

**IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION AND CUSTOMER TRUST: A SERIAL MEDIATION MODEL**

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**ABSTRACT**

**Purpose:** Corporate social responsibility has been explored extensively and related to the researchers' corporate performance. There are, however, major research gaps which measure the link between corporate social responsibility and consumer loyalty in the context of developing nations. Based on the resource-based approach and stakeholder theory, this study provides the underlying mechanism, by concurrently incorporating customer satisfaction and customer trust as mediators and serially mediator simultaneously.

**Methodology:** Data was collected from telecommunication sector. The questionnaire was distributed among telecom consumers. 560 questionnaires were distributed among the respondents.

**Findings:** The results show corporate social responsibility activities have a strong and positive influence on customer loyalty. In addition to that, the mediation findings show that the connection between corporate social responsibility and consumer loyalty has been mediated by customer satisfaction, and consumer trust. Moreover, customer satisfaction and customer trust are also playing a serially mediating effect between corporate social responsibility and consumer loyalty.

**Originality:** The study emphasizes the actions regarding corporate social responsibility is important for predict consumer behavior. This study also helps to policy makers and those who want to study on corporate social responsibility and consumer behavior.

**KEYWORDS**

Corporate Social Responsibility, Customer loyalty, Customer Trust, Customer Satisfaction

## 1. INTRODUCTION

Business operations influence external, social, and customer behavior (Matten & Moon, 2020). Corporate Social Responsibility (CSR) is thus deemed the diplomatic solution for dealing with the adverse effects on the external world. CSR may attain a mature stage in the literature but is specifically considered from a marketing perspective; CSR is an evolving subject amongst stakeholders and companies (Herrera et al., 2017).

The CSR is emerging as a strategic tactic for companies in the last few days to boost profits, customer retention, client engagement, business credibility, and optimistic brand attitudes (Calabrese et al., 2016). A strong example in the corporate environment is an increasing appetite by consumers for efforts of social responsibility. Company owners are called upon to emphasize social problems in their business to win confidence from ultimate clients and make loyalty a strategic advantage.

Customer loyalty has been a central theme for academics in recent years (Nyadzayo & Khajehzadeh, 2016). Scholars also identified core determinants of consumer faithfulness, together with the consumer retention, expectation and quality of service (Pivato et al., 2008; Bell et al., 2005). In the telecom sector, a number of surveys have been carried out mostly to address commitment, but some aspects remain unexplored. As a consequence, a deeper understanding is necessary to assess consumer satisfaction as a structure. Consequently, CSR has been seen as the leading and most advanced tactics for telecommunications companies to maximize favourable customer responses (Martínez & Rodríguez del Bosque, 2013). Similarly, the telecommunications sector companies in Pakistan are continuously working for the development of community like schooling, safe water, and small loans to improve their lives. These telecommunications sectors are Mobilink, Ufone etc.

In addition, Bhattacharya and Sen (2004) have researched that combined high corporate capacity and active participation in CSR create favorable customer responses. Corporate abilities refer how well the company produce his products and how much these products have innovativeness (Berens et al., 2005) . CSR by confirming a social compact, customer loyalty, spiritual standing, reputation, and market focus that strengthens the company's positive profile (Matten and Moon, 2020). Scholars have also shown that company skills and the execution of CSR programmers have a substantial impact on customer reactions (Rasheed & Abadi, 2014). Luo and Bhattacharya (2006) research stated that there is a relationship among the CSR interventions and consumer responses. CSR influence on purchasing behavior of the consumer that's why business supervisors think through that CSR is a crucial factor which effect on decision making (David et al., 2005). 90% of "Fortune 500" firms are also explicitly active with CSR. Very few studies have been conducted on consumer behavior with mediating and serial mediating effect among consumer loyalty and CSR. This study takes the satisfaction of the customer as well as the trust of the consumer as mediators. The research also checks the role which is played by the consumer satisfaction and customer trust when it is serially mediating between CSR and customer loyalty. Consequently, in order to bridge the gap in literature, the study is addressing the following questions:

- Do CSR programmers impact customer loyalty?

- Do CSR and customer loyalty relationship exist when the consumer satisfaction and consumer trust is playing the role of serial mediator?

In order to respond to these concerns, we have established and analyzed a research model which indicates that CSR initiatives enable companies to create a client-centered approach to loyalty to existing clients. Thus, the conceptual framework that also comprise of the mediators, would be employed in this research for exploring the interaction in telecom contexts. To fill the existing body of knowledge, the research tries to study the link in the loyalty of the customer and CSR in the presence of mediators. To fill this existing literature gap, the research contributes many times to the existing body of knowledge. The conceptual model was built for this existing research that was built on perspective of stakeholder as well as resource-based conception for investigating the effect of CSR initiatives and change in the behavior of consumer. Secondly, this study examines the nature of previous literature through analyzing and validating the theoretical construct through mediating results. In the current study, Pakistan was finally chosen as a research background. In industrialized countries, extensive literature of our best understanding has first been reviewed to explore the importance of CSR influencing behavioral effects in the developing world context.

## 2. THEORETICAL FRAMEWORK

CSR has received considerable interest, in the last three decades, from academics and industry experts who have found CSR to be a multidimensional concept. In the beginning, our conception paradigm was supported by two primary hypotheses, stakeholder theory, and resource-based perspective. Freeman (1994) proposed a stakeholder paradigm to include social reactions and marketing, explored by several well-known academics (Hillebrand et al., 2015). Stakeholders still react favourably to CSR programmers in the dynamic environment. This favourable response contributes to a strong consumer reaction, which becomes customer loyalty. According to the philosophy of stakeholders, companies have to consider the needs of all those involved in the business, and the clients are among the key players (Sen et al., 2006). Donaldson et al. (1995) indicated that stakeholders' theory could be more specific and systematic to understand the links between company social responsibility and customer responses. The stakeholder strategy states that companies are accountable not just to inventors but also to all actors (e.g., manufacturers, consumers, the government, and the community) (Islam et al., 2021). Resource-based opinion that the company's capabilities contribute to their successful position (Alvarez and Busenitz, 2001). Kozlenkova et al (2014) stated that both visible and intangible organizational capital are important assets that could include the company's vitality and a strategic edge. Fahy (2002) explained that competitive advantage of the resource based firm is all the over the world. Past analysis suggests that CSR can build durable competitive advantages as a strategic strategy (Barney, 1991). Watson et al. (2010) confirmed the competitive benefit of CSR activities in that sector. The resource-based perspective also follows our methodological model as to why companies are involved in CSR customer satisfaction initiatives (Barney, 1991).

This analysis uses two key explanations to promote the current conventional paradigm using stakeholder and resource-based theories. First, the two hypotheses have validated scientifically and empirically that corporate social reasonability programs influence

behavioural consequences across the fundamental processes. For example, previous studies indicate that the philosophy of stakeholders illustrates the role of each stakeholder in a partnership with the organization (Russo & Perrini, 2010). The concern of the actual stakeholder is often concentrated on the organization's success (McWilliams & Siegel, 2001). In addition, a resource-based perspective followed the theoretical context of scientific and philosophical research (Das & Teng, 2000), which contributes to an organization's competitive advantage since a company has all the capital for its activities (Barney et al., 2001). Second, a comprehensive practical CSR paradigm can be shown through stakeholders and resource-based hypotheses. CSR becomes a crucial topic for researcher and many other non-governmental organization with the increasing trend toward sustainable development and sustainable economy (Matten & Moon, 2020). Researchers showed the necessity of CSR for stakeholder needs, increase the reputation of the firm and improve the behavior of the customer as well (Martinez et al., 2016).

## **2.1 Corporate Social Responsibility**

Literature described the conception of corporate social responsibility in many ways. It is the obligation of the firm from its own point of view and it should be matched stakeholder expectations by encompassing the three dimensions; societal, environmental, and economical. The Commission of Europe described "CSR as a term by which corporations can voluntarily incorporate social and environmental issues into their business activities and their interactions with their stakeholders" (EU, 2002). One of the essential structure which is used in exploring the studies of industry and culture is the CSR. In the last thirty years, the students have carried out extensive investigations to discover the determining factor and effects of the concept of CSR along with its key element (Arena et al., 2019). Now CSR is a major marketing topic (Latif et al., 2020), business (Schulz, 2014), tactical administration (Avram & Kühne, 2008). The modern view of CSR is that 'the company sees an added advantage in providing a broader range of social requirements and desires and the perception of net benefits resulting from a socially responsible intervention (Jamali & Sidani, 2008). Fortune 500 companies are very serious about CSR, which has consultancy firms specializing in CSR credibility and engagement strategy (Lii & Lee, 2012). That's why CSR has become a major theme with estimated CSR expenditures of around US\$300 billion alone (Franklin, 2008).

## **2.2 Customer Behaviors**

Pan & Nguyen (2015) claim that consumer loyalty is an assessment focused on comparing real and imagined interactions. Customer loyalty reflects optimistic sentiments (Herrmann et al., 2007). Oliver, Rust and Varki (1997) described "customer satisfaction as the optimistic customer satisfaction reaction." As an assessment calculated following consumer intake clarified customer satisfaction (Liang & Wang, 2004). Martínez & Bosque (2013) in their research study highlighted that the happiness of clients is a key building in marketing literature and can be seen as a mean for measuring of the inclusive efficiency of the firm. Consumer satisfaction a key issue for advertisers and researchers alike (Nyadzayo & Khajezadeh, 2016). consumer loyalty as a mentality, as loyalty as conduct (Jacoby & Kyner 1973). (Thakur & Kaur, 2016) clarified loyalty as frequent transactions, a feature of engaging psychological processes. Because of the strong customer turnover in the telecommunications industry, maintaining current customer satisfaction continuously is

becoming a great concern. Academics find that the faithfulness of telecoms customers was based on many factors: consumer fulfillment (Herrmann et al., 2007), faith (Pratminingsih et al., 2013), and CSR initiatives (Martínez & Rodríguez del Bosque, 2013). A faithful client has many advantages for companies. Researchers find it loyal and saw a high change in the purchase of alternative firm (Leventhal et al., 2006). Previous researches explored trust, sociology and management in marketing extensively (Morgan & Hunt, 1994). It is a crucial element through which companies establish good relationships with customers (Rasheed & Abadi, 2014). Customer trust clearly shows the consistency of the services provided by the group, including after-sales and customer support (Wu, 2013). Trust considered an important element for strong and long term relationship (Keh & Xie, 2009). Few results indicate that belief is the mechanism which is longstanding based on the honesty as well as competence of everyone else, like for example the seller (Pivato et al., 2008). Trust is of considerable value in commercial dealings, which may benefit potential transactions.

## **2.3 Hypotheses Development**

### **2.3.1 Customer Loyalty and Corporate Social Responsibility**

Mandhachitara & Poolthong (2011) find that CSR is the safest consumer satisfaction policy. The goods sold by rivals in the telecoms industry are very close, so creating consumer loyalty is difficult. As a result, researchers report a momentous positive connotation among the CSR conduct of companies and their customers' attitudes to the offers of companies (Akbari et al., 2019; Nazir & Islam, 2020). Extensive literature has established a favorable relationship among loyalty of the consumer and CSR (Martínez & Rodríguez del Bosque, 2013). CSR programs are one of the strongest tools for highlighting corporate practices that meet social values (Maignan et al., 2005) although some scholars do not think they improve loyalty. (Pérez & del Rodríguez Bosque, 2013) observed, that consumer satisfaction is strongly related to CSR. To explore this issue further, we assume:

*H1: The impact of CSR on customer loyalty is significant and positively influenced.*

### **2.3.2 Customer Satisfaction, Consumer Loyalty and Corporate Social Responsibility**

Marketing experts observed that companies which have clients are often very committed to customers (Rychalski & Hudson, 2017). The researchers investigated as well as noticed that consumer satisfaction is ominously linked to CSR (He and Li, 2011). As previously discussed in the literature review, it is assumed that CSR will influence consumer satisfaction and CSR will be influencing customer loyalty, thus customer satisfaction could be a mediator between CSR and CL in the recommended framework. Martínez and Rodríguez del Bosque (2013) have committed that satisfaction of the consumer can be a mediator among loyalty and CSR. The scholars and experts see that the loyalty of the buyer is playing the significant role of mediating in consumer behavior (Chadha & Kapoor, 2009). CSR affects consumer retention and influences customer loyalty indirectly. Therefore, we assume:

*H2: The impact of corporate social responsibility on customer loyalty is mediated by customer satisfaction.*

### **2.3.4 Customer Loyalty, Consumer Trust and Corporate Social Responsibility**

The previous studies conducted by the scholars explained that customer loyalty will be influenced by customer trust and this relationship tested in previous research (Keh and Xie, 2009). The results of another research narrated that person trust was effected by CSR (Swaen and Chumpitaz, 2008). CSR programs include detail about the nature and degree of authenticity and openness of the company's activity (Pivato et al., 2008). Knowledge of CSR policies showing support for the sustainable environment in the sector is motivating an association that is based on trust among the interrelation of the consumers who are consequently loyal. Trust between CSR and loyalty as a possible mediator (Martínez & Bosque, 2013). Hence, it's assumed:

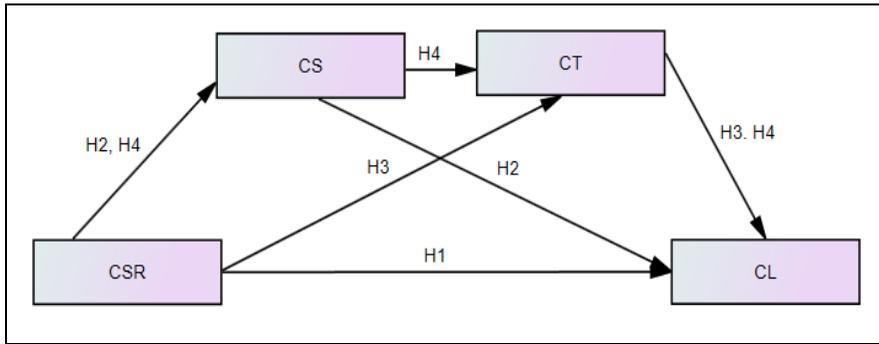
*H3: The effect of corporate social responsibility on customer loyalty is mediated by customer trust.*

### **2.3.5 Corporate Social Responsibility, Customer Satisfaction, Customer Trust, and Customer Loyalty**

An association that is long lasting in consumer behavior and marketing literature can be built by creating a trust factor (Pratminingsih et al., 2013). From the point of view of Lau and Lee (1999), one of the key and crucial factors for strong and enduring relationship is trust. The reviews of the customers (which are important in service sector) in the sector of telecommunication which influence the loyalty of the consumers (Sirdeshmukh et al., 2002). The faithfulness of the buyer is the long-term investment which provides a good benchmark for consumer-telecom relations management (Raza et al., 2020). The hypothesis that faith of the buyer explains purchaser satisfaction was promoted by (Ball et al., 2004). Past literature indicates that market trust is an essential consumer faithfulness building (Lau and Lee, 1999).

Consumer views are also unfavorable about telecommunications networks, and customers conclude that certain companies hidden their prices, and policies which are unclear. Therefore, a challenging task for telecom sector to gain customer trust. Thus, customer trust is an antecedents of consumer satisfaction (Rasheed & Abadi, 2014) and it is one of the integral feature of a healthy, enduring relationship. He and Li (2011) analyzed customer satisfaction within the CSR programs. The consumer is also more pleased when the company is doing the CSR activities. CSR actions lead to client satisfaction, good brand buying intention (Sen et al., 2006), good reputations, and more good service customer behaviors (Latif et al., 2020). The practices of sustainability are often important elements for consumers whether they are satisfied with his services or not (Bhattacharya, 2003). The relationship between CSR and customer loyalty is serially mediated by consumer satisfaction and customer trust:

*H4: The relationship between corporate social responsibility and customer loyalty is serially mediated by customer satisfaction and customer trust.*



**Figure 1: Conceptual Framework**

### 3. METHODOLOGY

The problem to measure CSR in Pakistan is that there is no database such as fortune most admired companies (FMAC). To address this issue, the survey method is the most appropriate way to measure CSR (Saeidi et al., 2015). One more motive for selecting the survey methodology is that because this empirical research is suitable to know the customer behavior and relationship between constructs (Sheikh et al., 2019). Therefore, this study collects data through a self-administrated questionnaire. Likert Scale of five points is used, ranging from 1 to 5, which is strongly disagree to strongly agree. The questionnaire has some trap items. It leads to the correctness of data because it is easy to discard the questionnaire by looking at one glance. The research design is cross-sectional because data is collected at one point of time, and the respondents have the same attitude to give the response on all items while giving an opinion. The data was collected from postpaid consumers because the company admired this type of customer due to consistent revenue generator compared to other types of customers (prepaid). The prepaid customers are not regular customers, and even the company cannot predict their income about these types of customers. Postpaid customers are regular and more loyal customers. A total number of 560 questionnaires has been disseminated among postpaid customers. Out of 560, only 374 questionnaires were received. Out of which 342 questionnaires were used for analysis.

#### 3.1 Measurements

The scales were adapted for existing earlier studies. All items were in English because it is easy to understand for respondents. 5-point Likert Scale was used.

The measure of CSR was adapted from the previous research, and the number of items were four developed by Brown and Dacin (1997). The number of items of customer satisfaction was four developed by Cronin et al. (2000). The scale of consumer trust has 4 items developed by Morgan & Hunt, 1994; Sirdeshmukh et al., 2002). The construct of consumer loyalty has been measured with using the already developed Scale by Sirdeshmukh et al. (2002) and Zeithaml (1988).

### 4. COMMON METHOD BIAS AND SAMPLE ADEQUACY

The method of data collection was cross sectional. It was possible that the data may have some issue related to biasness. Podsakoff et al., (2003) explained that there might be a problem of CMB in the data that can be checked through single Harman factor test. Table depict the value which is 46.639. The value showed that there is no biasness in the data.

KMO test was suitable for checking the sampling adequacy. KMO value explains about the variance proportion that can be a cause by underlying factors. The value (0.905) indicates that there is no issue regarding sampling adequacy.

#### 4.1 Reliability and Validity Measurements

Mostly, composite reliability and Cronbach alpha are used to check the internal consistency of the constructs. The value closer to 1 indicates high trend but it should be 0.70. In some situations, the value of Alpha is acceptable to 0.60. Table no 1 showing the value of both composite reliability and Cronbach alpha. All the values are satisfactory and meet the criteria that have been told above.

Convergent validity can be assessed by looking the value of composite reliability and average variance extracted. The value of CR should be greater than 0.70 of all the constructs and AVE value should be greater than 0.50. If these two indicators (CR, AVE) meet the criteria simultaneously, so that the data have convergent validity. Table given below represents the value of CR and AVE, which are greater than 0.7 and 0.5 respectively.

Another way to check the convergent validity is factor loading. According to Hair et al., (2010) the factor loadings should be above from 0.5 and researcher use this criterion to assess the convergent validity.

**Table 1**  
**Reliability and Validity Measurements**

<b>Variables</b>	<b>CR</b>	<b>AVE</b>	<b>Cronbach Alpha</b>	<b>Factor Loadings Range</b>
Customer Trust ( CT)	0.858	0.604	0.875	0.736- 0.867
Corporate Social Responsibility ( CSR)	0.935	0.784	0.938	0.851- 0.912
Customer Satisfaction (CS)	0.930	0.768	0.937	0.842- 0.923
Customer Loyalty (CL)	0.913	0.725	0.911	0.808- 0.887

Abbreviations: CR, composite reliability: AVE, average variance extracted

#### 4.2 Correlation and Discriminant Validity

Researcher measured the discriminant validity by using the Fornell-Lacker (1971) criterion. The AVE of square root greater than the paired correlation of all the constructs. The diagonal bold values () represents the square root of AVE. Table 2 showing the diagonally square root of average variance extracted which are greater than the paired correlations of all the constructs.

**Table 2**  
**Correlation and Discriminant Validity**

Variables	1	2	3	4
Customer Trust ( CT)	<b>(0.777)</b>			
Corporate Social Responsibility ( CSR)	0.556	<b>(0.885)</b>		
Customer Satisfaction (CS)	0.406	0.805	<b>(0.877)</b>	
Customer Loyalty (CL)	0.700	0.279	0.095	<b>(0.852)</b>

### 4.3 Confirmatory Factor Analysis

Confirmatory factor analysis tells the relationship of observed and latent variables. It is multivariate statistical procedure that explain how well the measured variables represent the number of constructs. This technique helps to identify the data quality that will be used in data analysis. After build the model, the parameters are estimates, factor loadings to be observed, and later on the model fitness value observed. The model fitness indicators are CMIN/DF, CFI, GFI and RMSEA.

Table no. 3 shows the model fitness indicators. CMIN/DF value is 2.826 which meet the criteria that was less than 0.3. CFI and GFI are goodness of fit indicators. These values are considered good as high and the threshold value for the both indicators are above 0.9. RMSEA is the badness of fit indicators. It should be less as much as minimum. The threshold value of RMSEA is 0.80.

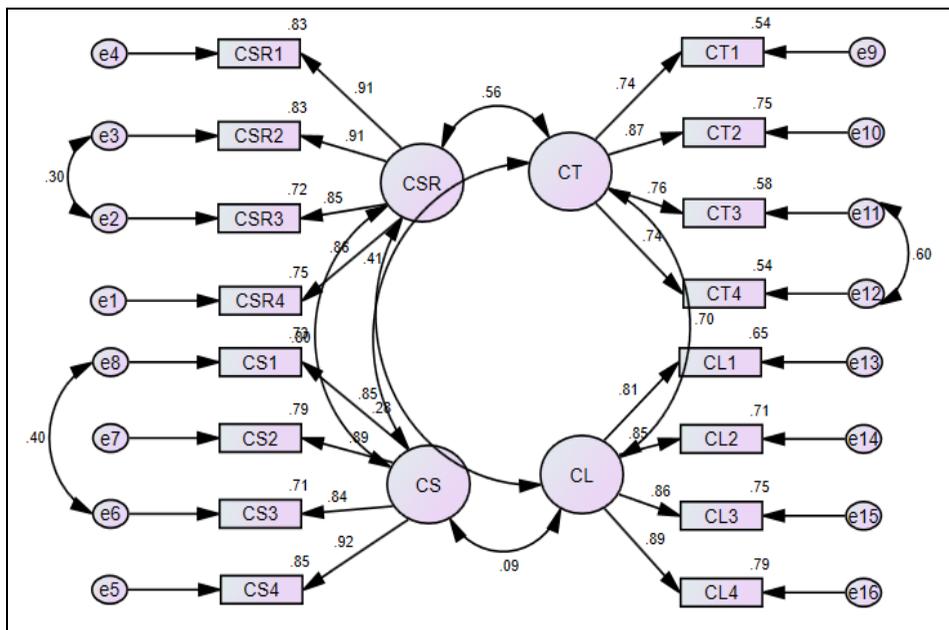


Figure 2: Confirmatory Factor Analysis

Table 3  
Model Fitness Indicators

	<b>CMIN/DF</b>	<b>CFI</b>	<b>GFI</b>	<b>RMSEA</b>
MODEL	2.826	.969	.928	.068

#### **4.4 Structural Equation Modeling**

Education research has made it the "hardest science" to recognize and describe the relationships between the person, social and political backgrounds, and interventions (Berliner, 2002, p. 18). Interpreting these dynamic relationships involves the use of multivariate statistical instruments that forecast one or more results in several different forms (e.g., mediation, moderation). For these reasons, in the field of life-science education research the structural equation model analyses have been used to describe dynamic sequential relationships between multiple analytic variables (e.g., Aragón et al., 2018; Corwin et al., 2018; Estrada et al., 2018). Modeling of Structural equation (SEM) is suitable for computational simulations, for example, for evaluating different mediated routes (Taylor et al., 2008; Williams and MacKinnon, 2008). Structural equation modeling is used to test the hypothesis. Researcher used simple regression to test the hypothesis. The result indicate that CSR has significant effect on CL ( $b=.235$ ,  $p=0.000$ ).

**Table 4**  
**Direct Effect of CSR on CL**

	<b>Estimates</b>	<b>P- Value</b>
CSR → CL	.235	***

Abbreviations: CSR = Corporate Social Responsibility, CL = Customer Loyalty

#### 4.5 Mediation Test

To check the meditation, bootstrapping was performed. In this approach, many new samples are created from the data by random selection of cases with replacement (in each of the samples, any case can be included more than once).

For H2, direct beta without mediation is .587 with 0.000 significance level, direct beta with mediation is .747 with 0.000 significance level. Indirect effect is -.448 and significance level is 0.000. All three paths are significant; the type of mediation is partial.

For H3, direct beta without mediation is -0.201 with 0.000 significance level, direct beta with mediation is -0.255 with 0.000 significance level. Indirect effect is .554 and significance level is also 0.000. All three paths are significant; the type of mediation is partial.

For H4, which was satisfaction of the consumer and loyalty of the customer serially mediate the association among CL and CSR. The result ( $b = .271$ ,  $p = 0.000$ ) shows CS and CT play a serial mediating role.

**Table 5**  
**Mediation Hypotheses**

<b>Hypotheses</b>	<b>Direct Beta w/o Mediation</b>	<b>Direct Beta with Mediation</b>	<b>Indirect Beta</b>	<b>Mediation Type</b>
H2: CSR-CS-CL	.587***	.747***	-.448***	Partial
H3: CSR-CT-CL	-.201***	-.255***	.554***	Partial
<b>Serial Mediation</b>				
	<b>Estimates</b>			<b>P-value</b>
H4:CSR-CS-CT-CL	.271			***

Abbreviations: CSR = Corporate Social Responsibility, CS = Customer Satisfaction, CT = Customer Trust, CL = Customer Loyalty

## 5. DISCUSSION

CSR effects on behavioral outcomes were studied as a basic feature. The CSR implementation is necessary and therefore every company spends his income for the development of CSR initiatives although, the concept of CSR in developing country is still in early stages. This study focusses on the execution of CSR for achieving the constructive conduct of the customers in the sector of telecom like trust, satisfaction as well as loyalty. CSR is an important initiative to increase customer satisfaction and create a strategic

advantage in theory. This is why we are integrating the straight and unintended effect of CSR on the faithfulness in Pakistan's telecommunications sector in our proposed model. These studies strengthen the present research and also use the CSR validation technology to yield optimistic behavioral outcomes. The H1 hypotheses show that CSR is a predictor of customer loyalty. The findings of the current research are very similar to previous ones (Yoo et al., 2015; Devadason et al., 2018). CSR effect on consumer loyalty and its effect remain also significant when it is mediated by satisfaction of the consumer and trust of the buyer as suggested by (Martinez-Conesa et al. 2013) The empirical findings endorsed our study's hypotheses and are similar to previous studies (Ozdora Aksak et al., 2016; Niqab et al., 2020; Islam et al., 2018).

The study checked the effect of corporate social responsibility on loyalty of the customer so the result indicates that the CSR is still a crucial factor for evaluating the behavior of the consumer. Results also predicted to telecommunication sector the importance of CSR and how much important is. As indicated in the literature, CSR was then used as a proactive strategy to build consumer relationships (Gelbmann, 2010). Few studies have explored the association among CSR and reactions of the customers, while the direct connection between CSR and customer satisfaction has been studied in the past (Sen et al., 2006). We know that only a small amount of research was carried out with respect to the connection among consumer satisfaction and CSR (Martínez and del Bosque, 2013), as a result the theoretical model suggested by the current study relates to marketing research. The results suggest that CSR offers a successful approach for developing a favorable view of the business in consumers' minds and for providing them with a forum to showcase its promises, efforts and activities in relation to the environment that goes beyond the legal obligations of the firm.

### **5.1 Theoretical Contribution**

The study is providing various analytical additions towards the existing literature. Firstly, by examining and validating the philosophical construct, this research expands the current literature by integrating different criteria of consumer satisfaction in the sense of the developed world. Extensive research confirms that the behavioral consequences in the service industry have a long history. In addition, CSR plays an important part in a sustainable environment that is comfortable with responsible enterprise. There has been no study on the results of the CSR in the developed world, in particular on the CSR and company accountability. This research therefore expands to our best understanding the literature on the fundamental process by which ethical policies of companies are linked to positive behavioral outcomes. Secondly, some researchers investigated the causal influence of CSR on consumer fulfilment in the service sector. Third, the latest study focuses on the conception of RBV and the perspective of stakeholders along with theoretically supports the proposed model. Fourth, this research presents the suggested model with empirical evidence that CSR affects consumer satisfaction in the service sector by mediation. Finally, this study offers guidance for administrators of companies and government leaders in the field of developed countries.

### **5.2 Limitations and Future Direction**

There are certain drawbacks to this report. Firstly, the targeted samples used for gathering the data was choosing to be the consumers of Pakistani telecom industry. In

future studies, other screening methods for a greater sample should be considered. Secondly, this analysis assessed his buildings as one-dimensional, but the buildings include sub dimensions psychological, financial and procedural; the generalizability of the sample is therefore restricted. Future studies may then use multidimensional models, and in other industries applying the similar conceptual framework. Thirdly, the findings are focused on a cross-section analysis, which requires empirical testing to verify the association between CSR and consumer results and for testing the findings of the study. CSR needs senior management engagement and significant capital to verify consumer reactions to the company's social activities in a longitudinal analysis. Fourthly, the computational model studied in Pakistan was focused on telecommunications firms that have such variables set in order that the results do not apply fully in other cultures. Finally, we just found the telecommunications market. As organizational mechanisms and culture vary from industry to industry, the results are limited to the telecommunication industry only.

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