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Apparel Brands' Corporate Social Responsibility:
Influences of Consumers' Cultural Values and Impacts on Brand Loyalty

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Keywords: Corporate Social Responsibility, collectivism, long-term orientation, brand loyalty

Rationale and Research Purpose: Corporate Social Responsibility (CSR) encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations (Carroll, 1979). Although the apparel industry gained a heavy attention of CSR due to its labor-intensive production and global sourcing from the third world, still very few studies unveiled the consumer evaluations of apparel brands' CSR and its benefit for brands, such as brand loyalty. Even though CSR literatures emphasized the influences of cultural values on different managerial perception of CSR, a lack of study exists identifying the effect of cultural values on consumers' evaluations of apparel brands' CSR. Addressing these gaps, this study aimed to examine the effects of two cultural value dimensions (collectivism/individualism and long-term/short-term orientation) on consumer evaluations of apparel brands' CSR activities, and the effects of these evaluations on enhancing brand loyalty.

Research Hypotheses: Hofstede's cultural values of collectivism/individualism were heavily utilized by literature, which refer to the extent that individuals view themselves linked to the society. This study posited that collectivist consumers who perceive themselves as more linked to the society will more positively evaluate apparel brands' CSR than individualists. As collectivists value group welfare, they tend to seek both societal benefits with organizational success at the same time (Kim & Kim, 2010). Thus, *H1. Consumers' collectivism is positively related to their evaluations of apparel brands' CSR activities.*

Long-term/short-term orientation refers to whether people put their importance on the present or on the future (Hofstede, 2001). This study expected that long-term oriented consumers who care more about the future consequences of the present actions will more positively evaluate apparel brands' CSR than short-term oriented consumers who focus on the present joy. Thus, *H2. Consumers' long-term orientation is positively related to their evaluations of apparel brands' CSR activities.*

Next, CSR is positively associated with customer brand loyalty. Consumers tend to express more trust in the company that is responsible for its products and customer care, and consumers appear willing to support organizations that show caring for their community with CSR activities such as donations for local developments (Maignan et al., 1999). As the each dimension of CSR emphasizes different social aspects, the effect of each CSR dimension on brand loyalty will be different. Therefore, *H3. Consumers' positive evaluations toward the apparel brands' CSR activities enhance customer brand loyalty: Human rights/labor-related CSR (H3a), economics/society-related CSR (H3b), environments-related CSR (H3c), and product responsibility-related CSR (H3d) enhance customer brand loyalty.*

Research Methods: Data was collected from 233 U.S. college students using a survey questionnaire measuring 1) collectivism and long-term orientation, 2) consumer evaluations of

apparel brands' CSR activities, 3) brand loyalty, and 4) demographics of respondents. For the CSR evaluation items, the popularly used Global Reporting Initiative's six dimensions of CSR (i.e., human right, labor, environments, society, product responsibility, and economics-related CSR) were used. After the exploratory factor analysis, the four factors stated in the hypotheses were used in the analysis. The reliabilities of all factors were acceptable from .78 to .91.

Findings: The results of regression analyses found that collectivism significantly and positively affect overall consumer evaluation of CSR, supporting *H1*. However, *H2* was rejected as long-term orientation was not significantly related with CSR. The multiple regression results proved that three dimensions of apparel brands' CSR activities significantly enhance brand loyalty, supporting *H3b-d*. *H3a* was rejected as the human rights/labor-related CSR was negatively related with customer brand loyalty.

Table 1. The Results of Testing Hypotheses: Regression Analyses

<i>Independent variables</i>	<i>Dependent variables</i>	β	<i>t-value</i>	<i>VIF</i>
<i>H1</i> .Collectivism	Overall consumer evaluation of CSR activities	.21	3.31**	N/A
<i>H2</i> . Long-term orientation	Overall consumer evaluation of CSR activities	.06	.95	N/A
<i>H3a</i> . Human rights/labor CSR	Brand loyalty	-.24	-2.72**	2.41
<i>H3b</i> . Economics/Society CSR		.23	2.85**	1.88
<i>H3c</i> . Environment CSR		.37	4.76***	1.80
<i>H3d</i> . Product responsibility CSR		.18	2.40*	1.71

*** $p < .001$, ** $p < .01$, * $p < .05$

Discussion & Implications: Academically, the findings of this study add empirical evidences that consumer collectivism is positively related with the evaluations of apparel brands' CSR, and proved that apparel brands' three types of CSR enhance customer brand loyalty; The environment-related CSR most enhances brand loyalty, followed by economics/society-related and product responsibility-related CSR. These evidences not only encourage apparel brands to become more socially responsible as it benefits their brand loyalty, but also give useful managerial implications that apparel brands' CSR activities will be particularly effective in attracting consumers in the markets of collectivistic culture.

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