The Impact of CSR on Brand Identification, Word of Mouth and Consumer’s Repurchase Intention in the Retailer Industry

Thi Hong Nguyet Nguyen 1, Nguyen Khanh Hai Tran 2*, Khoa Do 2, Van Dung Tran 1

1 Ho Chi Minh University of Natural Resources and Environment, Ho Chi Minh City, Vietnam
2 University of Finance – Marketing, Ho Chi Minh City, Vietnam.

Abstract
This study explored and measured the influence of corporation social responsibility (CSR) on consumers' re-purchase intentions through the mediators of brand identification and word of mouth (WOM). The quantitative method was applied in the research, and there were 287 valid respondents who had purchased something from the retailer store brands. The collected data was checked for reliability, convergence, and discriminant validity among the constructs before testing the hypothesis and the theoretical research model. In particular, the Cronbach alpha reliability, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation model (SEM) were used to analyze the research data under the support of SPSS and AMOS software. The results indicate that CSR has significant effects on brand identification, WOM, and consumers' repurchase intentions. Brand identification has a positive impact on consumers' repurchase intentions, whereas WOM has not. The findings have significant contributions to the marketing theory and provide management implications for managers, especially in retail store brands.

Keywords:
CSR; Brand Identification; Social Media; WOM and Consumer’s Re-Purchase Decision.

Article History:
Received: 16 August 2023
Revised: 17 November 2023
Accepted: 21 November 2023
Published: 01 December 2023

1- Introduction

Referring to global sustainable development, CSR is not only a noticeable approach to developing enterprises’ competitive advantage but also considered the pragmatic competition tool in the high competition market [1–4] since it is a key factor in developing close relationships with consumers and stakeholders [5, 6], and increasing corporate performance [7]. From the lens of consumers, they tend to have positive responses to firms that have implemented CSR programs, even if they put CSR as the priority criteria in their purchasing decisions [8]. Therefore, more and more corporations around the world have spent millions on CSR activities [7, 9–11] to offer added value to consumers, be more attractive, and be more reliable than their competitors.

In addition, thanks to dramatic technological development, particularly virtual networks, enterprises launch numerous CSR practices in a second, just after a click, that significantly contribute to strengthening brand image and sustainable competitive advantages [12, 13]. In recent years, CSR in marketing has been examined in different dimensions [14, 15]. Most research has studied customers' perceptions and stakeholders’ responses to CSR activities [8, 14, 16]. Other researchers focused on the contribution of CSR to a corporation’s reputation and image [17], creating brand equity [18], and business performance [19, 20]. Some studies explored the influence of CSR on consumers' decision-making processes. The findings demonstrated the positive relationship between CSR and consumers’ attitudes and behaviors [14, 21, 22]. Several studies recently investigated the relationship between perceived CSR and repurchase or brand loyalty with various mediator variables such as brand image, brand credibility, and brand identification [12, 18, 23, 24].

* CONTACT: khanhhai@ufm.edu.vn

DOI: http://dx.doi.org/10.28991/ESJ-2023-07-06-021
© 2023 by the authors. Licensee ESJ, Italy. This is an open access article under the terms and conditions of the Creative Commons Attribution (CC-BY) license (https://creativecommons.org/licenses/by/4.0/).
Notwithstanding the growing number of studies about the effects of CSR on various consumers’ responses [25, 26], there is still a gap in terms of the impact of CSR on brand identification, WOM, and repurchase, especially in the retailer industry. Moreover, most previous studies applied CSR as a complex, high-order construct, including philanthropy, economics, environmental, and ethical dimensions, which are difficult to evaluate. Few studies take the CSR as a simple first construct. Therefore, this study aims to empirically examine the affecting relationship of CSR on consumers’ brand identification, WOM, and repurchase intention in the retailer industry in order to fill this gap. The findings not only emphasize the important role of CSR as an effective marketing tool in attracting and maintaining long-term relationships with consumers but also contribute to the marketing literature review, especially in the emerging market.

2- Literature Review

2-1- CSR

There is a wide range of CSR definitions since it was studied from various perspectives [27–32], and until now there has been no general consensus definition. A total of 37 CSR definitions were found in Dahlsrud (2008) [33]. According to the European Commission [34], CSR is an essential concept whereby companies integrate social and environmental concerns into the operation of their businesses and their interactions with stakeholders on a voluntary basis. Khoury et al. (1999) [35] defined CSR as the overall relationship of the corporation with all its stakeholders, including customers, employees, communities, owners/investors, the government, suppliers, and competitors. Elements of social responsibility consist of investment in community outreach, employee relations, the creation and maintenance of employment, environmental stewardship, and financial performance. Carroll (1991) [15] described CSR as a set of expectations, including economic, legal, ethical, and discretionary attributes, that society presumes an organization to fulfill at a given point in time. Among a variety of CSR definitions, Carroll’s CSR definition is the most widely approved and used [36]. In general, CSR comprises voluntariness, stakeholder, economic, social, and environmental dimensions.

2-2- CSR and Brand Identification

The social identity theory shows that an individual will identify and engage themselves with social categories, which enhances an individual’s self-esteem through their social identities [37, 38]. In addition, Bhattacharya and Sen (2003) [39] mentioned that a company can fulfill consumers' identity requirements by providing brand personality. Aquino & Reed (2002) [40] showed that customers prefer to identify with a brand with higher CSR programs to enhance their self-esteem and to express a more ethical and moral social image. Moreover, previous empirical studies confirmed that CSR helps customers identify corporations and brands [23, 24, 41–43]. Therefore, the following hypothesis is proposed:

\[ H1: \text{CSR has positively impacted on brand identification.} \]

2-3- CSR and WOM

Word of mouth refers to the exchange of thoughts, ideas, or comments between two or more customers, none of whom are marketers [44]. In this process, customers tend to tell others how they feel about both the commodities and the firm providing them [45]. Word of mouth is defined as a type of informal communication between the involved parties in the evaluation of goods and services [46]. Arndt (1967) [47] defined WOM as person-to-person oral communication between the transmitter and the receiver, in which the transmitter has no benefits related to the product, brand, and supplier that they convey. WOM has been considered one of the most powerful communication channels in the market [48]. WOM in this study includes traditional WOM (offline WOM) and electronic WOM (eWOM or online WOM).

CSR includes activities for the common benefit of the community, such as environmental protection activities, support for the poor, and sponsorship activities for the common goods of the community [49]. CSR activities not only provide information and enhance customer awareness [50] but also provide ethical value to customers [51]. Accordingly, when customers receive positive information in the community, they tend to share and spread information in their relationships, including about corporate social responsibility activities [52], which implies CSR is a significant factor that helps customers spread word of mouth about the business [13, 53–55]. Therefore, the hypothesis is proposed as follows:

\[ H2: \text{CSR has positively impacted on word of mouth.} \]

2-4- CSR and Repurchase Intention

The customers are more aware of CSR; they are deeply understanding of CSR activities [56]. When customers receive information that a business has a good CSR performance, they will have a positive attitude towards this business and tend to buy products from that business [14, 56]. Moreover, McDonald and Lai (2011) [57] also confirmed that CSR helps improve customer buying behavior. Therefore, the hypothesis is proposed as follows:

\[ H3: \text{CSR has positively impacted on repurchase intention.} \]
2-5- Brand Identification, WOM and Repurchase Intention

According to social identity theory, the individual can express themselves through a brand [58], so consumers usually identify the company that conveys the same message as her life concept. As a result, companies develop CSR activities that match the majority of consumers’ identification values [38, 59, 60]. Many studies have confirmed that the customer's purchasing process is influenced by the brand image, both directly and indirectly, from corporate social responsibility activities [61, 62]. Moreover, Pérez and del Rodriguez Bosque (2013) [63] also presented that customers' purchasing decisions are also influenced by consumers' identification with brands and businesses. When customers identify with a brand, they are more likely to support it and safeguard its values [39, 64]. Particularly, corporate identification has an impact on word of mouth [65, 66] and customers' purchase decisions and loyalty [39, 42]. Furthermore, East et al. (2008) [67] argued that WOM affects customers' purchasing decisions in both positive and negative ways. Studies showed that WOM has a positive influence on consumers' purchasing processes [68–70]. Thus, the hypotheses are proposed as follows:

H4: Brand identification has positively impacted on word of mouth.

H5: Brand identification has positively impacted on repurchase intention.

H6: WOM has positively impacted on consumer’s repurchase intention.

3- Research Methodology

3-1- Procedure

This study applies qualitative and quantitative methods. Qualitative research was conducted in the first stage with 10 consumers and 5 experts who work in retailer stores as managers to explore the relationship between CSR activities and consumers’ behavior as well as modify the measures for quantitative research. The second stage is quantitative research. In the quantitative research, the authors use face-to-face interviews combined with a Google Doc form approach to survey consumers. The Cronbach alpha reliability and the Exploring Factor Analysis (EFA) were applied to assess the scales. Afterwards, the measurements continue to be tested together with the theoretical model by confirmatory factor analysis (CFA) and the Structural Equation Model (SEM) by AMOS 20.0 software.

3-2- Sample and Data Collection

The sample in this study is the customers who are usually buying products from the retail store in Ho Chi Minh City, the biggest city in Vietnam. Face-to-face interviews and Google Docs forms were used to survey consumers through a research questionnaire. There are 287 correspondents whose Cronbach alpha, EFA, CFA, and SEM were analyzed by SPSS and AMOS software. A good sample size depends on the analysis method [71]. SEM requires a large sample [72], and its minimum is about 15 times the number of observations in the research model. Therefore, 287 correspondents were a suitable sample size since they were larger than the required minimum sample size (15 × 15 = 225). Additionally, a non-probabilistic sampling procedure with a convenience sample method was employed to collect the data.

3-2-1- Sample Characteristics

The sample consists of 134 males and 153 females, accounting for 46.690% and 53.310%, respectively. In the aspect of age, there are 375 consumers aged 18–34 years, which constituted 65.854% of the survey responses, and 98 consumers aged 35 and over (contributing 34.146%). In terms of income, 124 (43.206%) consumers have a monthly income of US$ 435 or less, 105 (36.585%) consumers are upper US$ 435 and less than US$ 1304, and 58 (20.209%) are more than US$ 1304.

3-3- Measurements

Based on the previous measurements and the results of qualitative research, a total of 15 items were measured for four concepts (CSR, brand identification, WOM, and the consumer’s repurchase intention). CSR measurement was adapted from Nguyen et al. [18] and Lichtenstein et al. [66] with five observation variables. Brand identification (BID) was measured by three items that were inherited from Pérez and Rodriguez del Bosque [73]. Three items were used to examine WOM, developed by Jalilvand et al. [54] and Tong [74]. The measurement of consumers' repurchase intention (REP) was using four items adapted from Kim [75] and Kim and Park [76]. A seven-scale Likert questionnaire ranging from 1 (strongly disagree) to 7 (strongly agree) was distributed to measure the four constructs being examined.

4- Results and discussion

4-1- Measurement Refinement and Validation

All items were refined by testing Cronbach alpha reliability. The Cronbach alpha of these items fluctuated from 0.821 to 0.884. The reliability of all measurements satisfied the requirement (>0.60) [77]. The EFA results show that factor loading is greater than 0.50 at the total variance extracted of 63.42%.
The results of CFA indicate that this model also had an acceptable fit to the data. All factor correlations were significantly below unity (p < 0.05), which supported convergent and discriminant validity between the constructs [78]. Furthermore, the validation of the measures showed that these measures satisfied the requirements for construct reliability and validity. The specific results are described in Table 1 and Table 2. Therefore, all the items were used to test the structure model and hypotheses.

### Table 1. The reliability and validity of scales

<table>
<thead>
<tr>
<th>Constructs/ Items</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSR: CR=0.871; AVE = 69.5%; Cronbach Alpha = 0.821</strong></td>
<td></td>
</tr>
<tr>
<td>X is committed to solving social problems</td>
<td>0.652</td>
</tr>
<tr>
<td>X sponsors difficult and unlucky cases in society</td>
<td>0.642</td>
</tr>
<tr>
<td>This company contributes to philanthropy activities</td>
<td>0.641</td>
</tr>
<tr>
<td>X endeavours to protect environments</td>
<td>0.669</td>
</tr>
<tr>
<td>X provides products and services for the customer’s benefits</td>
<td>0.734</td>
</tr>
<tr>
<td><strong>Brand identification: CR=0.793; AVE = 68.8%; Cronbach Alpha = 0.851</strong></td>
<td></td>
</tr>
<tr>
<td>I strongly identify with the company</td>
<td>0.832</td>
</tr>
<tr>
<td>I easily recall characteristics of X when someone mentions it</td>
<td>0.865</td>
</tr>
<tr>
<td>I can quickly recall unique color, symbol, slogan or logo of X</td>
<td>0.741</td>
</tr>
<tr>
<td><strong>WOM: CR=0.875; AVE = 71.3%; Cronbach Alpha = 0.879</strong></td>
<td></td>
</tr>
<tr>
<td>I am likely to spread positive word of mouth about X’s CSR activities</td>
<td>0.906</td>
</tr>
<tr>
<td>I would recommend the brand with its CSR activities to my friends.</td>
<td>0.860</td>
</tr>
<tr>
<td>I am willingness to give information about this company</td>
<td>0.834</td>
</tr>
<tr>
<td><strong>WOM: CR=0.869; AVE = 73.5%; Cronbach Alpha = 0.884</strong></td>
<td></td>
</tr>
<tr>
<td>I intent to buy more goods/services from businesses that have implemented CSR activities</td>
<td>0.788</td>
</tr>
</tbody>
</table>

Note: CR = composite reliability; AVE = average variance extracted; Alpha = Cronbach’s alpha

### Table 2. Results of test for discriminant validity

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM ↔ BID</td>
<td>0.746</td>
<td>0.039</td>
<td>18.911</td>
<td>0.000</td>
</tr>
<tr>
<td>REP ↔ BID</td>
<td>0.872</td>
<td>0.037</td>
<td>20.504</td>
<td>0.000</td>
</tr>
<tr>
<td>CSR ↔ BID</td>
<td>0.745</td>
<td>0.039</td>
<td>18.854</td>
<td>0.000</td>
</tr>
<tr>
<td>CSR ↔ REP</td>
<td>0.898</td>
<td>0.026</td>
<td>34.454</td>
<td>0.000</td>
</tr>
<tr>
<td>WOM ↔ CSR</td>
<td>0.813</td>
<td>0.034</td>
<td>23.571</td>
<td>0.000</td>
</tr>
<tr>
<td>WOM ↔ REP</td>
<td>0.815</td>
<td>0.034</td>
<td>23.744</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### 4.2 Hypothesis Testing

SEM was applied to test the structural model and hypotheses. The structural model had 80 degrees of freedom. The SEM results indicated that the model had an acceptable fit, $X^2 (80) = 215.868, p = .000$; Chi-square/df = 2.698; GFI = 0.905; TLI = 0.937; CFI = 0.952; RMSEA = 0.077. Table 3 indicates the unstandardized structural paths, and Figure 1 illustrates the standardized structural paths.

### Table 3. Results of standardized estimate model

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 CSR → BID</td>
<td>0.108</td>
<td>8.968</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2 CSR → WOM</td>
<td>0.080</td>
<td>2.200</td>
<td>0.028</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3 CSR → REP</td>
<td>0.164</td>
<td>4.969</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4 BID → WOM</td>
<td>0.144</td>
<td>5.960</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5 BID → REP</td>
<td>0.094</td>
<td>3.797</td>
<td>***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6 WOM → REP</td>
<td>0.085</td>
<td>1.825</td>
<td>0.068</td>
<td>Not accepted</td>
</tr>
</tbody>
</table>
4.3 - Discussion

The research results show that CSR significantly influences brand identification, word of mouth, and repurchase intention. The findings are in line with the studies of Jalilvand et al. (2017) [54], Fatma et al. (2016) [42], Lacey et al. (2015) [55], He et al. (2011) [43], Lichtenstein et al. (2004) [66], and Martin et al. (2009) [79], but they are far from Chuah et al. (2022) [24] and Fatma & Khan (2023) [23], who argued that perceived CSR has not impacted repurchase. The results indicated the vital role of CSR activities in consumer awareness and the buying decision process. In other words, CSR promotes better corporate performance. Therefore, managers should pay attention to CSR activities. Particularly, the results show that CSR affects brand identification the strongest (0.74), followed by repurchase intention (0.62), followed by WOM (0.58). This result implies that the manager should consider dividing his marketing budget properly for the specific marketing objectives.

In another aspect, the relationship between brand identification, WOM, and repurchase intention has been confirmed. In particular, brand identification has a significant effect on WOM and repurchase intention, but the influence of WOM is higher (0.37 compared with 0.18). Such results are in line with [39, 63, 65, 66]. It means that corporation identification has a remarkable ability to spread information about the company to communities and related parties. Therefore, managers can promote the implementation of brand identification programs through various approaches and tactics in order to popularize the brand as well as bring the company closer to the public.

In addition, the interesting result of this research is that the influence of WOM on repurchase intention has yet to be confirmed (p = 0.068 > 0.05). This might be a gap between the different stages of the buying process, and the received information step from others (WOM) is just the first step in the buying decision process. Customers who receive information from word of mouth may be impressed by the ethical activities of the corporation, but customers only stop at an initially nice impression of the business and have a positive attitude towards the business. However, to make a purchase decision for the product or the brand of the business, customers need to consider more things such as product quality, price, warranties, after-sales service, even brand personality or brand identification system, etc. Nguyen et al. (2019) [80] studied consumers' attitudes and actual purchasing behavior for organic food in Vietnam showed that factors related to environment, safety, and health have a positive influence on customer attitudes, but green marketing strategies have no effect on actual buying behavior. This result shows that the trust in word of mouth in the retail market in Vietnam is not high, which has not led to the actual buying action of customers.
5- Conclusions

5-1- Theoretical Implications

This study contributes to an under-investigated area of business in an emerging market in Vietnam. The empirical findings support the relationship between CSR, brand identification, WOM, and repurchase intention. In addition, the findings show the influence of brand identification on WOM and repurchase intention. The results of the research imply that the WOM has no effect on repurchase intention. These results are expected to enrich the literature on long-term development businesses through CSR activities in a transition economy. This study can broaden further research directions in building strong relationships between customers and businesses through CSR activities in order to satisfy related parties in business. Furthermore, CSR from the customer's point of view can be studied and measured from many different perspectives, such as (1) Carroll's CSR model [15], which comprises economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility; (2) stakeholder theory, which mentions related parties including administrators, employees, business partners, government agencies, consumers, organizations, and communities in society [63]; and (3) the sustainable development model, which encompasses economic responsibility, social responsibility, and environmental responsibility [42, 49]. Most previous studies measured CSR as a second-order concept [15, 42, 49, 63], but few studies evaluate CSR as a first-order construct. This study results also confirm that the first-order construct CSR is feasible to conduct research. This study's measurement scale is inherited from Nguyen et al. (2023) [18] and Lichtenstei (2004) [66]. It contributes to the development of a measurement scale for first-order construct CSR in the literature review. Few studies have examined first-order construct CSR in the affecting relationship among brand identification, WOM, and repurchase in a framework, especially since almost all these studies have not studied the retailer industry yet. As a result, this study provides a deep insight into this new industry, particularly in a developing country.

5-2- Managerial Implications

Several managerial implications can be inferred from these study results. Firstly, CSR plays a vital role in brand identification, WOM, and re-purchase intention.

Therefore, business managers should focus on social responsibility activities more than the other activities of marketing strategy and spread them out to the community to win the community's affection and popularize the brands of the corporation. Secondly, based on the result of the corporation identification, which has impacted WOM and repurchase intention, the manager should pay much attention to the corporation identification. In order to increase corporation identification, administrators should maximize communication activities about the business by increasing the frequency of appearances on mass media or community programs. Besides, administrators can also consider implementing personal interaction programs, including online and face-to-face interactions. In addition, multi-channel marketing with viral marketing tactics and content marketing are also effective ways to expand the brand recognition of a corporation.

This is an empirical study on the impact of CSR on brand identification, WOM, and re-purchase intention in the retailer industry in Vietnam. The research results provided specific CSR roles for brand identification, WOM, and re-purchase intention in a transition economy. The findings encourage managers in the retail industry to focus on CSR activities more than other marketing activities. Although this study has positive contributions to theoretical literature review and practical management, it still has several limitations. Firstly, the consequence variables of CSR just mentioned brand identification, WOM, and re-purchase intention; further research should expand to other factors such as brand image [61, 81], brand equity [18], and brand loyalty [82, 83]. Secondly, the study only investigated the role of CSR on brand identification, WOM, and re-purchase intention but did not include the other marketing tools in the model to compare which one is more effective. Therefore, further study should address other marketing tools such as advertising, store image, or distribution channels.

6- Declarations

6-1- Author Contributions

Conceptualization, T.H.N.N. and N.K.H.T.; methodology, T.H.N.N. and N.K.H.T.; writing—original draft preparation, T.H.N.N. and N.K.H.T.; writing—review and editing, T.H.N.N., N.K.H.T., K.D., and V.D.T. All authors have read and agreed to the published version of the manuscript.

6-2- Data Availability Statement

The data presented in this study are available on request from the corresponding author.

6-3- Funding

The authors received no financial support for the research, authorship, and/or publication of this article.
6-4- Institutional Review Board Statement

Not applicable.

6-5- Informed Consent Statement

Informed consent was obtained from all subjects involved in the study.

6-6- Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this manuscript. In addition, the ethical issues, including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, and redundancies have been completely observed by the authors.

7- References


