PERCEIVED CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AND THE ANTECEDENTS OF CUSTOMER LOYALTY IN THE AIRLINE INDUSTRY

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Abstract: In today’s world of business, consumers are increasingly expecting firms to engage in CSR and managers see it as marketing for competitive advantage. For the firms in the airline industry, their interest is how current and potential consumers would evaluate their CSR activities and more importantly whether it could lead to the creation of more loyal customers. The main objective of this study is to examine the impact of perceived corporate social responsibility (CSR) activities on the antecedents of customer loyalty among customers in the airline industry. The quantitative cross-sectional research design was employed to measure the effects of CSR activities on the antecedents of customer loyalty (customer satisfaction, product quality, company image, consumer trust). A web-based survey was used to collect data. A total of 500 respondents from different age groups, sex and educational background were selected. The data was analysed using the multiple regression statistical analysis. It was found that CSR has a positive effect on all of the four antecedents of customer loyalty. With regards to the strength of prediction, it was found that customer trust had the strongest effect. This was followed by the image of the firm, customer satisfaction and product quality.

Keywords: Corporate Social Responsibility, Customer loyalty, Customer satisfaction, Product quality, Company image, Consumer trust.

JEL Classification: M310, M390.

Introduction

Corporate social responsibility (CSR) is an important concept in modern day business practices. In the airline industry, regulators are constantly demanding that firms act in a socially responsible manner in their operations and dealings with customers, employees and the society. According to the European Commission, CSR refers to “the responsibility of enterprises for their impacts on society” [13]. More precisely, the firms’ responsibility involves the integration of social, environmental and ethical issues together with human rights and the concerns of consumers into their operations and its core strategy in close partnership with the relevant stakeholders.

From the perspective of the firm, CSR activities are primarily categorized into three components namely; value creation, risk management and corporate philanthropy [5]. In today’s world of business, CSR is considered as an important aspect of the firms’ mission statement and they are an indication of what the firm represents and the strategies they put in place to achieve their CSR aspirations. The policies that firms put in place to steer their CSR agenda are crucial in ensuring the long-term success and profitability of the firm. CSR also has a risk reduction function whiles at the same time increasingly potential benefits like improvement in the reputation of the brand, employee commitment among others. These are seen as the main drivers of the competitive advantage [5].

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Consumers represent one of the most important stakeholder groups in business. Because consumers expect firms to be socially responsible, they are willing to reward socially responsible behaviour. This is why, it is not surprising that there is steadily growing group of consumers that proactively look for firms with more ‘sustainable’ products and production systems. The emergence of this new group of consumers has given rise to researchers and economic scientist often labelled as “sophisticated” and ‘environmentally and socially conscious” [16]. A study by LOHAS indicates that there is a rise in the number of consumers that are moving away from brands they perceive to have values that do not match their own values, and when this happens such consumers may not be interested in the products of the firm. The dynamics in consumer attitudes mean that firms must manage their behaviour, especially what they communicate to their current and potential customers. The main objective of this study is to analyse the effect of perceived corporate social responsibility (CSR) activities on the antecedents of customer loyalty in the airline industry.

1 Statement of the problem

Managers of firms on consider CSR as a marketing tool that could help them to gain competitive advantage in the global marketplace [32]. Some researchers in the past have concluded that, managers of firms need to incorporate their CSR policies into their marketing strategy [6]. They further indicate that CSR could be leveraged upon to develop a formidable presence among consumers in the marketplace. In the view of [6], CSR tends to create a positive effect on corporate brand equity, customer equity, market share and corporate image. Recently, airlines have come under public scrutiny from governments and regulators due to the perceived pollution and other excesses from their operations and that has increased the interest in the concept among marketing practitioners. A study by [18] in the mobile telephone industry, found that there was no significantly direct relationship between them. It was however found that CSR often appeared to significantly influence the valuation of services by consumers. Because overall service valuation had a strong positive correlation to customer loyalty, it was concluded that CSR indirectly influence customer loyalty [18].

In another study by [25], it was found that, the quality of product, trust, image and satisfaction do have a positive influence on customer loyalty. But there was no significantly direct correlation between CSR and customer loyalty. This study is even more apparent because authors such as [34] have concluded from their study that cause-related marketing is a useful tool that firms can use to increase customer loyalty and build their corporate reputation [34]. However, [11] examined the moderating effect of the extent to which the social initiatives of the firm and its brand are incorporated into its competitive positioning strategy and the reactions of consumer reactions to the CSR initiatives. The findings by [11] revealed that, consumers do not only have favourable beliefs but also they often reward CSR initiatives in terms of relational behaviours, such as loyalty and advocacy. This means that those who patronize the products and services of firms tend to identify with the brand, be loyal to the brand and often become advocates for the brand through their willingness to try new products from that brand, engage in favourable word-of-mouth, especially when it is the brand or firm that is associated with the CSR behaviour than when it is not [11].

From a practical point of view, consumers are more expectant of firms to be socially responsible. Also, managers of firms consider the potential CSR has on the competitiveness of firms and finally, from the theoretical perspective, there is a gap between the
contemporary researches that focus the effects of CSR on the behaviour of consumers. The concept of CSR and its relationship with the antecedents of customer loyalty has not been studied in the airline industry. Therefore, this study analyses the effect of customers’ perceived CSR activities using the antecedents of customer loyalty in the airline industry. Consequently, the study provides an understanding of how CSR can serve as a potent marketing tool for firms in the airline industry.

2 Conceptual framework

In today’s business world, customer retention is considered critical to the long term survival of the firm and it is top of management agenda. When the firm succeeds in creating and maintaining customer loyalty, they are able to develop a long-term, mutually beneficial relationship with its customers [31]. Generally, customer loyalty is seen as “a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour” [30]. Because the study aims at examining the effect of CSR activities on customer loyalty, there is therefore a need to analyse the customer loyalty construct in order to determine its antecedents. The identification of the antecedents would make it possible to measure the effect of CSR on customer loyalty in varied ways.

In marketing, loyalty means more than just repeated purchases; it is also about the belief that the customer holds about the firm and its products and services [30]. The conceptualization of the concept of customer loyalty aims at establishing its relationship with CSR. In doing that, the primary antecedents of customer loyalty are divided into two components. The first group of the antecedents identified from literature are known as the customer related antecedents. They include customers overall satisfaction with the product and trustworthiness [9], [6]. A study by [21] found that trust in the firms brand is directly related to both purchase and attitudinal loyalty. The second components of the customer loyalty antecedents are known as the product related factors. They include attributes such as product quality and brand image [31].

In a study by [9], it was found that when product quality is improved, it can lead to an increase in customer satisfaction, customer loyalty and the firms’ profitability and performance. Furthermore, customer satisfaction tends to have a significantly positive effect on purchase intentions [21]. In market-oriented firms such as the airline industry, customer satisfaction is considered to an essential factor that influences customer loyalty. Other researchers explain that the image of the firm can positively or negatively influence the perception of customers of the products and services offered [39]. Customer trust has been defined as the customers’ confidence in the product or services of the firm [8]. Past studies have confirmed that customer trust has a positive impact on loyalty [10]. In a study by [26], it was found that customers tend to trust in firms that when their level of satisfaction is high even when they have not considered the firm’s corporate image.

The antecedents of customer loyalty identified from literature are used to formulate the conceptual framework is shown in figure 1 below:
3 Corporate social responsibility and the antecedents of customer loyalty

In this section, empirical literature is reviewed on the antecedents of customer loyalty and its relationship with CSR. The aim of such review is to establish the gaps in research and formulate hypothesis for testing in this study.

3.1 Corporate social responsibility and customer satisfaction

The satisfaction of customers is an important factor in the firms’ competitive advantage and the retention of customers [36]. In the view of [30], satisfaction connects with purchase/consumption to post-purchase phenomena in terms of customers repeated purchase and positive word-of-mouth. Satisfaction occurs when the actual performance of the product is equal to, or greater than, the expected performance [37]. A study by [24] found that good CSR performance tends to improve customer identification and customer support and it provides benefits to the firm. Research shows that, consumers are willing to patronize products and services from firms that involve themselves in social causes [34]. The more airline firms provide support for socially responsible activities (such as donations, anti-pollution programs, energy-programs, sponsorships, etc.) the likely they are to gain the loyalty of customers [4].

It is asserted by [23] that consumers have preferences for product and services firms that are responsible than irresponsible firms. Also, CSR tends to influence the response of consumers towards products through the creation of associations [7]. In a study by [15] it was established that a positive CSR associations can lead to positive customer behaviour. However, the research by [4] found that CSR is able to provide a positive evaluation of the firm if the identification between the individual and the firm is high. The empirical literature review provides justification for the studying the relationship between CSR and customer satisfaction, hence the hypothesis below:

Hypothesis 1: CSR activities positively influence customer satisfaction

3.2 Corporate social responsibility and trust

Trust is an essential in relationship marketing as it plays a vital role in retaining customers and keeping them loyal [28]. Researchers recognize trust as a prerequisite to building customer relationships and as a factor that precedes customer commitment [17]. According to [28] “trust will occur when one party has confidence in an exchange partner's reliability and integrity.” The incidence of trust is derived from the past accumulation of shared values, communication and opportunistic behaviour [12].
Furthermore, [3] explain that, a strong customer-company relationship often arises when customers identify with the firms that are able to satisfy one or more self-definitional needs customers consider important to them. When the firm has a positive and favourable image in the marketplace, it could result in improvement in the attitude of customers towards the firm [4]. However, [2] explain that, when firms use CSR-based promotion, consumer perception is dependent on three important factors. The factors are the perceived fit between the product and the promoted good cause, the perceived corporate motive as well as the timing of the promotion. In the study by [2] it was found that CSR based promotions tends to be successful when there is a high perceived fit between the product that is promoted and the noble cause. However, it is emphasized that the CSR promotions should not come from the desire to leverage on that to make profit or reaction of some past negative incident. The relationship between a firms CSR behaviour and consumer trust has been studied in the past but often there appears to be conflicting results. In order to ascertain whether CSR impacts on trust, the following hypothesis is formulated:

Hypothesis 2: CSR activities positively influence customer trust

3.3 Corporate social responsibility and quality

The concept of quality is quite complex and researchers have broken it down into multiple dimensions. Most researchers agree to the division of the concept between objective and subjective product quality [39]. Objective quality has to do with the physical product characteristics. It is seen as the actual technical dominance or excellence of a product. Subjective quality on the other hand refers to the perception of quality by the customer. It therefore refers to the “highly relativistic phenomenon that differs between judges” [19]. According to [39] perceived product quality refers to “the consumer's judgment about a product's overall excellence or superiority.” There is a mediating role between CSR and customer perception of quality and their loyalty. In a study by [15] it was found that there is a link between CSR and customer attitude to a firms products. The firms’ ethical or unethical behaviour towards its stakeholders influences the attitude of customers which consequently influences their evaluations of the firm and its products. However, the extent of influence is often not as great as that of the information on the product attributes; it only has an amplifying effect.

Consequently, [15] explain that, generally “virtuous behaviour is not a substitute for product quality nor does superior quality compensates for unethical behaviour in influencing attitudes towards the firm.” Nonetheless, CSR initiatives serve as a source of differentiation for the firms’ products and that of its competitors, especially when quality is the same [15]. The work by [15] is often cited to give credence to the fact that CSR affects perceived product quality. This effect will not be significant if the attributes of the product are perceived to be low. The relationship between CSR activities and the perceived quality is essential and more empirical to validate the relationship. The following hypothesis is formulated to test the relationship:

Hypothesis 3: CSR activities positively influence perceived quality

3.4 Corporate social responsibility and brand image

Researchers in the past have established that brand image is guides the choice of consumers when purchasing product and services. For customers that are brand conscious, the product and services they often patronize or avoid are mainly as a result of the impact of the products and services on the status of the buyer and on their self-esteem
rather the functional qualities. The brand image concept is referred to as the overall impression of a brand, made in the minds of consumers [29]. Some other researchers consider brand image as the experiences that are built up over time that generates a positive image in the minds of consumers [14].

Over the years, marketing researchers have come to some consensus that the behaviour of consumers and their attitude towards a brand (image) is influenced by word of mouth [22]. In a study by [1] it was found that customer satisfaction kindles word-of-mouth. In a research by, [4] it was concluded that word-of-mouth is “one of the key behavioural outcomes of positive CSR activities.” The firms CSR activities can therefore improve the firms’ image and concurrently stimulate word-of-mouth which in turn has a positive impact on the image of the firm. In the view of [4] in today’s competitive world of business, CSR can be a source of differentiation through innovation which in turn can strengthen the image of the firms’.

In the view of [4] not all the activities of CSR have a similar impact on individuals’ evaluation of the firm. Hence in their view, managers should “adopt a strategic perspective in making CSR decisions, aligning their CSR initiatives with not only the company’s overall strategic thrust but also its competitive positioning and the positions of key stakeholder groups on alternative CSR issues” [4]. Findings by [4] indicate that there is a relationship between CSR activities and consumer behaviour, attitude and the firms’ image. However, the validation of this assertion in research is scanty; hence, there is a need for further studies to establish if the relationship between the two variables is significantly stronger. Therefore, the following hypothesis is formulates and tested:

Hypothesis 4: CSR activities positively influence brand image

4 Methodology

In this study, the deductive approach was used to formulate hypotheses based on the theoretical framework. Also, the cross-sectional research design was used because the intention for the study is to formulate and test hypothesis between variables with empirical data collected at a single point in time. In data collection for cross-sectional studies, the survey method is usually recommended [20]. A pilot study with 20 respondents was carried out to validate the questionnaire. The responses from the pilot study were incorporated in the questionnaire before it was administered. Accordingly, empirical data was collected through a web-based non-probability sampling survey. The survey was conducted between January and June 2014. A total population of 800 were targeted out of which 500 individuals responded. This represents a response rate of 62.5%. The response rate of 62.5% is considered adequate for a web-based survey [33]. With the target web survey, invitations are sent either directly to the respondents or a web link is sent to the emails of respondents. The independent variables (corporate social responsibility) were measured to determine how they respond to the dependent variables (antecedents of customer loyalty). The independent and dependent variables were operationalized to identify indicators for measuring them. The purpose of the operationalization of these variables is to make it possible for the conversion of the theoretical concepts into categorized items to make it useful for the survey. The operationalization tends to simplify the data processing and analysis so as to bring out an in depth insight into the phenomena. The multi-item Likert scale questionnaire was developed for data collection.
The table below shows the distribution of the respondents according to their ages, sex and educational level. These were used as control variables in the study.

**Tab. 1: Distribution of sample based on the control variables**

<table>
<thead>
<tr>
<th>Control variable</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>280</td>
<td>56</td>
</tr>
<tr>
<td>Female</td>
<td>220</td>
<td>44</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 18</td>
<td>14</td>
<td>2.8</td>
</tr>
<tr>
<td>18-25</td>
<td>162</td>
<td>32.4</td>
</tr>
<tr>
<td>26-35</td>
<td>190</td>
<td>38</td>
</tr>
<tr>
<td>36-45</td>
<td>56</td>
<td>11.2</td>
</tr>
<tr>
<td>46-55</td>
<td>44</td>
<td>8.8</td>
</tr>
<tr>
<td>More than 55</td>
<td>34</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Educational level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>84</td>
<td>16.8</td>
</tr>
<tr>
<td>Vocational School</td>
<td>120</td>
<td>24</td>
</tr>
<tr>
<td>Bachelor</td>
<td>186</td>
<td>37.2</td>
</tr>
<tr>
<td>Graduate</td>
<td>110</td>
<td>22</td>
</tr>
</tbody>
</table>

*Source: Authors compilation*

5 Data analysis and results

The multiple regression analysis was performed to test the hypothesis. The multiple regression analysis makes it possible to examine the trends and relationship between the independent variables and dependent variables. It helps the researchers to determine the value of the dependent variables as it is influenced by the alterations in the value of the independent variable as other extraneous variables are controlled. The regression model in this study relates $Y$ (the dependent variables) to a function of $X$ (the independent variable) and $\beta$ (the unknown parameter). The model is given as

$$Y \approx f(X, \beta)$$

Consequently, the multiple regression analyses that were performed in this study were modelled as:

$$Y_i = \beta_1X_{i1} + \beta_2X_{i2} + \beta_3X_{i3} + \beta_4X_{i4}$$

Where $X_{ij}$ is the $i^{th}$ observation on the $j^{th}$ independent variable, and the first independent variable takes the value of 1 for all $i$ (hence $\beta_1$ is the regression intercept). The $\beta$ represents the direction and strength of the relationship between $X_i$ and $Y_i$ and it ranges from -1 to 1. In analysing the relationship, a negative value indicates a negative relationship while a positive value indicates a positive relationship [27]. The goodness fit of the model was first confirmed after the regression analysis was performed. This was done with the aim of establishing whether the model fits the set of observations and also whether it is measured by how well the values observed match values expected as expressed as the value of $R^2$. It therefore gives a measure of how future outcomes are likely to be predicted by the model, thus, for values of the $R^2$ that ranges from 0-1 with 1 representing a perfect fit. After performing the multiple regression analysis, the goodness of fit of the model is first confirmed.
The multiple regression in this study examine the adjusted $R^2$ which is adjusted to represent the number of independent variables and the sample size in the model. Then the $\beta$'s are utilized and interpreted based on their significance (p-value) [27]. The regression analysis tested the hypotheses with the inclusion of some control variables. The purpose of the control variables is to ensure that the factors measured actually have a significant effect. The control variables in this study are Sex, Age and Education level. The model for the null and alternative hypothesis is indicated as:

\[
\begin{align*}
H_0: \beta_1 &= \beta_2 = \beta_3 = \beta_4 = 0 \\
H_1: \text{at least one } \beta_i &\neq 0
\end{align*}
\]

5.1 CSR on satisfaction

A multiple regression analysis was conducted to determine if the perceived CSR activities of the airline firms influence the customer satisfaction. In the analysis, sex, age and education level were used as control variables. For this test, CSR= $\beta_1$, Age= $\beta_2$, Sex= $\beta_3$ and Educational level= $\beta_4$. In the analysis of the relationship between CSR and customer satisfaction, it was realized that the p-value recorded was $\leq 0.05$, therefore, the null hypothesis is rejected and the regression was significant with $R^2= 0.140$, $F (3,114) = 16.151$, $p= 0.010$. However, the analysis of the independent variables indicates that CSR has a significant impact on customer satisfaction ($B= 0.165$, $p= 0.013$). Also, the control variable, thus sex ($B= 0.147$, $p= 0.013$) and age ($B=0.124$, $p= 0.024$) were found to impact significant on satisfaction, although it had a low beta. The educational level of respondent did not have a significant influence on satisfaction ($B=-0.053$, $p= 0.209$).

It can therefore be concluded that, at $\alpha= 0.05$ level of significance, perceived CSR activities, age and sex tends to predict significantly the satisfaction of consumers. This finding confirms the results by past researchers. Researchers have found that, consumers are willing to patronize products and services from firms that involve themselves in social causes [34], [4]. There are findings that suggest that, in the airline industry, the more airline firms provide support for socially responsible activities (such as donations, anti-pollution programs, energy-programs, sponsorships, etc.) the likelier they are to gain the loyalty of customers [4]. Furthermore, as asserted by [23], consumers have preferences for product and services firms that are responsible than irresponsible firms. Hence, there is a need for the firms CSR initiatives to influence the response of consumers towards products through the creation of associations [7].

5.2 CSR on quality

The impact of perceived CSR initiatives influence on the perceived quality of airline firms was performed using the multiple regression analysis method, where the sex, age and education were used as control variables. For this test, CSR = $\beta_1$, Age = $\beta_2$, Sex= $\beta_3$ and Educational level = $\beta_4$. From the analysis the p-value recorded was $\leq 0.05$, therefore per the rule, the null hypothesis was rejected, hence the regression was significant, $R^2= 0.101$, $F (3,165) = 8.420$, $p= 0.013$. An analysis was conducted to determine if the independent variable (CSR) has an impact on quality ($B= 0.213$, $p= 0.014$). Using the control variables Sex ($B= 0.053$, $p= 0.124$), Age ($B= 0.041$, $p= 0.149$) and Educational level ($B=-0.027$, $p= 0.441$), it was found that they do not have a significant impact on the quality component of the customer loyalty antecedents. It can therefore be concluded that at $\alpha= 0.05$ level of significance the model was useful as perceived CSR activities proved useful for predicting quality. Thus, CSR activities tend to influence quality perception of airline brands/firms. This finding complements the findings by [15] who gave credence to
the fact that CSR affects perceived product quality. Consequently, in instances where the quality of products is similar, CSR could be a source of differentiation for competitiveness.

5.3 CSR on image

The multiple regression analysis was conducted to test whether the perceived CSR activities of the airline firms influence the brand image of the firms. The control variables in the analysis were sex, age and education levels. In the hypothesis test, CSR = β1, Age = β2, Sex = β3 and Educational level = β4. The p-value recorded in the analysis was ≤ 0.05; therefore, the null hypothesis was rejected. The regression was significant with an $R^2 = 0.179$, $F(3,247) = 19.424$ and a $p = 0.000$. The study found that CSR has a significant impact on brand image ($B = 0.327$, $p = 0.019$). However, the control variables, thus Sex ($B = 0.079$, $p = 0.081$), Age ($B = 0.049$, $p = 0.125$) and Education ($B = -0.038$, $p = 0.211$) were found not to have a significant impact on brand image. It is concluded that at $\alpha = 0.05$ level of significance, customers perceived CSR activities of the airline firms are useful for predicting brand image. This finding confirm the results by [4] that CSR activities do have a positive influence on and consumer behaviour, attitude and the firms’ image. Therefore, in today’s competitive business arena, it is essential for firms to latch on CSR and use it as a source of differentiation through innovation which in turn strengthens the firms’ image [4].

5.4 CSR on trust

Using sex, age and education as control variables, a multiple regression analyse was performed to analysis if the perceived CSR activities of the airline firms influence the customers’ perceived trust of the firms’ brands and its operations. For this test, CSR = β1, Age = β2, Sex = β3 and Educational level = β4. Because the p-value recorded from the analysis was ≤ 0.05, the null hypothesis is rejected, hence regression was significant at $R^2 = 0.410$, $F(3,190) = 20.257$, $p = 0.006$. A look at the independent variables showed that CSR has a significant impact on Trust ($B = 0.549$, $p = 0.019$). The values for the control variables did not have significant impact on trust. The values recorded are as follows Sex ($B = 0.060$, $p = 0.101$), Age ($B = 0.013$, $p = 0.560$) and Education ($B = -0.073$, $p = 0.110$). It can therefore be concluded that at $\alpha = 0.05$ level of significance perceived CSR activities is able to predict customer trust. It can be concluded from the findings of the relationship between CSR and trust that, when the firm has a positive and favourable image in the marketplace through its CSR initiatives, it could result in improvement in the trust and attitude of customers towards the firm [4], [6]. However, there should be a fit between the product and the promoted good cause, the perceived corporate motive as well as the timing of the promotion [2].

In summary, the analysis of the hypothesis shows that perceived CSR activities has a positive influence on customer loyalty. All the four independent variables and antecedents of customer loyalty (customer satisfaction, perceived product quality, perceived brand image and customer trust) were significant. The antecedent with the most significant relationship measured was for customer trust with an $R^2$ value of 0.410. This means that 41.0% of the variance in Trust is can be explained by the variance in CSR. There was however low explanations between the perceived CSR activities on the other variables. The values recorded are as follows 17.9% for Image, 14.0% for Satisfaction and 10.1% for Quality.
Conclusion

This study provides further insight into the effects of CSR activities of firms in the airline industry on the behaviour of customers in terms of their loyalty. The study has measured customer loyalty by focusing the four primary antecedents. It is concluded that, CSR behaviour of airline firms has two vital dimensions. Firstly, there is an inherently sparked need (though often stimulated by the demand of consumers’) to do what is right. The awareness of and taking of responsibility for the protection and the improvement of human rights, production in a sustainable manner and participating in charitable activities are mainly ethical business decisions. In this case there appears no instant commercial goal in this sense. Nevertheless, CSR does have a significant impact on societies and the attitude of consumer's towards the firm and its brand. From this perspective, there is substantial profit that the firm can gain from properly aligning their commercial and social goals and behaviour.

This study has found that engagement in CSR activities is of significant value for firms in the airline industry. Airline firms would be much interested in paying more attention to their CSR activities as it contributes to their competitiveness. This is because, if CSR becomes increasingly prominent in the decision making process of consumers, then airlines firms that successfully position themselves by engaging and projecting their CSR initiatives would gain competitive advantage. Because this study shows a positive relationship between engagement in CSR and customer loyalty, it would be of interest to investigate the engagement in CSR and its impact on finances of the firm as well as the actual returns from CSR investments.

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