

Empirical study on the relationship between corporate social responsibility and brand image with loyalty to a movie theater company in Mexico

Estudio empírico sobre la relación entre la responsabilidad social corporativa y la imagen de marca con la lealtad a una empresa de cine en México

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Abstract:

The objective of this research is to empirically validate a model that relates corporate social responsibility (CSR) and brand image as precedents of customer loyalty to a movie theater franchising in Mexico. For this purpose, quantitative, cross-sectional, and explanatory research is developed. Following the non-probabilistic sampling, a questionnaire containing already validated scales is integrated and provided through the Google Forms application, reaching a total of 252 valid questionnaires, whose informants were mostly young people between 15 and 24 years old. Through the structural equation modeling technique and using Stata software, the measurement model is verified, in which the constructs used met the requirements of reliability and convergent validity. Likewise, the structural model showed an acceptable fit. The results of the model showed that there is a positive and statistically significant relationship between CSR and brand identity and customer loyalty, which supported both hypotheses.

Keywords:

Loyalty, corporate social responsibility, brand identity, SEM

Resumen:

El objetivo de esta investigación es validar empíricamente un modelo que relacione la responsabilidad social corporativa (RSC) y la imagen de marca como precedentes de la lealtad de clientes a una cadena de salas de cine en México. Para ello se desarrolla una investigación cuantitativa, transversal y explicativa. Tras el muestreo no probabilístico, se integra un cuestionario que contiene escalas ya validadas y se proporciona a través de la aplicación Google Forms, llegando a un total de 252 cuestionarios válidos, cuyos informantes eran en su mayoría jóvenes entre 15 y 24 años. Mediante la técnica de modelado de ecuaciones estructurales y utilizando el software Stata, se verifica el modelo de medida, en el cual los constructos utilizados cumplieron con los requisitos de confiabilidad y validez convergente. Asimismo, el modelo estructural mostró un ajuste aceptable. Los resultados del modelo mostraron que existe una relación positiva y estadísticamente significativa entre la RSC y la identidad de marca con la lealtad del cliente, lo que apoyó las hipótesis planteadas.

Palabras Clave:

Lealtad, responsabilidad social corporativa, identidad de marca, SEM

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Antecedents

Companies nowadays are more aware of the problems found in their environment and are motivated to include among their business activities some social responsibility practices, also seeking to achieve a positive effect with their customers that can translate into brand loyalty [1].

In the literature reviewed, research was found that related consumer loyalty to variables such as brand identity [2], brand experience [3], service quality [4], customer satisfaction [5], consumer trust [6] and innovation [7], however, no research was found that jointly related CSR and brand image as antecedents of loyalty.

On the other hand, empirical research reporting a positive and significant relationship between CSR and customer loyalty was found in the banking sector [8] [9] and the jewelry industry [10]. Also, the research found that the relationship between these variables was not significant [3], so it is necessary to continue investigating the relationship between CSR and loyalty. That is why this research aimed to verify the relationship between brand image and CSR with customer loyalty of a movie theater franchise installed in the city of Pachuca, Hidalgo Mexico.

This paper continues with a theoretical approach to loyalty, brand image, and CSR. Subsequently, empirical research is developed to verify the relationship between these variables and to present the results. Finally, the discussion and practical implications resulting from the research are presented, along with limitations and future research.

Theoretical Framework

Brand loyalty

Brand loyalty is understood as the behavior of repeatedly selecting a particular brand over extended periods, even in the presence of other truly similar options [11]. Additionally, a typology of loyalty, attitudinal, behavioral, and composite, has been found in the literature. The first refers to favorable beliefs and feelings towards a brand or company that competes with others available. The second refers to the repeated purchase behavior of the products of a specific brand and finally, composite loyalty integrates the two previous ones (Dick & Basu, 1994, quoted by [12]). Additionally, behavioral loyalty is considered to have an impact on the company's market share, while attitudinal loyalty will have a positive impact on the relative value of the brand (Taylor et al., 2004, cited in [13]).

Similarly, other authors mention that customer loyalty is manifested in the attitude and behavior of preferring a certain brand under competitive conditions, because of the satisfaction that was provided by having consumed a certain product, that is, positive experiences with the consumption of a certain brand are a motive that generates customer loyalty [14].

Some recent research has reported positive and significant relationships between trust and loyalty to art festivals in Brazil [15], between satisfaction and loyalty to gyms in South Korea [6], between trust to brand and loyalty to companies in South Korea [16], between brand image and loyalty to restaurants in Kuwait [17], and between service innovativeness and loyalty to firms in the banking sector in Ghana [18].

Brand imagen

A definition of brand image is offered by Aaker (1996, cited in [11]) who defines it as the perception that consumers have of a brand, and if it is favorable to customers, it can protect the company from its competitors and improve the performance of the organization. In the same sense, Keller (2009, cited in [19]) states that brand image involves the perceptions and preferences for a certain brand in the consumer's mind. In this way, other authors argue that brand image plays a primary role at the time of purchase decision [11]. These perceptions that customers form about a brand come from different sources, such as the advertising they observe in different media, personal experiences, or word-of-mouth communication [20].

In the literature consulted, research was found that relates brand image to customer loyalty. One of them conducted in Bosnia and Herzegovina documents the positive and significant relationship between the brand image with loyalty to domestic and foreign brands [11]. Another research concluded that the brand image of a coffee shop company was positively and significantly related to customer loyalty in a city in China [21]. Finally, research is reported that evidenced a positive and significant relationship between brand image and loyalty to a tourist destination located in Taiwan [20]. Thus, it is possible to formulate the following hypothesis:

H1: The brand image of the movie theater franchising under study, has a positive effect on the loyalty of its customers.

Corporate Social Responsibility (CSR)

Carroll (1979) is one of the precursors who addressed the concept of CSR, and his definition included four dimensions that organizations should embrace: economic, legal, ethical, and philanthropic [22]. For other authors, CSR is understood as the extent to which organizations assume and face their economic, legal, ethical, social, and environmental responsibilities to their stakeholders [1]. Other researchers define CSR as a key element in the strategy of organizations and consider that society influences how they should conduct their business, monitoring their performance in the economic and social sphere [23].

In the literature is possible to find some research that relates CSR to consumer loyalty. In the United Kingdom, it was verified that CSR activities promoted by hotel companies generated a positive impact on the loyalty of their guests [24]. A second study concluded that CSR actions implemented by telecommunications companies in the Philippines were positively and significantly related to customer loyalty [22]. From the above, the following hypothesis is formulated:

H2: Corporate social responsibility actions implemented by the film company under study have a positive effect on customer loyalty.

Based on the above, Figure 1 shows the theoretical model to be tested.

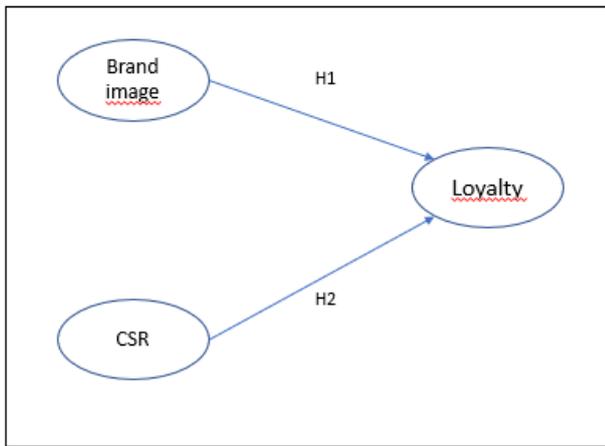


Figure 1. Theoretical model
Source: authors

Methodology

The empirical research is considered a population aged 15 years and older living in the state of Hidalgo, Mexico, who stated that they had attended the movie theater franchising and were aware of the social responsibility actions carried out by this organization. This movie theater has a presence throughout Mexico with four branches in the state of Hidalgo. A non-probabilistic sampling was followed, and data collection was carried out between April and July 2022. The questionnaire was provided through the Google Forms application, obtaining a total of 252 valid questionnaires. The data were analyzed using the statistical software Stata version 17. Table 1 shows that women represent 59% of the people participating in the sample. In addition, most of the respondents were young people between 15 and 24 years of age.

To collect information from the informants, an instrument composed of four sections was applied. In the first section, the informants were questioned about their sociodemographic profile, as well as their movie consumption habits. The second section consisted of five items related to the company's brand image, formulated by [25]. The third consisted of 17 items that integrated the CSR construct, the scale proposed by [26] [27], and finally, the loyalty section integrated by a five-item scale taken from [28] [29]. All items were measured using a Likert scale, ranging from (1) strongly disagree to (5) strongly agree.

Table 1 Informant characteristics

Variable	Category	%
Gender	Woman	59%
	Man	41%
Age	15 - 24 years old	79%
	25 - 34 years old	10%
	35 - 44 years old	4%
	45 or more	7%

Frequency of visits to the theater		
once a week		3%
once a fortnight		7%
once a month		29%
once every six months		42%
once a year		20%

Source: authors, based on results obtained from Stata software

Following [30], the measurement model was evaluated in the first instance it was verified that the constructs met the reliability requirement, through Cronbach's Alpha and composite reliability indicators, which should observe a level of at least 0.70. Likewise, the average variance extracted (AVE) was calculated to verify convergent validity, which the literature suggests should have a level greater than 0.50. The three constructs meet the minimum acceptable levels, and are therefore considered to meet the requirements of reliability and convergent validity.

Table 2. Reliability and convergent validity of constructs

Construct	Cronbach's alpha	Composite reliability	AVE
Corporate Social Responsibility	0.95	0.95	0.57
Brand image	0.70	0.80	0.58
Loyalty	0.86	0.87	0.58

Source: authors, based on results obtained from Stata software

Next, the model fit tests were calculated, obtaining a level of 0.05 in the Standardized Root Mean Square Residual (SRMR), and 0.08 in the Root Mean Square Error of Approximation (RMSEA), while the comparative fit index (CFI) was 0.91, with which the indicators are within the levels recommended by the literature (Hair et al., 2010), which establishes that the SRMR and RMSEA < 0.08 and the CFI > 0.90 [30], with which the results of the model is analyzed.

Results and Discussion

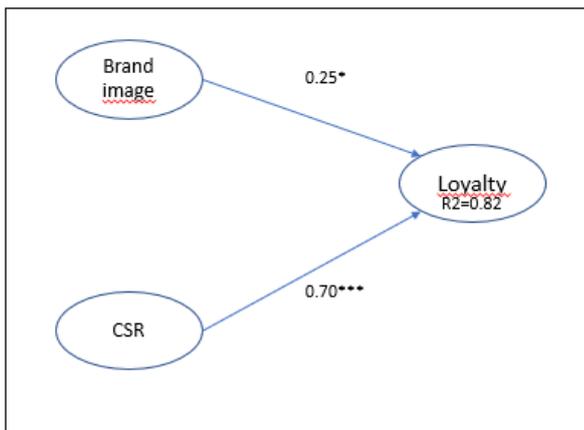
The hypotheses were tested using the statistical technique of structural equation modeling, through Stata software. Figure 2 shows that CSR is positively and significantly related ($\beta=0.25$; $P<0.05$) to the loyalty of the customers of the movie theater franchising, with which H1 found support. These results are in tune with what was reported by [1] who found that social responsibility actions carried out by sportswear brands, generated greater loyalty from consumers of these garments in Brazil. In the same sense are the conclusions reached by [31], when they found a positive and significant relationship between loyalty and social responsibility actions perceived by customers of two telecommunications companies in the Philippines.

For its part, it is observed that the brand image of the movie theater franchising in question was the one that presented the greatest impact on the loyalty of the

surveyed customers, so H2 is not rejected ($\beta=0.70$; $P<0.001$). The above is reminiscent of the work done by [21] who found that brand image mediated the relationship between brand experience and customer loyalty for the franchising of coffee shops in Taiwan. Likewise, these results support the findings reported by [19], who showed evidence that digital marketing activities promoted through social networks, influenced brand image and this in turn was related to customer loyalty of various companies in Turkey.

Additionally in Figure 2 is observed a level of $R^2=0.82$, which means that the CSR and brand image variables explain 82% of the variance of the loyalty variable.

Figure 2. Results of the proposed structural model.



* $p<0.05$; *** $p<0.001$

Source: authors

These results should motivate company managers to manage activities that contribute to improving the quality of life in the regions where they produce, as well as to help employees who wish to highlight in the company and reduce the waste of renewable and non-renewable resources, and to communicate these actions effectively. It is also desirable that its management activities help to create a brand reputation that distinguishes it from others, as these activities help to generate consumer loyalty.

Conclusions

The objective of this research was to propose and empirically validate a model that relates CSR and brand image with customer loyalty to a movie theater franchising in Mexico. The objective was achieved using the multivariate analysis technique called structural equation modeling. Using non-probabilistic sampling, a sample size of 252 informants, mostly young people, was reached.

The reliability and convergent validity requirements of the measurement model were verified using Cronbach's alpha, composite reliability, and AVE tests. Likewise, the structural model experienced an acceptable level of fit, as measured by the CFI and the SRMR. The results show that the two hypotheses were supported, so that CSR and brand image are positively

and significantly related to customer loyalty of the movie theater franchising installed in the city of Pachuca, Hidalgo, Mexico.

Even though the results showed to be statistically significant, it should be mentioned as one of the limitations of the research, the non-probabilistic sampling applied in the selection and size of the sample. It should also be noted that most of the informants were young people under 22 years of age and from a very specific metropolitan area of Mexico. Therefore, future research could be channeled to test this model following probability sampling and in larger segments of the population.

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