

FROM RESPONSIBILITY TO LOYALTY: EXAMINING THE ROLE OF CORPORATE REPUTATION, TRUST, AND ETHICAL COMMITMENT

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ABSTRACT

This study examines the relationship between Corporate Social Responsibility (CSR) and customer loyalty by developing and empirically testing a comprehensive framework that incorporates corporate reputation, customer trust, and ethical commitment as mediating and moderating mechanisms. Drawing on stakeholder and signaling theories, the research investigates both the direct and indirect effects of CSR on customer loyalty. The findings reveal that CSR significantly influences customer loyalty not only directly but also indirectly through multiple psychological and relational pathways. Corporate reputation emerges as the strongest mediator, highlighting its critical role in translating CSR initiatives into favorable customer responses. Customer trust also plays a significant mediating role, reinforcing the importance of trust-based relationships in increasingly competitive and ethically conscious markets. Additionally, ethical commitment is identified as a novel and meaningful mediator, emphasizing the importance of internal moral alignment and perceived CSR authenticity in shaping customer attitudes and behavioral intentions. The study advances CSR literature by moving beyond simplistic direct-effect models and offering an integrative perspective on the CSR–loyalty nexus. Managerially, the findings suggest that authentic, ethically grounded, and strategically aligned CSR initiatives can enhance reputation, strengthen trust, and foster sustainable customer loyalty.

Keywords: Corporate Social Responsibility, Corporate Reputation, Customer Trust, Ethical Commitment

INTRODUCTION

Corporate Social Responsibility (CSR) in recent years has not only become a peripheral philanthropic concern of companies but also has become a central strategic priority for companies aiming to develop enduring relationships with their customers alongside remaining competitive in the market. As consumers become more aware of the societal and environmental consequences of business activities, CSR initiatives have become a critical tool with which companies define the

perceptions of stakeholders and indicate their commitment to act ethically and responsibly (Aguinis & Glavas, 2012). This trend has driven both academics and practitioners to consider ways in which CSR may influence customer attitudes, enhance relational bonding, and ultimately enhance customer loyalty; a key driver that cannot be ignored in the profitability of firms and maintaining a competitive advantage (Luo & Bhattacharya, 2006).

Customer loyalty has long been recognized as an established strategic resource to organizations, which has helped in enhancing customer retention, marketing expenditure, and brand advocacy (Dick & Basu, 1994). Nevertheless, customer loyalty determinants have proven to be more complicated as consumers assess firms on their economic and functional performance, besides their ethical, social, and environmental behaviors (Choi & La, 2013). CSR, then, functions as a key relational signal, providing customers with indicators of the values and long-term orientation of a firm. Empirical evidence indicates that the perception of CSR may have a positive impact on customer loyalty through the strengthening of emotional bonds, building of trust, and positive attitudes (Pivato et al. 2008; Pérez & del Bosque, 2015). However, researchers continue to argue about the processes by which CSR influences customer loyalty, especially when CSR activities differ in terms of their authenticity, visibility, and relevance to the stakeholders.

Corporate reputation is a collective assessment of a firm's credibility and reliability, determined by the company's past performance and its stakeholder-oriented behavior (Fombrun et al. 2015). Positive CSR activities may also help a company gain a higher level of reputation by signaling its dedication to those around it, thereby enhancing its legitimacy and goodwill (Wang et al. 2015). Previous studies have shown that a positive reputation may enhance customer loyalty by creating higher perceived value and lowering perceived risk (Walsh et al. 2009). On the same note, customer trust has been recognized as a primary element of relationship marketing and loyal customer behavior (Morgan and Hunt, 1994). Trust can be enhanced through CSR initiatives that convey benevolence, integrity, and commitment to ethics, all of which are essential in building a long-term relationship with customers (Swaen & Chumpitaz, 2008). Trust is a behavioral process that is critical because CSR brings about loyalty, as customers are more disposed to buy from and recommend companies that they consider truthful, transparent, and socially responsible (Chaudhuri & Holbrook, 2001). However, empirical research has frequently considered trust in relation to CSR rather than

examining its mediating role in a conceptual framework where CSR and loyalty are interconnected. This, in turn, implies that a more nuanced interpretation of how CSR leads to loyalty through mechanisms associated with trust is justified.

The current research would put forward a combined conceptual framework to understand the direct and indirect impact of CSR on customer loyalty with special consideration of the mediating variables of corporate reputation and customer trust, and moderating one of the ethical commitments. This paper is based on the stakeholder theory and argues that stakeholders use broader ethical and societal perspectives to evaluate the organizational behaviour and that the evaluations influence their behavioral intentions towards the firms (Freeman, 1984). Responsible behaviour and ethical principles assist the firms in their approval by the stakeholders, thus promoting their reputational status and credibility. Therefore, companies that incorporate ethical principles in their CSR programs can establish better and long-lasting customer relationships. This study has several contributions to existing literature. First, it provides not only a development of CSR and relationship marketing research but also empirically investigates more than one or two mediators, namely corporate reputation and trust, in a single conceptual framework. Second, it can develop CSR authenticity research, adding ethical commitment as a mediating variable to it and, therefore, provide information about the situations when CSR is the best way to build loyalty. Third, it gives concrete instructions to the managers through demonstrating how CSR strategies need to be consistent with ethical commitments to establish reputation, gain trust, and develop loyalty.

Theoretical and Empirical Support

An outstanding and timeless conceptualization is the one created by Archie B. Carroll, whose CSR Pyramid (economic, legal, ethical, philanthropic) holds a pivotal role in literature. Carroll (1979) defined CSR as the economic, legal, ethical, and discretionary (philanthropic) expectations of society of organizations at a particular time. In this schema, the economic and legal duties form the

basis, which is required to make a corporation viable, and ethical behavior and philanthropy demonstrate the higher expectations in society. This multidimensional framing helps to underline the fact that CSR is not a charitable activity and is only added but a complex of corporate responsibilities, including compliance, ethical standards, and volunteering to social welfare (Carroll, 2016).

The review by Aguinis and Glavas (2012) also builds upon the framework proposed by Carroll, synthesizing more than 588 journal articles and 102-chapter contributions and producing a multilevel, multidisciplinary CSR framework. It highlights the fact that CSR works at institutional, organizational, and individual levels with external stakeholders like customers and internal stakeholders like employees being mediated by constructs of relational and value, and moderated by contextual variables. As a result, CSR has been perceived not only as a moral or philanthropic orientation but as a strategic business conduct that has its deep roots in the management of the stakeholders. Further supported by Stakeholder Theory, which was first formulated by Freeman (1984), the theory argues that firms have a duty to stakeholders, including shareholders, employees, customers, community, environment, regulators, and others.

CSR and Customer Loyalty

In its essence, CSR can be an indication of the values, ethical position, and long-term devotion of a firm to its stakeholders. In terms of the stakeholder theory, customers are part and parcel of the stakeholder group: by companies publicly declaring their commitment to social responsibility, they convey that they integrate into society, which may cause favorable attitudes, identification, and loyalty (Brown & Forster, 2013). It is always shown in empirical studies that there is a positive direct impact of the perceived CSR on customer loyalty. A study examining food chains in Pakistan showed that there are pronounced direct impacts of perceived CSR on customer loyalty (Ali et al., 2021). Equally, a cross-cultural comparison between China and Pakistan showed that the ethical and philanthropic aspects of CSR positively affected the consumer

purchasing intentions in a large way, which is commonly understood as a step or a precursor to loyalty (Subhani et al., 2024). In addition, in sectors like airlines, recent findings show that CSR has a positive effect on customer loyalty when brand trust and brand reputation mediate the effect, which poses the possibility that it does not always have a strong direct impact (Vuong et al., 2024). In general, although there is often a direct CSR-loyalty effect, it is rarely so significant, which supports the importance of examining the mediating processes other than direct relationships.

The importance of CSR as a direct determinant of customer loyalty is being reaffirmed by the recent empirical studies across industries and geographical settings. Angelita et al. (2024) show that CSR activities of Bank Central Asia (BCA), including environmental, social, and economic ones, affect customer loyalty in the banking industry of Indonesia. Their analysis, which runs on SEM, also indicates that CSR has direct feedback in satisfaction as well as the strengthening of loyalty, meaning that customers punish socially responsible banks by giving them sustained patronage. Santos et al. (2025) give more evidence than the previous one presented by a systematic review of 408 studies, which reveals that the theme of loyalty is prevalent and repeats the CSR literature. Their bibliometric mapping establishes that the CSR-loyalty relationship has been at the center of interest throughout marketing and sustainability scholarly works, with a consensus that customers are increasingly relying on perceived social responsibility to make loyalty decisions. These conclusions are supported by recent research into the developing markets. Fatawu et al. (2025) demonstrate that the direct impacts of environmental sustainability and community involvement are strong on customer loyalty in the tourism industry in Ghana, and external CSR has an indirect positive impact on customer loyalty in the banking industry in Nepal through corporate reputation and customer satisfaction.

H₁: There is no significant relationship between CSR and Customer.

CSR and Corporate Reputation

The reputation is one of the intuitive channels through which CSR can affect customer behaviour. Corporate reputation is a socially aggregated perception of the firm: It represents the past performance, social responsibility, ethical behaviour, and perceived credibility of the firm. Regular CSR under stakeholder theory assists in the development of legitimacy and approval of the stakeholders, which will, in its turn, form the reputation (Awa et al. 2024). This association has empirical evidence to support it. An example is a study conducted in 2024, which proves that media reporting on CSR has an impact on corporate reputation, but an important intermediary is CSR skepticism. In other words, the probability of CSR increasing its reputation is influenced by the perception of CSR authenticity by the stakeholders (Ennenbach and Barkela, 2024). The other research study by Vuong et al. (2024) on low-cost carriers suggests that CSR has a substantial impact on the brand reputation (and through reputation, loyalty). Also, CSR in the banking sector (Pakistan) is found to have a significant effect on brand equity and corporate reputation mediated by consumer trust (Fatma et al., 2015). These results indicate that CSR-reputation is empirically strong, which is frequently mediated or dependent on the perceived authenticity or trust (Zhao et al. 2021). Therefore, hypothesis H2 (CSR has a positive effect on corporate reputation) is both well-founded and empirical.

H₂: There is no significant relationship between CSR and corporate reputation.

CSR and Customer Trust

One of the important variables of relationships in customer-firm relationships is trust. To build trust in CSR, companies must portray sincerity, goodwill, and honesty, traits that signaling can provide through CSR. In a social exchange or moral legitimacy perspective, CSR also sends the message that the firms do not just care about profit, which may be created by trust in the stakeholders sharing or valuing ethical behaviour. Recent empirical research supports this: a study conducted in 2025 concluded that digital CSR disclosure has a positive influence on customer trust (and engagement), indicating that

transparency and accessibility of CSR communication increase trust (Alhumud et al. 2025).

According to the latest empirical findings, there is strong support of positive linkage between corporate social responsibility (CSR) and customer trust that in turn reinforces the gender of loyalty. As an example, according to a study by The Effect of Corporate Social Responsibility on Customer Trust and Loyalty published in Sustainability in 2023, CSR programs, as opposed to a shallow marketing effort, are a trust-building mechanism, which had a significant positive impact on customer trust and loyalty in a wide range of consumers (Barlas et al. 2023). An industry-specific study in the airline industry, The Impact of Corporate Social Responsibility on Customer Loyalty through Brand Trust and Brand Reputation: Evidence from Low-Cost Airlines, showed that CSR has a positive impact on brand trust and brand reputation, which partially mediates the relationship between CSR and customer loyalty (Vuong et al. 2024). These results can be attributed to the theoretical background: based on the Resource-Based View (RBV), CSR is a strategic resource that may help to develop relational resources like trust, which can be used by the firms as an instrument of maintaining competitive advantage (reputation, loyalty). Also, pre-quantitative conceptual work like Corporate Social Responsibility and Society 5.0 highlights how CSR can create consumer trust through consistent and authentic corporate action (although these works are not experimental) - which helps to assert that the impact of CSR on trust is not purely transitional but rather based on perceived consistency and integrity (Li & Li, 2024). Consistent with these converging results, the 2023 empirical evidence, the 2024 airline context mediation, and the 2025 digital disclosure revelation, hypothesis H3 (CSR has a positive impact on customer trust) is highly substantiated. Notably, this literature indicates that the effects of CSR on trust are not only confined to the traditional communication or offline programs, but also to digital transparency, that is, the CSR-trust connection is more critical in the modern digitally mediated markets.

H₃: There is no significant relationship between CSR and Customer Trust.

Corporate Reputation and Mediator

The concept of reputation as the mediator between CSR and loyalty is that CSR creates corporate legitimacy, perceived social responsibility, and positive image to the community (which customers internalize into credibility, which ultimately results in the loyalty behaviors of the consumer, e.g., re-purchase, advocacy, positive word of mouth). The theory of stakeholders and signaling gives the theoretical ground: CSR sends a message to stakeholders that the company is concerned with the values of society, and this would influence reputation; reputation, in its turn, minimizes perceived risk in customers and leads to a rise in trust and attachment, which may result in loyalty. The other new research in the low-cost airline sector reveals that CSR has an impact on loyalty through brand reputation and trust (Vuong et al. 2024).

Danuwar et al. (2025) in their research in the banking sector of Pakistan showed that the perceived CSR and customer loyalty are significantly positively related, which confirms the use of CSR as a vital strategic instrument in retention. Nevertheless, there is a remarkable contradiction, that is, CSR harms customer satisfaction, which implies that there may be a problem with the way customers perceive CSR efforts. Bank reputation is an important mediator, which means that CSR can influence loyalty more prominently when it comes to cognitive credibility and not emotional satisfaction. Methodologically, the use of convenience sampling restricts generalization. Vuong et al. (2024) identify that CSR directly increases passenger loyalty, mediated by brand trust and brand reputation to some degree. Application of PLS-SEM gives solid structural results, but the partial mediation suggests that CSR itself is not sufficient to ensure loyalty unless there is a constructive relationship. The aviation environment also restricts comparison with the banking research, but once again, it supports the cross-sector nature of CSR. Nevertheless, recent studies also point to the possible caveats. The study concludes that the impact of CSR (through media coverage) on

reputation is completely mediated by stakeholder skepticism, that is, in the case when the consumers are no longer convinced of the CSR intentions (e.g., when they suspect greenwashing), CSR may not affect increasing reputation (Ennenbach & Barkela, 2024). This study also demonstrates a positive CSR-loyalty relationship in the banking sector in Pakistan (Mehnaz et al., 2024). Once again, the relationship is mediated by the bank's reputation, which reinforces the conclusion that the reputation is a major channel through which CSR can lead to loyalty. The recurrent appearance of the negative impact of CSR on customer satisfaction poses a theoretical issue of poor customer expectation and perceived authenticity of CSR activities. Jin et al (2024) replicate in the Pakistani banking setting and find that there are significant relationships between CSR and loyalty, and that the mediating variable is reputation. The research is consistently strengthened but lacks a theoretical justification of why satisfaction does not mediate the effect, indicating that further research on the topic should be conducted with respect to cultural or sector-specific reasons influencing CSR perceptions.

H₄: Corporate Reputation does not significantly mediate the relationship between CSR and Customer Loyalty.

Customer Trust as Mediator

Reputation represents general social judgment of a firm, and trust is more relational and cognitive-emotional of what a customer judges (of what a firm is honest, has integrity, reliable). Theoretically, CSR can increase the perceived benevolence and moral uprightness, which breeds trust; there is turn, less uncertainty and perceived risk during the transactions, and therefore increased loyalty (repurchase intention, advocacy). Salam and Jahed (2023) examine the relationship between corporate social responsibility orientation (CSRO) and competitive advantage (CA) in emerging economies, and they utilize the data of 326 B2B companies in Saudi Arabia. The results indicate that CA is positively contributed by CSRO either directly or indirectly. Corporate reputation and trust are partially mediators, and a pronounced serial mediation effect is corroborated, which means that CA reinforces

CSRO in a step-by-step manner via trust and corporate reputation. Furthermore, the previous research also reported CSR - trust - reputation (or brand equity), which also gives more credibility, but is not applied in this case. An example is 2013 research of South Korean consumers who reported that various dimensions of CSR produced different impacts on consumer trust and corporate reputation (Park et al. 2014).

H₅: Customer Trust does not significantly mediate the relationship between Customer Loyalty and CSR.

Ethical Commitment as Mediator

Ethical Commitment is an in-house commitment of an organization to ethical conduct that goes beyond the legal requirement of compliance and other unrelated philanthropic activities - i.e., how well the organization supports ethical values within its culture, decision making, and long-term strategy (Saline et al. 2024). When CSR initiatives are backed by genuine ethical commitment, signals sent to stakeholders (customers, etc.) are more credible. Conversely, when CSR is purely cosmetic or nominal (tokenistic), the stakeholders might think that the social responsibility is not authentic or that this is a mere reputation marketing (greenwashing) (Zioło et al. 2024), thereby undermining the effect of trust and loyalty. In signaling theory terms, the credibility of the signal (CSR actions) is determined by the cost or commitment behind it. The more ethical commitment a firm has, the higher the signal cost, and therefore the more credible the CSR claims, and therefore the more effective. According to the stakeholder theory, ethical commitment shows a sincere interest in the well-being of the stakeholders, growing the amount of stakeholder trust and legitimacy (Zainul Abidin et al. 2024). Ethical Commitment is, therefore, a plausible way of enhancing the impact of CSR on loyalty.

H₆: Ethical commitment does not mediate the relationship between CSR and Customer Loyalty.

Methodology

This study is qualitative in nature rely on cross-sectional data from employees of manufacturing firms. The study used Partial Least Squares Structural Equation Modeling (PLS-SEM) for analysis and hypothesis testing (Hair, 2014). To guarantee a strong statistical analysis, the research

objectives are to receive a minimum of three hundred respondents, which is in accordance with the requirements of the PLS-SEM for the complexity of the model and statistical power. A convenience sampling method, which is non-probability, is used where the group of people under consideration is those who have used products or services of engaged firms and are knowledgeable about their CSR activities. Despite the limitation of convenience sampling in terms of generalizability, it is widely applicable to the field of CSR research when resources to respondents with experiences are needed (Sarstedt et al., 2019). PLSSEM is especially applicable in exploratory and theory-testing research where the research model contains several constructs, mediators, and moderators, as in this case. Analysis is conducted in two phases. First, the measurement model is tested to determine the reliability, convergent, and discriminant validity of the constructs. Indicators of construct validity will be deemed satisfactory when the factor loadings are 0.70 and above, the CR level is 0.70 and above, and the AVE value is 0.50 and above (Hair et al., 2022). The Fornell-Larcker and the heterotrait monotrait ratio (HTMT) will be used as the discriminant validity method, as constructs must be empirically different (Henseler et al., 2015). Second, testing of the structural model is conducted to test the hypothesized relationships.

Result and Discussion

Construct Reliability and Validity

Cronbach's alpha values range from 0.870 to 0.929, exceeding the acceptable threshold of 0.70. Composite reliability scores range from 0.920 to 0.944, indicating high construct reliability. AVE values range from 0.737 to 0.794, which are very high and well above the minimum acceptable threshold of 0.50, indicating strong convergent validity. Together, these results support the hypothesis that each construct explains a significant percentage of variance in the measures and that the measurement model is both convergent and reliable.

Table 1: Reliability

	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
<i>CL</i>	0.903	0.932	0.775
<i>CR</i>	0.907	0.935	0.783
<i>CSR</i>	0.929	0.944	0.737
<i>CT</i>	0.900	0.930	0.769
<i>EC</i>	0.870	0.920	0.794

Discriminant Validity

The table presents the Fornell-Larcker discriminant validity matrix of the five constructs, which are CL, CR, CSR, CT, and EC. The square root of the AVE of both the constructs (CL=0.880, CR=0.885, CSR=0.859, CT=0.877, EC=0.891) is bigger than the off-diagonal coefficients. As an example, the AVE square root of CL (0.880) is

greater than its correlations with CR (0.911), CSR (0.914), CT (0.907), and EC (0.865). On the same note, the EC diagonal of 0.891 is higher than any other inter-construct correlation. The evidence, therefore, suggests sufficient discriminant validity, which confirms the existence of all constructs that are empirically differentiated as well as conceptually clear in the model.

Table 2: Discriminant Validity

	<i>CL</i>	<i>CR</i>	<i>CSR</i>	<i>CT</i>	<i>EC</i>
<i>CL</i>	0.880				
<i>CR</i>	0.911	0.885			
<i>CSR</i>	0.914	0.897	0.859		
<i>CT</i>	0.907	0.893	0.920	0.877	
<i>EC</i>	0.865	0.852	0.883	0.855	0.891

Hypothesis Testing

The direct relationship between corporate reputation and customer loyalty ($\beta = 0.344$, $t = 8.207$, $p < 0.001$) is strong and significant, which supports the opinion that reputation is an important relational resource (Fombrun et al., 2015; Walsh et al., 2009). Secondly, trust has a positive relationship with customer loyalty ($\beta = 0.243$, $t = 4.982$, $p < 0.001$), which is consistent with the relationship marketing theory (Morgan and Hunt, 1994), which defines trust as a foundation of long-term customer relationships. CSR to customer loyalty ($\beta = 0.275$, $t = 5.492$, $p < 0.001$) is also an influential variable, although not so direct, indicating that socially responsible behaviour directly affects consumer behaviour. The trend follows previous empirical studies (Ali et al., 2021; Latif et al., 2020), although the moderate strength confirms the assumptions that CSR impacts are often mediated and not necessarily direct.

Surprisingly, CSR also has an exceptionally high impact on the corporate reputation ($\beta = 0.897$), customer trust ($\beta = 0.920$), and ethical commitment ($\beta = 0.883$), which have exceptionally high t-values and p-values of less than 0.001. Such empirical patterns are strong evidence of the stakeholder and signaling theory, according to which CSR is a good signal of legitimacy, benevolence, and ethical orientation in firms (Aguinis and Glavas, 2012; Swaen and Chumpitaz, 2008). Lastly, ethical commitment has a considerable impact on customer loyalty ($\beta = 0.122$, $t = 3.276$, $p = 0.001$), which supports the current body of literature that emphasizes the necessity of the authenticity of CSR (Kim et al., 2018; Wagner et al., 2009). The findings, taken together, support the idea of corporate reputation, trust, and ethical commitment as key psychological processes that mediate the process of CSR to customer loyalty and offer a strong empirical support of the suggested conceptual model.

Table 3: Direct Effect

		<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard (STDEV)</i>	<i>Deviation T (O/STDEV)</i>	<i>Statistics P Values</i>
<i>CR</i>	->	0.344	0.344	0.042	8.207	0.000
<i>CL</i>						
<i>CSR</i>	->	0.275	0.278	0.050	5.492	0.000
<i>CL</i>						
<i>CSR</i>	->	0.897	0.897	0.012	74.526	0.000
<i>CR</i>						
<i>CSR</i>	->	0.920	0.920	0.009	101.787	0.000
<i>CT</i>						
<i>CSR</i>	->	0.883	0.882	0.012	71.772	0.000
<i>EC</i>						
<i>CT</i>	->	0.243	0.242	0.049	4.982	0.000
<i>CL</i>						
<i>EC</i>	->	0.122	0.119	0.037	3.276	0.001
<i>CL</i>						

Mediation Analysis

The findings provide strong empirical support for the mediating mechanisms proposed in the conceptual framework and are firmly grounded in established theoretical perspectives. First, the indirect path CSR → Corporate Reputation → Customer Loyalty ($\beta = 0.309$, $t = 8.391$, $p < 0.001$) is statistically significant and represents the strongest mediation effect among the three. This result aligns closely with stakeholder theory and signaling theory, which argue that CSR initiatives signal legitimacy, credibility, and social alignment to stakeholders, thereby enhancing corporate reputation (Fombrun et al., 2015). A stronger reputation, in turn, lowers perceived risk and increases relational value, leading to greater customer loyalty (Walsh et al., 2009). This finding corroborates prior empirical studies (Ali et al., 2021; Vuong et al., 2024), which identify reputation as a central channel through which CSR translates into favorable customer outcomes. Second, the mediation effect of customer trust (CSR → CT → CL, $\beta = 0.224$, $t = 5.013$, $p <$

0.001) is also significant, supporting relationship marketing theory (Morgan & Hunt, 1994). CSR activities communicate benevolence, integrity, and long-term orientation, fostering trust, which then reduces uncertainty and encourages repeat patronage and advocacy (Chaudhuri & Holbrook, 2001). This result is consistent with recent empirical evidence highlighting trust as a key psychological mechanism linking CSR to loyalty (Barlas et al., 2023; Vuong et al., 2024). Finally, the indirect effect through ethical commitment (CSR → EC → CL, $\beta = 0.107$, $t = 3.239$, $p = 0.001$) confirms the importance of CSR authenticity. Drawing on signaling theory, ethical commitment enhances the credibility of CSR signals, ensuring that CSR is perceived as substantive rather than symbolic (Wagner et al., 2009; Kim et al., 2018). Although weaker than reputation and trust, this mediation effect underscores the role of internal ethical alignment in strengthening customer loyalty.

Table 4: Mediation Analysis

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T ((O/STDEV))</i>	<i>Statistics P Values</i>
CSR → CR → CL	0.309	0.308	0.037	8.391	0.000
CSR → CT → CL	0.224	0.223	0.045	5.013	0.000
CSR → EC → CL	0.107	0.105	0.033	3.239	0.001

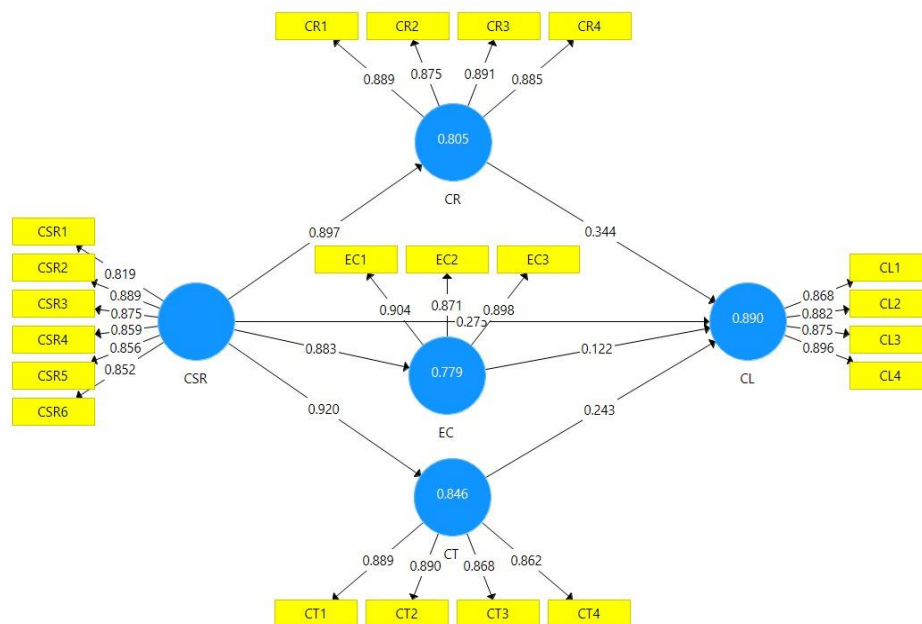


Figure 1: PLS SEM

Discussion

This research aimed to investigate the effect and impact of Corporate Social Responsibility (CSR) on customer loyalty by examining the essential psychological and relationship processes of corporate reputation, customer trust, and ethical commitment. The results provide strong empirical evidence supporting the proposed conceptual framework and make a significant contribution to the CSR and relationship marketing literature, as they explain both direct and indirect channels through which CSR influences customer loyalty. The findings prove that the influence of CSR is a strong direct link to customer loyalty, which is in accordance with prior research that sees CSR as the relational signal that indicates the values, long-term orientation, and embeddedness of a firm in

society (Brown and Dacin, 1997; Ali et al., 2021). Nonetheless, as the previous studies (Luo and Bhattacharya, 2006; Chang and Yeh, 2017) suggest, the direct effect size is moderate, which means that CSR is not enough to give unexplained loyalty outcomes. This helps in the increasing body of literature that suggests that customer reaction to CSR has more to do with perceptions than mere behavioral reaction to responsible acts. One of the major contributions of the study is that it has been shown that corporate reputation is the best mediator of the CSR-loyalty relationship. The fact that CSR has a significant indirect impact on loyalty via corporate reputation validates the stakeholder theory (Freeman, 1984), according to which the stakeholders assess the firms according to more general ethical and social standards. CSR

activities increase corporate legitimacy and credibility, and these are internalized by the customers as reputational capital. This reputation boost diminishes the perceived risk and enhances the perceived value, which eventually improves loyalty (Fombrun et al., 2015; Walsh et al., 2009). The overpowering of reputation as a mediator is consistent with the recent empirical findings in service-intensive industries like banking and airlines (Ali et al., 2021; Vuong et al., 2024), indicating that it is cross-sector applicable. Another important mediating mechanism that was generated is customer trust that supported the main principles of relationship marketing theory (Morgan and Hunt, 1994). CSR activities communicate the ideas of benevolence, honesty, and integrity, and create trust by decreasing uncertainty and indicating the attitude of morality. Trust, on the other hand, fosters repeat buying, recommendation, and opposition against adverse information (Chaudhuri and Holbrook, 2001). The results are consistent with the current literature stating that trust is an important psychological deliverable of CSR, especially in markets associated with information asymmetry and growing consumer distrust (Barlas et al., 2023; Alhumud et al., 2025). This implies that the formation of trust based on CSR is still highly applicable in the traditional as well as digitally medium.

Notably, the paper expands the body of current literature since it empirically confirms the mediating variable of ethical commitment, which has not been extensively studied in the literature. Ethical commitment has a major indirect impact, implying that CSR works better when customers feel that it is based on internal values and the ethical culture of firms and not a symbolic or opportunistic program. In the case of high ethical commitment, the CSR signals are seen as authentic, hence increasing customer loyalty, supporting Kim et al. (2018). Taken together, the results indicate that CSR is a multidimensional strategic resource that impacts customer loyalty via a network of interdependent cognitive (reputation), relational (trust), and moral (ethical commitment) attributes. The study recommends a more realistic and theoretically based clarification of the way CSR can be turned into loyalty by

analyzing several mediators simultaneously. From a managerial perspective, the findings suggest that companies should no longer consider CSR as an independent marketing instrument. Ethical values should also be supported by CSR regularly, and these efforts must be communicated to foster trust and reputation building. When the firm integrates its CSR strategies with true ethical dedication, the chances of realizing sustainable customer loyalty and sustainable competitive advantage are enhanced.

Conclusion

This paper attempted to critically review the interrelation between Corporate Social Responsibility (CSR) and customer loyalty by formulating and empirically testing an extensive framework incorporating the corporate reputation, customer confidence, and ethical dedication as key explicatory factors. Through the results obtained in the empirical study, CSR takes up a strategically core position in the determination of customer loyalty, both directly and indirectly through the multifarious psychological and relational courses. Instead of serving as a promotional or philanthropic craze, CSR takes various dimensions as a strategic instrument that shapes the perceptions, appraisal, and orientation of the relations of customers to the firms, over time. The results support the conclusion that direct customer loyalty to CSR is statistically significant, and the conclusion is that in more cases, customers are willing to reward socially responsible companies with loyalty and positive marketing. What is more important, the evidence shows that this correlation is enhanced by means of indirect effects. Corporate reputation came up as the most effective mediator, highlighting its critical role in converting CSR initiatives into loyalty consequences. There was also a significant mediating role of customer trust, which serves to strengthen the role of trust-based relationships in the modern markets that can be described as full of uncertainty and ethical awareness. Besides, ethical commitment was also found to be a significant mediating factor in underlining the importance of customer reactions to CSR authenticity and internal moral alignment.

From a theoretical perspective, this study is substantively relevant to the CSR and relationship-marketing body of thought. To start with, it contributes to the development of stakeholder theory by empirically showing how stakeholders, in this case, customers, use CSR signals to form judgments about a firm's credibility, trustworthiness, and ethical orientation, which in turn influence their behavioral intentions. Second, the introduction of signaling theory provides further insight into why CSR initiatives succeed or fail by emphasizing that CSR should be supported by a serious ethical intent to work. Third, the research fills long-standing gaps in CSR scholarship, which has long relied on simplistic direct-effect models, by analyzing several mediators simultaneously. The addition of ethical commitment is especially novel, providing empirical support for the claim that internal ethical culture improves the credibility of external CSR activities and their effectiveness. The managerial implications of these findings are also highly pertinent. Managers must remember that CSR activities alone are unlikely to create sustainable customer loyalty without being embedded within a broader ethical and relational policy. Companies should ensure that their CSR reports and internal ethics are consistent to avoid being labeled as hypocritical or greenwashed. CSR programs that align with organizational values and stakeholder expectations are potential investments that can enhance corporate reputation and foster long-term trust, an essential source of loyalty. Companies in the sphere of intensely competitive, service-oriented organizations can especially use CSR to draw a line between themselves and build a more emotional and moral connection with the consumers. Conclusively, this paper provides strong empirical data that demonstrates that CSR affects customer loyalty in a multifaceted interaction between reputation, trust, and moral commitment. In providing a more integrative and subtle understanding of the CSR-loyalty relationship, the results are useful to theory and practice and can inform firms to employ more authentic and ethically based CSR strategies that cultivate a sustainable customer relationship and long-term value.

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