Role of corporate social responsibility authenticity in developing perceived brand loyalty: a consumer perceptions paradigm

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Abstract
Purpose – Authenticity has become increasingly dominant in business practices, particularly in branding and corporate social responsibility (CSR) activities, as consumers want it in all aspects of their lives. Thus, the purpose of this study is to examine the role of perceived CSR authenticity in predicting perceived brand loyalty (i.e. brand trust, positive word of mouth [PWOM]) via perceived brand authenticity by considering the moderating effects of brand image on perceived brand authenticity and loyalty to determine its influence in the global branding context.

Design/methodology/approach – Using a non-probability convenience sampling technique, this study received 817 responses from consumers who regularly used global brands. Finally, this research examined 734 responses to test the proposed hypotheses using structural equation modeling.

Findings – This study discovered that perceived CSR authenticity strengthened perceived brand authenticity, which fostered perceived brand loyalty by enhancing brand trust and motivating consumers to spread PWOM about global brands. Similarly, perceived CSR authenticity directly influenced perceived brand loyalty by enhancing brand trust but did not affect PWOM. Likewise, the moderating effect of brand image was significant in fostering perceived brand loyalty by enhancing brand trust, but it had no effect on PWOM. In contrast, the brand image had a significant negative effect on perceived brand authenticity.

Practical implications – This research offered many insightful suggestions to global managers in the manufacturing and service industries that might assist them in designing and implementing several branding strategies to achieve corporate objectives.

Originality/value – This novel research contributes to the attribution theory by examining consumers’ perceptions of CSR authenticity, brand image, brand authenticity and brand loyalty from the global branding perspective.

Keywords Brand trust, Brand image, Positive word of mouth, Perceived brand authenticity, Perceived brand loyalty,
Perceived corporate social responsibility authenticity

Paper type Research paper

Introduction
Authenticity is at the forefront of modern marketing communication due to the growing demand for genuine, honest and transparent businesses (Pérez et al., 2020). Likewise, authenticity has ascended to the top ten future marketing trends and has become a prerequisite for any business success (de Kerviler et al., 2022). Generally, authenticity is associated with positive characteristics, such as genuineness, trustworthiness, credibility and truthfulness (Alhouti et al., 2016). Authenticity has increasingly garnered researchers’ interest primarily due to two reasons. First, a company’s early phases of implementing corporate social responsibility (CSR) practices, particularly in developing a business culture, may contain some elements of insincere CSR (Debeljak et al., 2011). As CSR practices mature, businesses progress from CSR conformance to CSR authenticity because, over time, businesses improve their social, environmental and ethical acts to flourish their CSR practices concerning their role in society (Brusseau et al., 2013). CSR authenticity refers to the “perception of a company’s CSR actions as a genuine and true expression of the company’s beliefs and behavior toward a society that extends beyond legal requirements” (Alhouti et al., 2016, p. 1243). Second, for enlightened corporate managers, conducting CSR is no longer as simple as ticking off a list of tasks derived from a basic definition of what constitutes CSR, which creates distrust, cynicism and skepticism among stakeholders (Sheel and Vohra, 2016). To circumvent “greenwashing” issues, companies should repurpose their objectives of “fitting in” with a normative standard to develop a CSR profile that represents their true corporate values (Brusseau et al., 2013).

The rapid advancement of information technologies and the increasingly connected world help consumers urge brands to
act in a socially responsible way (Markovic et al., 2018). From this viewpoint, consumers closely monitor brand performance and penalize brands that harm society and the environment (Nickerson et al., 2022). In contrast, socially responsible brand behavior can lead to major organizational benefits, such as increased consumer trust and positive word of mouth (PWOM; Markovic et al., 2018; Park et al., 2017). These motives persuade management to take CSR as a top priority on their corporate agenda (Nickerson et al., 2022). On the other side, consumers have become more skeptical of firms’ CSR practices, which may hamper their ability to develop trust and desire to share PWOM about brands (Markovic et al., 2021).

To overcome consumer reservations regarding corporate CSR activities, the firm’s CSR actions must be authentic and consistent with the company’s core values (Alhouti et al., 2016; Jose et al., 2018). Previous research revealed that marketing researchers examined loyalty using different constructs, such as consumer brand loyalty (Iglesias et al., 2020), brand equity (Pappu et al., 2005), behavioral and attitude-based loyalty (Kuikka and Laukkanen, 2012), repurchase intentions, WOM and price premium (Safeer et al., 2021d). However, prior research rarely associated the two constructs, namely, brand trust and PWOM, under the label of perceived brand loyalty, as brand trust and PWOM are key antecedents and contribute to brand loyalty (Chen et al., 2017; Chinomona, 2016; Veloutsou, 2015). Several scholars demonstrated that brand trust is a key determinant that directly contributes to develop brand loyalty (Chaudhuri and Holbrook, 2001; Lau and Lee, 1999). Similarly, consumer PWOM is an important determinant that contributes to developing brand loyalty (Ong et al., 2018; Safeer et al., 2021d). Thus, perceived brand loyalty can be defined as the tendency to enhance consumers’ trust in a brand and drive them to spread PWOM (to other consumers) about that brand (Chaudhuri and Holbrook, 2001; Lau and Lee, 1999; Safeer et al., 2021d). Therefore, this study incorporates brand trust and PWOM as a proxy for perceived brand loyalty. Perceived brand loyalty has several advantages, such as increasing sales volumes and revenues, restricting competitors and limiting consumers’ receptivity to competitors’ marketing activities (Rundle-Thiele and Maio Mackay, 2001). Similarly, marketers exploit perceived brand loyalty as a strategic weapon to gain a competitive edge (Chinomona, 2016).

This research contributes in several ways. First, although previous research acknowledged the significance of CSR authenticity as a brand strategy in the hospitality and airline industry (Kim and Lee, 2020; Kim and Stepchenkova, 2020), studies examining the effects of perceived CSR authenticity on perceived brand authenticity have received little attention. Perceived brand authenticity is critical in the modern era because consumers prefer authentic companies and brands (Safeer et al., 2021b). Perceived brand authenticity can be defined as a consumer’s perception of a brand that appears genuine in its actions (Napoli et al., 2014). Consumers are increasingly seeking authentic global brands, as authenticity has overtaken quality (Gilmore and Pine, 2007). Similarly, consumers want authentic travel experiences (Grayson and Martinec, 2004), food (Assiouras et al., 2015), restaurants (Lai et al., 2015), cultural tourism sites (Prados-Peña and del Barrio-García, 2018), accommodation (Mody and Hanks, 2020), brands (Safeer et al., 2021c) and authentic CSR programs (Afzali and Kim, 2021; Alhouti et al., 2016). Thus, it indicates that authenticity has become essential in today’s consumer life, and firms must use it wisely to improve consumers’ perceptions of brand authenticity.

Second, this study argues that consumer perceptions of CSR authenticity may strengthen perceived brand loyalty by improving consumers’ trust and PWOM about brands. Consumers may perceive firms’ authentic CSR activities positively or negatively. For example, consumers may perceive CSR programs as a firm’s thinking philosophy of corporate citizenship behavior or as a business tool to cover the bad impact on society (Mazutis and Slawinski, 2015). Consumers are more likely to share PWOM and show greater trust and loyalty toward companies that engage in CSR activities that benefit society (Park et al., 2017; Vo et al., 2019). However, inauthentic CSR activities may damage a firm’s reputation (Losada-Otalora and Alkire, 2019). Therefore, it is critical to investigate the role of authentic CSR activities to maximize their effectiveness (Joo et al., 2019). Many researchers advocated that research on CSR authenticity is scant (Afzali and Kim, 2021; Fatma and Khan, 2022; Tarabashkina et al., 2020; Taylor, 2021), except for a few contributions. For example, Alhouti et al. (2016) discovered a negative association between CSR authenticity and boycott response and recognized a positive association between CSR authenticity and purchase intention. Previous research revealed that CSR authenticity significantly influenced company attitude (Jeon and An, 2019), consumer identification and affective commitment (Fatma and Khan, 2022), brand satisfaction (Kim and Stepchenkova, 2020) and brand attitude (Kim and Lee, 2020). Likewise, several scholars have urged additional research on authenticity in the context of firms’ CSR practices, consumer behavior and brands (Afzali and Kim, 2021; Joo et al., 2019; Kim and Lee, 2020; Safeer et al., 2021c; Tarabashkina et al., 2020; Taylor, 2021). As a result, it demonstrates that CSR authenticity is important strategically, and firms must carefully consider it while satisfying consumers’ wants to attain their loyalty.

Third, several scholars have emphasized the relevance of perceived brand authenticity in relation to brand trust (Busser and Shulga, 2019; Moulard et al., 2016) and WOM (Safeer et al., 2021d) in different consumer settings. However, little is known about the impact of perceived brand authenticity on perceived brand loyalty (brand trust and PWOM). Trust and PWOM are foundations of loyalty, which manifests itself in an unwavering resolve to act regardless of the costs or benefits (Lau and Lee, 1999; Safeer et al., 2021d). Consequently, trust and PWOM are critical for fostering consumer brand loyalty from a managerial perspective (Chaudhuri and Holbrook, 2001; Delgado-Ballester and Luis Munuera-Alemán, 2001; Safeer et al., 2021d). These contributions will provide new insights into the literature. Further, this research advances the understanding of the mediating role of perceived brand authenticity between perceived CSR authenticity and brand loyalty.

Finally, previous research overlooked the important moderating role of brand image in the context of (CSR and brand) authenticity and perceived brand loyalty. However, the brand image can influence positively or negatively due to CSR activities (Popoli, 2011). The brand image can be defined as
“the perception formed in the mind of a member of the external audience about the brand after one real or mental encounter with the brand” (Veloutsou and Delgado-Ballester, 2018, p. 257). Previous studies mainly examined the effect of brand image on brand choice intentions in the hospitality industry across various consumer environments (Lu et al., 2015; Phung et al., 2019), and little attention was paid to global brands in terms of their perceived authenticity and loyalty. Thus, brand image was postulated as an important moderator in this study.

To address this gap in the scientific literature and gain new insights on consumer perceptions of global brands, this study develops a theoretical framework based on perceived CSR authenticity and brand authenticity, translated into perceived brand authenticity and loyalty. This study begins by emphasizing the significance of the topic, the prior and current research progress, the research gap and the expected contributions to address this gap. Then, this study develops a research model based on attribution theory (Heider, 1958) and formulates associated hypotheses and methods. Finally, this study synthesizes with a comprehensive analysis and discussion of its findings, theoretical and practical implications, as well as limitations.

**Theoretical framework and hypotheses development**

The underlying assumptions are that perceived CSR authenticity will positively affect perceived brand loyalty (brand trust and PWOM) via perceived brand authenticity while considering the positive moderating effect of brand image on perceived brand authenticity and loyalty (see Figure 1). Previous research revealed that attribution theory contributed to CSR authenticity in consumer information attributions, evaluation, inequity perceptions and purchase intentions (Moehl and Friedman, 2021; Tarabashkina et al., 2020; Fatma and Khan, 2022; Alhouti et al., 2016). Similarly, attribution theory contributed to perceived brand authenticity, brand love and consumer trust toward global brands in various consumer environments (Hernandez-Fernandez and Lewis, 2019; Moulard et al., 2016; Schallehn et al., 2014; Safeer et al., 2021b). However, attribution theory offers the opportunity of developing and quantify human perceptions based on their own experiences and judgments (Heider, 2013; Kelley, 1973). Thus, this study contributes to attribution theory by shedding new light on external causes and their effects on consumer behavior via the lens of consumer perceptions. For instance, how external causes (firms’ authentic CSR activities, brand image and brand authenticity) influence consumers’ perceived brand loyalty by evaluating brand trust and PWOM toward global brands.

Attribution theory is concerned with the causal inferences formed by people based on their observations of events and circumstances over time (Moehl and Friedman, 2021). Attribution theory concerns individuals’ perceptions of the causes of previous events or incidents that affect their responses and behavior (Heider, 2013). Attribution theory defines people’s cognitive processes to ascertain the reasons behind the actions and events in their environment (Mullen and Johnson, 2013). Likewise, internal and external causes are differentiated based on human experiences, which assists individuals in understanding inferences and predicting their behavior (Heider, 2013; Kelley, 1973). Similarly, social forces are inherent throughout life. In the social context, internal and external causes influence a person’s identity. Thus, authenticity is associated with a person who is real and authentic to his or her own identity in order to confront external incidents (Safeer et al., 2021b; Schallehn et al., 2014). Likewise, authenticity assessment is primarily based on consumers’ perceptions (Rose and Wood, 2005) and consumer perceptions are essential when evaluating the authenticity of CSR initiatives and global brands (Moehl and Friedman, 2021; Fatma and Khan, 2022; Safeer et al., 2021b).

**Association of perceived corporate social responsibility authenticity with perceived brand authenticity and loyalty**

Consumers’ desire for socially responsible brands continues to grow as they become more environmentally conscious and supportive of those brands that care about the societies in which they operate (Childs et al., 2019). Similarly, companies engaging in authentic CSR activities may favorably influence consumers’ perceptions, and such actions may enhance the authenticity of their brands (Kim and Lee, 2020). Prior research has demonstrated that a company’s CSR actions...
(relating to society, environment, and stakeholders) are important determinants of a brand’s credibility that assist in enhancing the credibility of a brand (Abu Zayyad et al., 2021; Hur et al., 2014; Wang et al., 2021). Since brand credibility is a component of brand authenticity (Morhart et al., 2015), this study assumes that authentic CSR activities may assist consumers in improving their perceptions of a brand’s authenticity. Attribution theory demonstrates that when firms promote their CSR initiatives on their websites, consumers are likely to have favorable perceptions of their brands, which is directly attributed to the brand’s authenticity (Childs et al., 2019). As a result, it is expected that perceived CSR authenticity will have a favorable impact on perceived brand authenticity.

CSR activities are company actions that safeguard and improve the welfare of society, hence generating consumers’ trust in brands (Sen and Bhattacharya, 2001). These activities provide important insight into the firm’s values and contribute to the development of consumer trust in products (Swaen and Chumpitaz, 2008). The term “brand trust” refers to the consumers’ general belief in the brand’s ability to keep its promises over time (Schallehn et al., 2014). Authentic CSR activities help companies in developing favorable brand attitudes (Kim and Lee, 2020), and these authentic CSR activities may also assist them in developing brand trust. Previous research has shown that perceived CSR actions can benefit society’s well-being and improve consumer trust in brands (Abd-El-Salam, 2020; Sharma and Jain, 2019). However, the literature on the effect of authentic CSR actions on brand trust is scarce. Thus, this study believes that if companies design authentic CSR campaigns, they will improve consumers’ trust in brands, thereby improving their loyalty toward global brands. Attribution theory suggests that consumer perceptions of the authenticity of a CSR message reflect a strong corporate identity, which increases consumers’ trust in the company (Pérez et al., 2020).

WOM is one of the most influential factors in the markets, as it conveys information, comments and opinions to others regardless of any business concerns (Bansal and Voyer, 2000). Likewise, consumers’ favorable brand experiences lead to satisfaction, which encourages them to spread PWOM about those brands (Karjaluoto et al., 2016). Thus, by implementing positive CSR programs, firms can achieve differentiation, investor appeal and increased consumer trust and recommendations via PWOM (Jalilvand et al., 2017). Prior research demonstrated that authenticity in CSR programs might influence WOM by emphasizing broad impact, such as feelings of gratitude and transparency in CSR programs that may assist in developing the relationships between companies and consumers (Joo et al., 2019). Therefore, a company’s CSR actions can positively influence consumers’ perceptions and encourage them to spread PWOM about their brands (Markovic et al., 2021). Similarly, other studies revealed that a firm’s CSR activities positively influence consumer behavior and inspire them to share PWOM about brands (Kang and Sivadas, 2018; Vo et al., 2019). However, there is a dearth of research on the effect of authentic CSR activities on consumer PWOM toward global brands. As a result, this study predicts that perceived CSR authenticity will positively affect perceived brand loyalty by improving brand trust and PWOM toward global brands. Therefore, this study assumes the following:

$$H1. \text{ Perceived CSR authenticity is favorably linked with perceived brand authenticity.}$$

$$H2. \text{ Perceived CSR authenticity is favorably linked with perceived brand loyalty as.}$$

$$H2a. \text{ Perceived CSR authenticity is favorably linked with brand trust.}$$

$$H2b. \text{ Perceived CSR authenticity is favorably linked with consumer PWOM.}$$
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(Wymer and Akbar, 2019). However, prior research rarely examined the impact of perceived brand authenticity on PWOM using perceived brand loyalty as a proxy from the global branding context. Attribution theory states that external attribution (authentic attributes) can lead to favorable outcomes and contribute to internal attribution by developing favorable consumer perceptions (Safeer et al., 2021c), such as brand trust and PWOM, which may contribute to enhancing consumer brand loyalty. Thus, the following hypotheses can be proposed:

H3. Perceived brand authenticity is favorably linked with perceived brand loyalty as.

H3a. Perceived brand authenticity is favorably linked with brand trust.

H3b. Perceived brand authenticity is favorably linked with consumer PWOM.

Moderating role of brand image
CSR programs are generally associated with favorable consumer perceptions due to the reciprocal benefits for consumers and companies. Thus, companies should carefully implement CSR programs in order to improve their sales, revenues, and brand image (Palmatier et al., 2009; Lee and Lee, 2018). These CSR actions may improve the authenticity of a brand. Likewise, favorably perceived CSR practices enhance the organization’s authenticity (Susanne Johansen and Ellerup Nielsen, 2012). Consequently, it directly improves organizational reputation, competitive advantages, and favorable brand image in the minds of consumers (Ramesh et al., 2019), thereby increasing the brand’s authenticity.

Authenticity boosts consumer trust in brands and helps companies to gain a competitive edge (Napoli et al., 2014). Thus, trustworthy brands fulfill their promises and enhance the company’s brand image (Gustafsson, 2005). It is critical to emphasize that brand image can play an important role in consumer-brand relationships (Mingione et al., 2017). The brand image is an important element in the authentication process (Bruhn et al., 2012). On the other side, a credible brand image is necessary for developing authentic brand relationships with different consumers (Burnett and Hutton, 2007). Prior research demonstrates that a mediocre brand image negatively affects the brand’s authenticity (Beverland and Farrelly, 2010). Thus, this study predicts that a brand’s authenticity and brand image will significantly increase brand trust, thereby strengthening perceived brand loyalty.

A survey named “Transparency to Disclosure” was completed with the help of 12,000 people from 12 key markets, such as China, the United Kingdom, the United States and others. The survey discovered that 63% of consumers confirmed purchasing from authentic companies. Further, 59% of consumers confirmed that they would like to refer such authentic companies to their friends and family members (John and Wolfe, 2014). Perceived brand authenticity can be significantly associated with PWOM and motivates consumers to speak positively about those brands (Yildiz and Ulker-DemirRel, 2017). It implies that perceived brand authenticity may assist consumers in developing positive perceptions about a particular brand. A brand image is how consumers see a brand in relation to an offer (Bruhn et al., 2012). Similarly, authenticity is defined as one of the core values of the brand image (Ballantyne et al., 2006). According to attribution theory, internal (consumer perceptions) and external causes (brand attributes, such as brand image and brand authenticity) influence human behavior (Heider, 2013; Safeer et al., 2021b). Therefore, this study can predict that consumers’ perceptions of brand image and perceived CSR authenticity may strengthen perceived brand authenticity. Likewise, this study may predict that consumers’ perceptions of brand image and brand authenticity can positively influence perceived brand loyalty by enhancing brand trust and motivating consumers to share PWOM about global brands. Therefore, this study can assume the following hypotheses:

H4. Brand image positively moderates between the associations of perceived CSR authenticity and perceived brand authenticity.

H5. Brand image positively moderates between the associations of perceived brand authenticity and perceived brand loyalty as.

H5a. Brand image positively moderates between the associations of perceived brand authenticity and brand trust.

H5b. Brand image positively moderates between the associations of perceived brand authenticity and consumer PWOM.

Mediating role of perceived brand authenticity
Due to uncertainty and abrupt changes in consumer behavior, perceived brand authenticity has become more critical than before (Safeer et al., 2022), and companies are battling hard to enhance their brands’ authenticity to achieve consumer brand loyalty (Safeer et al., 2021d). The effectiveness of a brand’s CSR program is one of several factors that may influence consumer perceptions of a brand’s authenticity (Tarabashkina et al., 2020). Nowadays, perceived brand authenticity and CSR authenticity are emerging concepts for researchers and growing concern for companies (Afzali and Kim, 2021; Joo et al., 2019; Kim and Lee, 2020; Safeer et al., 2021c, 2022). However, there is rare research examining how perceived brand authenticity influences the relationships between authentic CSR activities and perceived brand loyalty in terms of brand trust and PWOM toward global brands. The research on whether authentic CSR activities assist brands in responding to the rising consumer demand for brand authenticity (Fritz et al., 2017) may contribute to the development of perceived brand loyalty by enhancing brand trust (Schallehn et al., 2014) and consumer PWOM (Safeer et al., 2021d; Markovic et al., 2021). Thus, this study hypothesizes that the mediating role of perceived brand authenticity may be critical between perceived CSR authenticity and perceived brand loyalty. Therefore, this study proposes the following hypotheses:

H6. Perceived brand authenticity favorably mediates between the associations of perceived CSR authenticity and perceived brand loyalty as.
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H6a. Perceived brand authenticity favorably mediates between the associations of perceived CSR authenticity and brand trust.

H6b. Perceived brand authenticity favorably mediates between the associations of perceived CSR authenticity and consumer PWOM.

Methods

This research selected global brands through focus group discussions with consumers who regularly used global brands. This study included durable and non-durable global brands from the manufacturing and service industries to increase the diversity and scope of the implications (Safeer et al., 2021c, 2021b), such as KFC, McDonald, Nike, Levi’s, Samsung, iPhone, Spotify music and Netflix. This study used a structured English questionnaire. Before posting the questionnaire for data collection, two professors conducted a thorough review of the questionnaire and provided some suggestions for improvements. After incorporating their feedback, this study conducted an online survey in Pakistan using a popular Chinese survey website (www.wjx.cn).

Sampling and data collection

This study used non-probability (convenience) sampling, as it is an effective method for collecting data quickly and efficiently (Safeer et al., 2021c). The primary data were collected from Pakistani consumers who routinely used global brands. The respondents were asked to randomly pick one of eight brands and answer the questions about that specific brand. Consumer responses were collected via social media platforms such as Facebook, Whatsapp, LinkedIn and WeChat. This study received 817 responses. Following data screening, 734 responses were considered for the final analysis. The respondents were comprised of 56% male (n = 411) and 44% female (n = 323). Their age range was: 61% (n = 448) were between the ages of 19 and 24, 18% (n = 129) were between the ages of 25 and 30, 11% (n = 82) were between the ages of 31 and 36 and 10% (n = 75) were between the ages of 37 and 42. Likewise, their levels of education were varied: 2% (n = 17) were completed high school, 63% (n = 464) were bachelor’s degree holders, 23% (n = 168) were master’s degree holders, 9% (n = 67) were doctoral degree holders and 3% (n = 18) were professional degree holders. In addition, the professions of the surveyed consumers were diverse: 61% (n = 447) were students, 24% (n = 178) were government and private organizations employees, 12% (n = 87) were entrepreneurs and 3% (n = 25) were unemployed. However, young consumers were primarily involved in this study because they are fashion-conscious, brand-savvy and routinely use global brands (Safeer et al., 2021a). Prior research demonstrated that similar (young adults) samples increase the internal reliability and validity of results and allow a rigorous test of theoretical relationships (Mandler et al., 2021). Moreover, young consumers (adults) are “at the forefront of globalization” and a key consumer segment for many multinational corporations (Mandler et al., 2021; Strizhakova et al., 2012).

This study examined the constructs using well-established scales based on the seven-point Likert scale. For instance, this study modified three questions to measure perceived CSR authenticity (Kim and Lee, 2020; Schaefer and Pettijohn, 2006). Six questions were adapted to evaluate perceived brand authenticity, and three questions were modified to measure brand trust (Schallehn et al., 2014). Three questions were adapted to evaluate brand image (Sasmita and Mohd Sukri, 2015), and three questions were used to measure consumer PWOM (Price and Arnould, 1999).

Results

Marketing researchers generally use complex statistical models incorporating different constructs in order to better explain and predict human behavior (Martínez-López et al., 2013). Thus, it is necessary to use partial least squares (PLS) structural equation modeling (SEM) to deal with such complex models for predicting behavior (Hair et al., 2021). PLS-SEM is a multivariate analytical and causal-predictive SEM technique that emphasizes prediction based on causal explanations (Sarstedt et al., 2017). Likewise, PLS-SEM works well with a larger sample size and provides accurate results for determining the mediation (Hair et al., 2018). Therefore, this technique serves as the foundation for contributing to existing theory and developing managerial implications (Hair et al., 2019). As a result, this study employed the PLS-SEM technique using Version 3 of the SMART PLS software.

PLS-SEM can be performed on non-normalized data; however, normalized data provide more conclusive results that more effectively contribute to theory and managerial practices (Hair et al., 2018). Before conducting an analysis, the raw data should be scrutinized by eliminating biased responses, outliers and missing values (Hair et al., 2017). First, this study examined the standard deviation (SD) and removed all data with 0 SD values, representing straight-lined responses. Second, all outliers were removed using version 25 of the SPSS software. Third, to avoid missing values in the data set, the respondents were requested to respond to all sections to complete the online questionnaire successfully. As a result, 83 responses were deleted, and data analysis was performed on 734 responses. PLS-SEM measures the statistical model into two parts: the evaluation of the measurement model and the structural model (Hair et al., 2019).

Measurement model evaluation

The measurement model is also known as the outer model evaluation. The outer model evaluates each indicator’s contribution to describing its associated construct and the overall representation of the construct by the integrated set of indicators (Hair et al., 2021). The results of the outer model are used to assess the reliability and validity of the items employed to represent each construct (Hair et al., 2019). Therefore, it is essential to establish a construct’s internal consistency reliability, convergent validity and discriminant validity (Hair et al., 2018). The results (Table 1) fulfilled the requirements for establishing the constructs’ reliability and validity (Hair et al., 2019).

This study evaluated the discriminant validity of the model using two well-known approaches: the Fornell–Larcker criterion (Fornell and Larcker, 1981) and the heterotrait–monotrait (HTMT) ratio method (Henseler et al., 2015).
The results revealed (Tables 2–3) that all discriminant validity values satisfied the required threshold (Fornell and Larcker, 1981; Henseler et al., 2015). As a result, discriminant validity was confirmed before proceeding to the next step.

**Structural model evaluation**

The evaluation of the structural model is also known as the evaluation of the inner model. Before evaluating proposed hypotheses, it is necessary to assess data multicollinearity, $R^2$ values, $Q^2$ and standardized root mean square residual (SRMR) values (Hair et al., 2018). First, this study evaluated the level of multicollinearity in the data using the variance inflation factor (VIF) method (Hair et al., 2019). The findings revealed that all the VIF values were within the threshold (Hair et al., 2017), indicating no evidence of a threat of multicollinearity in the data set. Likewise, VIF values less than 3.30 indicate that the data are free of common method bias (Hair et al., 2017; Kock, 2017).

The coefficient of determination ($R^2$) is used to predict an outcome by revealing the explained variance by examining the influence of exogenous variables on endogenous variables (Hair et al., 2019). $R^2$ values can range from 0 to 1, with values of 0.19 indicating a low level, 0.33 a moderate level and 0.67 a high level of explanatory power (Chin, 1998). The results discovered that the $R^2$ value of perceived brand authenticity was 0.41, perceived brand loyalty, including brand trust was 0.74 and PWOM was 0.60. As a result, the proposed model revealed moderate to higher explained variance for endogenous constructs, indicating that the proposed model had excellent predictive explanatory power. The model’s predictive relevance was calculated using the PLS-blindfolding approach (Geisser, 1974). The findings discovered that the $Q^2$ values of endogenous constructs were greater than 0 (Figure 2), indicating that the predictive relevance of the theoretical model was excellent. Finally, the SRMR value was assessed to determine the model’s good fit. The result (0.02) revealed that the model fit was excellent (Hair et al., 2019, 2021).

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**Table 1** Constructs reliability and validity values

<table>
<thead>
<tr>
<th>Items</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived CSR authenticity (α = 0.89; CR = 0.89; AVE = 0.73)</strong></td>
<td></td>
</tr>
<tr>
<td>PCSRA1</td>
<td>The firm behind this brand is engaged in social protection and takes its social responsibilities sincerely</td>
</tr>
<tr>
<td>PCSRA2</td>
<td>I believe that this brand’s efforts to contribute to society are authentic</td>
</tr>
<tr>
<td>PCSRA3</td>
<td>This brand is engaged in authentic and truthful social responsibility</td>
</tr>
<tr>
<td><strong>Perceived brand authenticity (α = 0.93; CR = 0.93; AVE = 0.69)</strong></td>
<td></td>
</tr>
<tr>
<td>PBA1</td>
<td>This brand has a unique ideology that informs the brand’s promise</td>
</tr>
<tr>
<td>PBA2</td>
<td>This brand is completely clear about what it represents and makes no promises that contradict its core value or character</td>
</tr>
<tr>
<td>PBA3</td>
<td>Given its brand promises, this brand does not pretend to be anyone else</td>
</tr>
<tr>
<td>PBA4</td>
<td>With regard to its brand promises, this brand demonstrates its self-esteem</td>
</tr>
<tr>
<td>PBA5</td>
<td>This brand does not appear to be deceptive</td>
</tr>
<tr>
<td>PBA6</td>
<td>This brand adequately demonstrates its authenticity</td>
</tr>
<tr>
<td><strong>Brand image (α = 0.90; CR = 0.90; AVE = 0.75)</strong></td>
<td></td>
</tr>
<tr>
<td>BIM1</td>
<td>This brand has a distinct image from the other brands</td>
</tr>
<tr>
<td>BIM2</td>
<td>This particular brand maintains a clean image</td>
</tr>
<tr>
<td>BIM3</td>
<td>This particular brand is well-known</td>
</tr>
<tr>
<td><strong>Perceived brand loyalty (i.e. brand trust and positive word of mouth)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Brand trust (α = 0.91; CR = 0.91; AVE = 0.78)</strong></td>
<td></td>
</tr>
<tr>
<td>BT1</td>
<td>I have trust in this brand</td>
</tr>
<tr>
<td>BT2</td>
<td>I trust this brand to deliver on its brand promises</td>
</tr>
<tr>
<td>BT3</td>
<td>When I trust this brand, I feel secure</td>
</tr>
<tr>
<td><strong>Positive word of mouth (α = 0.90; CR = 0.90; AVE = 0.76)</strong></td>
<td></td>
</tr>
<tr>
<td>PWOM1</td>
<td>I would recommend this brand to someone who seeks my advice</td>
</tr>
<tr>
<td>PWOM2</td>
<td>I say positive things about this brand to other people</td>
</tr>
<tr>
<td>PWOM3</td>
<td>I would recommend this brand to others</td>
</tr>
</tbody>
</table>

**Notes:** $\alpha =$ Cronbach’s alpha, CR = Composite reliability, AVE = average variance extracted.
The proposed hypotheses were examined using the bias-corrected and accelerated bootstrap method with 5,000 subsamples at a significance level of 0.05 (Hair et al., 2017, 2018). The findings revealed that perceived CSR authenticity significantly influenced perceived brand authenticity and perceived brand loyalty by enhancing brand trust. Thus, H1 and H2a were supported. However, the results did not find direct effects of perceived CSR authenticity on perceived brand loyalty in terms of PWOM, as PCSRA → WOM (β = −0.07, p = 0.98). Therefore, H2b was not supported. In contrast, perceived brand authenticity significantly improved perceived brand loyalty by enhancing consumer–brand trust and sharing PWOM. Thus, H3a and H3b were supported.

The findings revealed that the moderating effect of the brand image between perceived CSR authenticity and perceived brand authenticity was negatively significant. Thus, H4 was not supported. In contrast, the moderating effect of the brand image was found positively significant in the relationships between perceived brand authenticity and perceived brand loyalty in terms of brand trust. As a result, H5a was supported. However, the brand image had no moderating effect between perceived brand authenticity and perceived brand loyalty in terms of PWOM. Therefore, H5b was not supported. The mediation effects were discovered by examining the direct and indirect relationships between constructs (Hair et al., 2017). The findings revealed the partial mediation between PCSRA → PBA → BT and full mediation between the relationships of PCSRA → PBA → PWOM. Thus, H6a and H6b were supported. Consequently, this study identified perceived brand authenticity as an important mediator (Table 4).

**Discussions and theoretical contributions**

This study was conducted primarily based on consumer perceptions. Nowadays, consumer perceptions are important and serve as a navigator for companies in developing brand strategies (Safeer et al., 2021d). Therefore, this study contributes to the growing body of CSR research by focusing on the role of authentic CSR in branding. Similarly, this study yielded significant insights contributing to theory and managerial practices. For instance, H1 and H2a indicated that perceived CSR authenticity had a positive effect on perceived brand authenticity and perceived brand loyalty in terms of brand trust. It demonstrates that firms’ authentic CSR activities positively influence consumers’ perceptions of a brand’s authenticity. Similarly, authentic CSR activities improve perceived brand loyalty by enhancing consumers’ trust in global brands. Companies that participate in general CSR activities positively influence consumer perceptions, which directly impacts their brand’s authenticity (Markovic et al., 2021).

In contrast, companies that engage in authentic CSR activities have a greater influence on consumers’ perceptions of their brands (Aflaki and Kim, 2021). Consequently, consumers prefer to purchase trustworthy brands from companies that care about society (Abd-El-Salam, 2020; Sen and Bhattacharya, 2001). On the other side, the CSR practices of service companies enhance customer trust, which increases customer loyalty in the insurance industry (Iglesias et al., 2020). Attribution theory is concerned with how humans see the world in response to external events (Heider, 2013). Thus, consumer perceptions are critical in determining the authenticity of CSR activities and brands (Moehl and Friedman, 2021; Safeer et al., 2021b). Consequently, this study’s findings contribute to consumer perceptions of firms’ authentic CSR actions, which significantly increased the authenticity of brands and perceived brand loyalty by enhancing consumers’ trust in global brands.

H2b discovered that perceived CSR authenticity had no effect on perceived brand loyalty in terms of positive WOM. However, recent research has reported that authentic CSR activities can increase consumers’ willingness to promote PWOM to support American organizations (Joo et al., 2019). Likewise, the firms’ general CSR activities positively influence consumers’ willingness to spread PWOM in the Spanish environment (Markovic et al., 2021). Consequently, the findings diverged from previous studies (Joo et al., 2019; Markovic et al., 2021). Thus, it is important to investigate this topic in future research to generalize the findings in the Asian environment. H3a and H3b indicated that perceived brand authenticity positively influenced perceived brand loyalty by enhancing brand trust and spreading PWOM. These findings validate that perceived brand authenticity assists German consumers in developing brand trust (Schallehn et al., 2014).

Perceived brand authenticity is a key brand attribute that enhances brand trust and contributes to the development of...
consumer brand loyalty in the American context (Portal et al., 2019). Likewise, perceived brand authenticity motivates consumers to spread PWOM in Spain (Markovic et al., 2021) and the American environment (Morhart et al., 2015). Thus, this study’s findings reveal novel contributions in developing consumers’ perceived brand loyalty by enhancing brand trust and PWOM toward global brands.

H4 demonstrated that the moderating effect of the brand image had a detrimental effect on perceived brand authenticity. Contrary to previous research indicating that firms’ CSR programs can help in improving the brand image (Lee and Lee, 2018). As brand image is identified as a key factor of authenticity, which may positively contribute to improving the authenticity of a brand (Beverland, 2006; Guèvremont, 2018); conversely, authenticity is scarce, and the brand image may mitigate the influence of authenticity (Moulard et al., 2016). Due to these opposing viewpoints, the effect of brand image on perceived brand authenticity remains unclear. Therefore, additional research is required to improve the understanding of these relationships. H5a and H5b demonstrated that the interaction effects of perceived brand authenticity and brand image significantly impacted perceived brand loyalty in terms of brand trust while having no effect on consumers’ PWOM toward global brands. A positive brand image contributes positively to a brand’s authenticity (Rodrigues et al., 2021). Thus, an authentic brand image can assist companies in achieving competitive advantages by fostering consumer trust in brands (Napoli et al., 2014; Schallehn et al., 2014). As a result of external factors (brand image and brand authenticity), consumers’ cognitive processes contribute to developing perceived brand loyalty by enhancing brand trust. In contrast, H5b indicated that brand image had no moderating influence on consumer PWOM. As this is a novel study and no prior research supports this finding, it may be necessary to conduct additional research to generalize the findings.

H6a identified perceived brand authenticity as a partial mediator between perceived CSR authenticity and perceived brand loyalty (i.e. brand trust), whereas H6b recognized perceived brand authenticity as a full mediator between perceived CSR authenticity and perceived brand loyalty (i.e. PWOM). Generally, CSR activities can improve the authenticity of a brand, thereby encouraging consumers to spread PWOM (Markovic et al., 2021). However, this study discovers novel findings by emphasizing that perceived brand authenticity is a critical mediator that assists companies in developing perceived brand loyalty by enhancing brand trust and motivating consumers to spread PWOM about global brands. The overall findings revealed that multinational corporations should focus on developing authentic CSR programs for the benefit of consumers and society, which will pay back in the form of improved brand authenticity, thereby increasing perceived brand loyalty by enhancing brand trust and consumers’ PWOM. Thus, companies can achieve their corporate objectives by increasing consumer brand loyalty, which allows them to retain existing and attract new consumers in global markets.

Managerial contributions
Global managers in the manufacturing and services sectors can gain valuable insights from this research to make better decisions. First, given the positive influence of perceived CSR authenticity on perceived brand authenticity, global managers should strengthen their CSR practices by ensuring that CSR programs are implemented genuinely and honestly for the benefit of society. These authentic CSR actions may assist them in fostering positive consumer perceptions of brands’ authenticity. Second, the positive association between perceived CSR authenticity and perceived brand loyalty (i.e. brand trust) guides global managers to increase consumers’ trust in brands by engaging them in authentic CSR activities. Thus, authentic CSR activities can be demonstrated through social and environmental campaigns that benefit society. Such campaigns may assist managers in gaining consumers’ brand loyalty by enhancing trust in global brands.
Third, managers must understand the value of authentic brands, enabling them to develop consumer brand loyalty by enhancing consumers’ trust in brands and encouraging them to spread PWOM about global brands. Thus, global managers should focus on improving consumers’ perceptions of brand authenticity by offering genuine and authentic brands and communicating brand authenticity through brand positioning strategies. These managerial actions may help them in building consumers’ brand loyalty by enhancing consumers’ trust in brands and encouraging them to speak PWOM about global brands. For example, Starbucks integrates its history for authentic brand positioning by publishing its founding story on paper cups (Safeer et al., 2021a).

Finally, brand image and authentic CSR activities significantly influence perceived brand loyalty by enhancing consumers’ trust in brands. To maintain consumer trust, companies must improve their brand image in the global markets by acting ethically and caring for all stakeholders, including their staff, who interact with consumers by communicating the firm’s genuine CSR activities. These managerial actions may help them in building consumers’ brand loyalty by improving their trust in global brands, thereby developing long-lasting relationships with global brands.

Limitations and future research agenda
This study identified some limitations. First, this study employed a limited number of global brands. Thus, future research may include a broader range of global brands and can be quantified by product category. Second, this study mostly collected data from students. Future researchers will be encouraged to collect information from diverse consumers, such as working professionals. It may reveal new insights into the literature. Third, this study used a technique known as non-probability convenience sampling. Future researchers may collect data on a larger scale using probability random sampling in order to generalize the findings. Fourth, no covariate was used in this research. Future researchers may incorporate brand familiarity as a covariate to uncover meaningful results.

Finally, this research included only brand image as a moderator in brands. To maintain consumer trust, companies must improve their brand image in the global markets by acting ethically and caring for all stakeholders, including their staff, who interact with consumers by communicating the firm’s genuine CSR activities. These managerial actions may help them in building consumers’ brand loyalty by improving their trust in global brands, thereby developing long-lasting relationships with global brands.

References


Role of corporate social responsibility authenticity

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