towards public authorities, cultural sponsorship, and the environment. The paper has practical implications in what concerns the appropriate dosage and marketing communication of CSR in the Central-Eastern European personal care products market.

Key words: CSR; customer loyalty; personal care products; stakeholders

JEL Classification: M31

1. Introduction

Corporate social responsibility (CSR) has become an important literature issue especially during the last decades. According to many studies, CSR implementation and its appropriate communication have been proven to

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generate important benefits to companies such as: enhanced employee attraction, motivation and retention, improved customer satisfaction, or better relationships with customers and other primary stakeholders (Kim & Park, 2011; Sen & Bhattacharya, 2001; Pelozo & Shang, 2011).

The aim of the current research is to investigate the impact of customers' perceptions of CSR on their loyalty towards brands/companies, with focus on the Romanian personal care products industry regarded as comprising those companies that manufacture consumer products used for purposes such as personal hygiene, beautification, and others alike.

Even though much research has been focused on the topic of the relationship between consumer behavior and perceived CSR, further and deeper investigation of this relationship, especially concerning how perceptions of CSR impact customer loyalty, is needed. Despite the fact that several studies have been previously aimed at analyzing the relationship between how customers perceive their suppliers' social responsibility and their loyalty towards these companies, the scales used for measuring perceived CSR and/or customer loyalty have generally been far from comprehensive. Thus, most researchers have quantified consumers' perceptions of CSR focusing on limited and incomplete sets of CSR dimensions, either taking into account economic, legal, ethical, and/or philanthropic aspects (but failing to address responsibilities towards certain relevant stakeholders), or by only considering corporate responsibilities towards a narrow set of particular categories of stakeholders. On the other hand, even when the measurement of perceived CSR was done in a quasi-comprehensive manner, customer loyalty was superficially assessed, taking into consideration a very narrow spectrum of corresponding observable variables.

The paper contributes to a better understanding of the relationship between perceived CSR and customer loyalty, developing and employing an extended measurement scale for both perceived CSR and customer loyalty, and thus, providing a comprehensive depiction of how customers' perceptions of each CSR dimension influence their loyalty level.

Moreover, the knowledge regarding the nature of this relationship within the particular socio-cultural and economic context of Central-Eastern European countries is scarce, the personal care products market on which our research is focused on being no exception. Even though solely focusing on a different market setting would seem to be a narrow approach, this regional knowledge gap is relevant and filling it can actually provide a significant contribution to the existing literature. Consumers from the Central and Eastern European countries have been exposed to CSR communications and practices only for the last one or two decades, after a long period of soviet and communist domination. Many of the companies which implement and emphasize CSR in

these regions are doing it within a global policy and/or trend without actually knowing how these could affect local consumers' attitudes towards them, but rather expecting a certain impact based on previous experiences from developed countries and other regions. Moreover, the developing region of Central and Eastern Europe should not be treated similarly to other regions comprising mostly developed countries, because, as Malhotra et al (2005) show in their research, consumers' understanding and reactions to certain established business policies can significantly differ between developed and developing countries.

Therefore, by approaching the regional knowledge gap described above, this paper provides a relevant contribution to the existing literature, with practical implications for companies that are or consider being involved in adopting and communicating CSR policies in the Central and Eastern European region.

2. Literature review

Up to this day, the concept of CSR is still lacking a widely accepted definition (Dahlsrud, 2008), the literature comprising several main approaches regarding CSR systematization. An important and traditional approach was issued by Carroll (1979) who expounded that CSR comprises the economic, legal, ethical and discretionary expectations that a society has of organizations, social responsibilities being thus grouped into four main categories: economic, legal, ethical, and philanthropic. Another important approach relates CSR to sustainable development, regarding it as a construct with three components referring to economic, environmental, and social responsibilities (Moisescu, 2014a). Finally, a third relevant approach was popularized by Freeman et al (2010) who divided companies' social responsibilities on the basis of their stakeholders into responsibilities towards shareholders, customers, employees, business partners, the environment, the society etc. In this latter approach perceived CSR becomes related to corporate reputation, reflecting how stakeholders see a company's efforts with regard to financial, social, or environmental issues (Radomir et al, 2014).

Another important key concept of the current research consists of customer loyalty. Several important benefits can be associated to customer loyalty, including business performance and long-term profitability (McMullan, 2005; Reichheld, 2003; Salegna & Goodwin, 2005). In what concerns the definition of the concept, the American Marketing Association regards customer loyalty as the situation in which a consumer generally buys the same manufacturer-originated product repeatedly over time rather than buying from multiple suppliers within the category, while Aaker (1991) defines it as a reflection of how likely a consumer is to switch to another supplier, especially when the supplier makes a change in its marketing programs. The most

important contribution to the definition of customer loyalty originates from Jacoby & Chestnut (1978) who regard it as the biased behavioral response expressed over time by consumers with respect to one or more alternative brands out of a set of brands, being a function of psychological processes. This widely supported definition covers the most important aspects of customer loyalty, suggesting that observed behavior alone is not capable of fully explaining loyalty, repeat buying behavior being only a part of customer loyalty which must be accompanied by psychological commitment. Despite a relative agreement in the literature regarding the definition of customer loyalty, there is no widely accepted approach in what concerns its quantification (Moiescu, 2014b).

Furthermore, the existent literature regarding the impact of perceived CSR on customer loyalty in the personal care products industry and other related industries is synthetized, on the basis of an extensive literature review conducted within the most widespread and frequently used specialized databases: Web of Science and Scopus (Norris & Oppenheim, 2007). This research covered the literature published and indexed up to 2014, and was done using a relevant combination of keywords such as “CSR”, “social responsibility”, “corporate citizenship”, and “corporate sustainability”, on one hand, and, respectively, “customer loyalty” and “brand loyalty”, on the other hand. The identified papers were further filtered so as to be relevant for the specific topic of the relationship between customers’ perceptions of CSR and their loyalty towards brands/companies, as well as for certain particular industries.

In what concerns the particular sector of personal care products, only two papers indexed in the above mentioned databases have recently focused on the relationship between perceived CSR and loyalty. Thus, He & Lai (2014), after conducting a survey among 254 customers of cosmetics brands from Hong Kong, found that how consumers perceive legal and ethical responsibilities of brands may improve brand loyalty through enhancing positive functional and symbolic brand images, while Suh & Yoo (2014), after implementing a survey among customers of cosmetics brands from Korea revealed that brand perceived authenticity, which included perceived CSR, had a positive influence on brand loyalty.

Considering other industries with similarities or related to the personal care products sector, Öberseder et al (2014), after surveying 1131 Austrian customers of three different companies, including a fast moving consumer goods (FMCG) one, found a direct and positive relationship between customers’ perceptions of CSR (measured on seven dimensions: responsibilities towards customers, employees, the environment, community, society, shareholders, and suppliers) and their purchase intention, as well as an indirect relationship, mediated by customer–company identification. Moreover, Singh et al (2012),

after investigating 4027 Spanish customers of several FMCG companies, suggested that there is a positive relationship between perceived ethicality of a brand and both brand trust and brand affect, brand affect also positively influencing brand trust, while, further, brand trust and brand affect both showed a positive relation with brand loyalty. Last, but not least, Roblek & Bertonec (2014) surveyed 537 Slovenian customers of OTC medicine brands, their results showing that customers' perception of CSR had a positive influence on brand loyalty, both directly and indirectly, mediated by brand trust, which in its turn was positively influenced by customer satisfaction.

The relationship between perceived CSR and customer loyalty has also been addressed for other industries, most of such papers focusing on banking or financial services (e.g.: Pérez et al, 2013; Choi and La, 2013; Chomvilailuk and Butcher, 2014), telecom services (e.g.: Salmones et al, 2005; Vlachos et al, 2009; He and Li, 2011), retail (e.g.: Bartikowski, 2013; Ailawadi et al, 2014; Lombart & Louis, 2014), or food products (e.g.: Du et al, 2007; Perrini et al, 2010; Anselmsson et al, 2014). As it can be seen, all the above mentioned industries (except for the latter one) refer to services, in which case customer loyalty is more elusive and unpredictable (Vlachos & Vrechopoulos, 2012). All these studies suggest a positive, significant, and usually mediated link between perceived CSR and customer loyalty. However, they all focus on developed countries such as USA, France, Germany, Austria, Spain, Sweden etc., bypassing developing countries such as those from the Central and Eastern European region.

Finally, other relevant studies investigating the relationship between perceived CSR and customer loyalty can also be emphasized, despite the fact that they do not address a specific industry or market, but rather analyze the issue in a general manner. Thus, Lee et al (2012), after surveying 250 Korean customers of companies from several industries and focusing on the philanthropic side of CSR, showed that the actual perceptions of CSR activities positively impacted customer loyalty, both directly and indirectly (mediated by consumer-company identification), while Stanaland et al (2011), after conducting a survey among 443 US customers of companies from several industries, indicated that perceived CSR (measured as commitment to ethics principles, respect to employees, long-term success, and positive role in society) impacted corporate reputation, consumer trust, and loyalty.

3. Methodology

The aim of the current research is to deepen the understanding of the relationship between perceived CSR and customer loyalty, as complex constructs, and to fill a regional knowledge gap regarding the impact of customers' perceptions of CSR on their loyalty towards brands/companies within the

personal care products industry of one of the largest Central and Eastern European countries. In this context, the personal care products industry is regarded as comprising those companies that manufacture consumer products used for purposes such as personal hygiene, beautification, and others alike.

Previous research regarding the relationship between perceived CSR and customer loyalty has been done using narrowly constructed measurement scales, either for perceived CSR (failing to address responsibilities towards certain relevant stakeholders), or for customer loyalty (taking into consideration a very narrow spectrum of corresponding observable variables). Therefore, this research is explanatory in nature, its main objectives being to develop an extended measurement scale for both perceived CSR and customer loyalty, and to provide a comprehensive depiction of how customers' perceptions of each CSR dimension influence their loyalty level.

For this purpose, a consumer survey was designed and conducted among a sample of 1462 personal care products purchasers from the urban area of Romania. The data was collected using a paper and pencil (self-administered) questionnaire including 28 items directed at measuring CSR perceptions, and 6 items aimed at quantifying customer loyalty.

A two-phase process took place in order to establish the final item pool directed at assessing perceived CSR and customer loyalty: in the first phase a preliminary item pool was drawn from the literature, while in the second phase the preliminary item pool was purified and refined (removing ambiguous, redundant or customer imperceptible items) with the support of several marketing specialists (professors, PhD and MA students). The final item pool is presented in Table 1.

Table 1.

The final item pool used to assess CSR perceptions and customer loyalty

Items	Sources
CSR1 Strives to maximize profits and improve economic and financial performance	[1,2,3,4]
CSR2 Pursues its success in the long term, not only in the short term	[1,2,3,4]
CSR3 Strives to offer its customers products/services of reasonable quality	[2]
CSR4 Is concerned with its customers' satisfaction	[3,5]
CSR5 Provides customers with honest & complete information about its products/ services	[2,3,5,6]
CSR6 Charges fair and reasonable prices for its products/services	[2,6]
CSR7 Provides safe products/services, not-threatening to physical/mental health of buyers	[2,6]
CSR8 Works diligently to handle and solve its customers' complaints	[2,3]
CSR9 Pays its employees fairly and in a reasonable manner	[2,3,6]
CSR10 Offers its employees decent working conditions	[2,3,6]
CSR11 Does everything possible to prevent and avoid discrimination of employees	[2,3,6]
CSR12 Respects the rights of its employees	[1,2,5]
CSR13 Treats its employees with respect	[6]

Items	Sources
CSR14 Provides professional development and promotion opportunities to its employees	[2,3,5]
CSR15 Does everything possible to reduce its negative effects on the natural environment	[2,3,5,6]
CSR16 Strives to minimize the consumption of resources that affect the natural environment	[2]
CSR17 Works diligently to use environmentally friendly materials	[2,3,5,6]
CSR18 Is concerned with the proper management of waste and recycling activities	[2,6]
CSR19 Contributes to the economic growth and development of the region	[2]
CSR20 Contributes to the long-term welfare and life quality of people in the region	[1,3,4,5]
CSR21 Creates and sustains jobs in the region	[2]
CSR22 Contributes to the development of other companies in the region	[2]
CSR23 Respects the values, customs and culture of the region	[2]
CSR24 Supports charitable and social projects addressed to the disadvantaged	[1,2,3,4,5]
CSR25 Supports cultural and social events (music, sports, etc.)	[3,4]
CSR26 Fully complies with the legislation in conducting its activities	[1,4,5,6]
CSR27 Always pays state taxes in a fairly and honestly manner	[5,6]
CSR28 Does everything possible to prevent and avoid corruption in its relation with the state	[6]
LOY1 I consider myself a loyal customer of this company	[9,10]
LOY2 This company is my first choice, compared to others in the sector	[8,11]
LOY3 I will continue to be a customer of this company	[7,8]
LOY4 In the future I plan to purchase more from this company	[11]
LOY5 I would recommend this company to my friends and acquaintances	[7,8,11]
LOY6 I wouldn't give up being a customer even if a competitor came up with a better offer	[11]

* [1] Maignan, 2001; [2] Öberseder et al, 2014; [3] Pérez & Bosque, 2013; [4] Salmones et al, 2005; [5] Turker, 2009; [6] Wagner et al, 2008; [7] Cronin et al, 2000; [8] Martínez & Bosque, 2013; [9] Rosenbaum, 2006; [10] Sloot et al, 2005; [11] Zeithaml et al, 1996

From a procedural standpoint, respondents were asked to mention a specific personal care brand they had recently bought, and, further on, to refer to the company that produces and sells that brand, rating each of the 28 CSR items (“I believe that this company ...”) and, respectively, 6 loyalty items on a Likert scale ranging from 1=“strongly disagree” to 7=“strongly agree”, with a middle/neutral point reflecting the lack of an established perception.

In what concerns the sampling procedure, due to financial and logistical limitations, two non-probability sampling techniques were employed: snowball and, respectively, quota sampling by age and gender. The aim of the data collection process was to obtain a sample which matched the investigated population in what concerns its age and gender structure. The sample's demographic composition is outlined in Table 2. The over-emphasis of the extremities' age-groups is partially apparent, as they cover larger age-intervals. However, there is a real over-emphasis on the first two age-groups as well as on certain genders in some age-intervals, due to the snowball sampling technique involved and the age and gender of the survey operators. Nevertheless, this over-emphasis, even though uncontrolled and unintentional, does not go to an extent to which the sample becomes insufficiently relevant for the investigated population.

Table 2.

Sample structure considering age and gender

	Men	Women	TOTAL
18-24 years	8.00%	12.31%	20.31%
25-29 years	8.89%	8.89%	17.78%
30-34 years	6.91%	5.06%	11.97%
35-39 years	5.61%	6.02%	11.63%
40-44 years	5.61%	6.22%	11.83%
45-49 years	6.36%	6.50%	12.86%
50-56 years	7.80%	5.81%	13.61%
TOTAL	49.18%	50.82%	100.00%

The questionnaires were promoted, explained, distributed and retrieved between January-March 2015 by a group of about one hundred survey operators recruited from business students, who were afterwards rewarded for their contribution to the process of collecting the data. The survey operators were recruited taking into consideration their access and familiarity to different Romanian urban geographical regions, and their personal acquaintances network dimension and structure, so as for them to be able to collect data from a sample with a specified structure of age and gender.

After auditing the collected data, the final investigated sample comprised 1462 personal care products buyers from several small, medium and large Romanian cities (501 from towns with up to 50 thousands inhabitants, 462 from cities with 50 to 200 thousands inhabitants, and 499 from large Romanian cities, with more than 200 thousands inhabitants), and who stated their perceptions as customers regarding various brand/companies (507 customers of Nivea, 269 customers of Dove, 229 customers of Avon, 78 customers of Oriflame, 56 customers of Axe, 48 customers of Rexona, and, respectively, 275 customers of other cosmetic product brands/companies).

4. Results and discussion

Firstly, the large number of observable variables (items) had to be reduced to a lower number of reflective latent variables (components) in order to operationalize the analysis, an exploratory factor analysis being therefore conducted. As Table 3 shows, the six loyalty indicators can be adequately grouped into one single latent variable, while the 28 perceived CSR items can be appropriately clustered into six components (responsibilities towards economic success, customers, employees, the environment, community development and social sponsorship, and, respectively, public authorities and cultural sponsorship). The conducted exploratory factor analysis can be considered reliable due to several specific indicators: the Kaiser-Meyer-Olkin value exceeds .9 (KMO=.934), suggesting excellent sampling adequacy, the Bartlett's test of sphericity

(chi-square=33806.776; df=561; p<.001) indicates correlations in the data set that are appropriate for factor analysis, while the resulted latent variables explain a total of 70.092% of the common variance.

Table 3.
Latent variables reflected by the items measuring perceptions of CSR and customer loyalty in the personal care products market

Latent variables	Reflecting items	Components loadings							Variance explained
		1	2	3	4	5	6	7	
Economic success	CSR1	.139	.073	.058	.066	.104	.070	.873	6.416%
	CSR2	.119	.136	.051	.072	.173	.111	.872	
Customers	CSR3	.058	.271	.081	.013	.551	.096	.537	8.684%
	CSR4	.098	.257	.098	.009	.615	.081	.437	
	CSR5	.145	.242	.166	.139	.729	.119	.108	
	CSR6	.150	.239	.099	.137	.722	.039	.052	
	CSR7	.105	.249	.114	.262	.673	.101	.068	
	CSR8	.354	.196	.201	.268	.488	.064	.073	
Employees	CSR9	.739	.094	.192	.158	.149	.171	.017	14.326%
	CSR10	.800	.120	.210	.125	.129	.167	.072	
	CSR11	.809	.112	.130	.124	.118	.184	.025	
	CSR12	.844	.094	.129	.132	.096	.194	.064	
	CSR13	.843	.106	.154	.149	.075	.174	.087	
Environment	CSR14	.756	.122	.199	.116	.101	.094	.167	9.200%
	CSR15	.232	.146	.206	.753	.183	.128	.103	
	CSR16	.210	.116	.222	.817	.144	.141	.082	
	CSR17	.139	.170	.210	.820	.152	.143	.002	
Community development & social sponsorship	CSR18	.181	.150	.252	.755	.130	.134	.012	11.752%
	CSR19	.181	.047	.778	.214	.123	.030	.081	
	CSR20	.178	.104	.774	.211	.134	.029	.058	
	CSR21	.178	.086	.820	.097	.026	.023	.046	
	CSR22	.183	.069	.768	.128	.084	.109	-.008	
Public authorities & cultural sponsorship	CSR23	.160	.133	.624	.234	.107	.283	-.011	7.484%
	CSR24	.118	.111	.559	.098	.139	.483	.076	
	CSR25	.078	.125	.496	.057	.168	.533	.079	
	CSR26	.336	.159	.135	.221	.125	.692	.102	
Customer loyalty	CSR27	.399	.130	.102	.155	.064	.756	.090	12.230%
	CSR28	.380	.147	.121	.185	.062	.727	.086	
	LOY1	.079	.793	.106	.078	.196	.035	.062	
	LOY2	.083	.819	.116	.137	.074	.053	.086	
	LOY3	.095	.850	.089	.071	.144	.081	.100	
	LOY4	.093	.794	.106	.076	.189	.112	.090	
LOY5	.094	.769	.048	.093	.237	.104	.112		
LOY6	.173	.494	.028	.138	.184	.118	-.019		

(Exploratory factor analysis; Varimax rotation)

Mean scores were computed for each latent variable, these calculations enabling a comparative analysis of customers' perception of CSR

for the main competitors of the Romanian personal care products industry, which were assimilated to those companies/brands that were more frequently referred to by respondents. Table 4 shows that the proposed CSR perceptions measuring tool can be used as a benchmarking instrument, the brands/companies of the Romanian personal care products industry perceived by their own customers as being the most socially responsible being Avon and Oriflame, considering all CSR domains. The mean scores also suggest that companies perceived as being the most socially responsible (Avon and Oriflame, in this case) have the highest customer loyalty mean scores.

Table 4.

Customers' perceptions of CSR for the main competitors in the Romanian personal care products market

	Avon	Axe	Dove	Nivea	Oriflame	Rexona
Economic success	6.08	5.89	5.84	5.87	6.05	5.48
Customers	5.61	5.39	5.48	5.49	5.61	5.30
Employees	4.93	4.58	4.46	4.57	4.98	4.52
The environment	4.84	4.80	4.61	4.75	4.72	4.48
Community dev. & social sponsorship	4.86	4.49	4.66	4.74	4.90	4.45
Public auth. & cultural sponsorship	4.81	4.70	4.63	4.70	4.75	4.60
Customer loyalty	5.31	5.21	5.40	5.22	5.48	5.04

(Mean scores. Initial measurements on a Likert scale ranging from 1 to 7)

Furthermore, a multiple linear regression model was proposed (Figure 1), in which the latent variables regarding CSR perceptions were included as predictors (independent variables), while the latent variable corresponding to customer loyalty was inserted as dependent variable. Accordingly, the following research hypotheses were issued: "*H_S: Perceived corporate responsibility towards S has a positive impact on customer loyalty*", where S = 1 to 6 (1 = economic success, 2 = customers, 3 = employees, 4 = the environment, 5 = community development & social sponsorship, and 6 = public authorities & cultural sponsorship).

After running the multiple linear regression analysis, the results reveal that a significant amount of the variance in the dependent variable is accounted for by the proposed model's predictors ($R^2=.359$; Adjusted $R^2=.356$), the ANOVA test results ($F(6,1455)= 135.870$, $p<.001$) indicating that the model's R^2 differs significantly from zero. It can be estimated that about 35.9% of the variance in customer loyalty is accounted for by customers' perceptions of CSR.

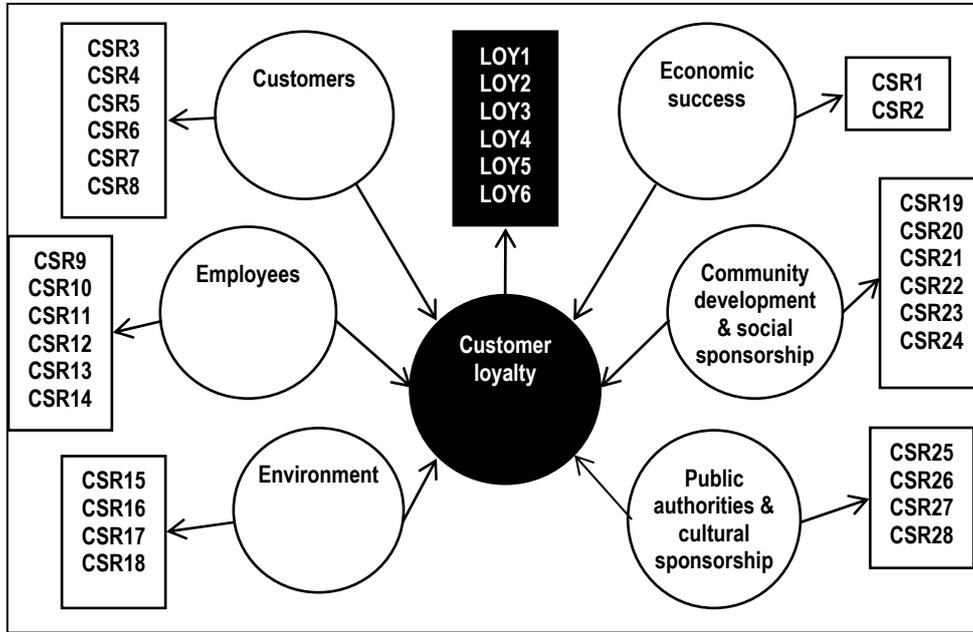


Figure 1. Proposed multiple linear regression model for the impact of perceived CSR on customer loyalty in the personal care products market

Table 5. Multiple linear regression analysis results coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	p
	B	Std. Error	Beta		
(Constant)	.723	.180		4.026	.000
Economic success	-.019	.025	-.019	-.773	.440
Customers	.642	.036	.488	17.760	.000
Employees	.010	.033	.009	.310	.756
The environment	.094	.030	.085	3.117	.002
Community dev. & social sponsorship	-.017	.030	-.016	-.573	.567
Public auth. & cultural sponsorship	.163	.035	.136	4.599	.000

The coefficients from Table 5 suggest that customers' loyalty towards personal care products brands/companies is not significantly impacted by how they perceive these companies' responsibilities with regard to their economic success, employees, or community development and social sponsorship (all Beta values being very close to zero; $p > .05$). Thus, H_1 , H_3 , and H_5 are rejected.

However, all other perceptions of CSR have a significant and positive impact on customer loyalty, the most important, by far, being how customers perceive companies' responsibility towards their customers (Beta=.488; $p < .001$), followed by how customers perceive companies' responsibilities towards public authorities and cultural sponsorship (Beta=.136; $p < .001$), and, respectively, towards the environment (Beta=.085; $p = .002$). Therefore, H_2 , H_4 , and H_6 are confirmed.

The current results reinforce previous findings regarding the overall positive impact that perceived CSR can have on customer loyalty, as depicted after investigating consumers from developed regions such as USA, Western Europe, or South-East Asia. However, as previous studies have argued, even though consumers in developed countries are addressing CSR actively, consumers in developing countries have no adequate awareness of social responsibility (Frynas, 2006). Therefore, it is not surprising that some of the CSR dimensions which were generally outlined as relevant in generating positive consumers' reactions in developed regions (such as those regarding economic success, employees, community development, social sponsorship), do not have a significant impact on loyalty among consumers investigated in the current research. Moreover, if we leave aside the high relevance of companies' responsibility towards customers (which can be considered common sense), perceived CSR in what concerns public authorities can be emphasized as dominating as compared to other CSR dimensions in what concerns the influence it exerts on customer loyalty. This finding might be considered specific for Eastern European countries, consumers tending to reward companies which are fair in their relation to public authorities, especially considering the regional social environment overcrowded by news regarding corruption, bribes, or "stealing" from the public money.

5. Conclusions, implications, limitations and future research opportunities

As already stated, previous studies concerning the impact of perceived CSR on customer loyalty have been conducted using narrowly constructed measurement scales, either for perceived CSR, or for customer loyalty. Therefore, by developing and employing an extended measurement scale for both perceived CSR and customer loyalty, this paper provides a more comprehensive depiction of how customers' perceptions of each CSR dimension influence their loyalty level. Moreover, by focusing on the particular market setting of one of the largest countries from the Central and Eastern European region, a developing region in which CSR is a relatively new concept for consumers, and in which we should expect a particular consumer understanding and reaction to CSR, the paper manages to fill a regional knowledge gap, while also providing a significant contribution to the existing literature.

The results indicate that in the particular regional industry of personal care products customers' loyalty is not significantly influenced by how these perceive companies' responsibilities with regard to their economic success, employees, or community development and social sponsorship. However, other perceptions of CSR have a significant and positive impact on loyalty, the most important, by far, being customers' perceptions of companies' responsibility towards their customers, followed by how customers perceive companies' responsibilities towards public authorities, cultural sponsorship, and the environment.

Several practical implications of these findings can be outlined, most of these implications being specifically relevant in what concerns the appropriate dosage and marketing communication of CSR in the Central-Eastern European personal care products market. Taking into consideration the fact that customers' perceptions of CSR are formed as a result of their exposure to certain information sources (personal, commercial, public, experience), personal care products companies that operate in the specific context of Central-Eastern European countries and wish to enhance their customers' loyalty should be preoccupied with communicating and disclosing their CSR policies and activities through any available commercial or public communication channels, in a selectively manner. Thus, the focus should be placed on their responsibility towards customers, bringing out the fact that they are concerned with customers' satisfaction and solving customers' complaints, providing high quality and safe products, providing honest and complete information about products, and charging fair and reasonable prices. However, personal care products companies that operate in the analyzed geographical area should also emphasize their policies and activities in what concerns their responsibility towards public authorities (emphasizing aspects such as complying with the legislation, paying taxes in a fairly and honestly manner, preventing/avoiding corruption in relation with the state), towards cultural sponsorship, as well as towards the environment (outlining issues related to reducing its effects on the natural environment, minimizing the consumption of resources, using environmentally friendly materials, waste management, recycling).

The limitations of this research refer mainly to the fact that possible mediating factors of the relationship between customers' perceptions of CSR and customer loyalty are ignored. As a future research opportunity, the investigation should be extended by considering several mediating variables such as customer satisfaction, customer trust, company-consumer identification, price-quality competitive positioning, and/or perceived switching costs, and integrate them into a structural equation model along with perceptions of CSR as exogenous variables, and, respectively, customer loyalty as endogenous variable. Last, but not least, including demographics such as gender, age, income or type of residence in the model could also be considered as an interesting research extension.

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