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THE EFFECTS OF CORPORATE SOCIAL
RESPONSIBILITY ON LUXURY BRAND TRUST

Master's Thesis by a 2nd year student
Concentration – Management
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**ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ
ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ**

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Описание цели, задач и основных результатов	Цель данного исследования состоит в выявлении взаимосвязей корпоративной социальной ответственности (КСО) и доверия потребителя к бренду “люкс”. Для ответа на вопрос исследования было необходимо решить следующие задачи: (1) определить понятийный аппарат бренда и корпоративной социальной ответственности; (2) выявить основные тенденции в индустрии роскоши и ее характерные черты; (3) проанализировать конкретные характеристики потребительского доверия к бренду; (4) разработать модель влияния социальной ответственности на доверие потребителей к бренду “люкс”; (5) изучить возможную взаимозависимость социальной ориентации люксового бренда на доверие к бренду. Для достижения поставленной цели на основе теоретического анализа была разработана модель для раскрытия взаимосвязи между доверием потребителя к международному люксовому бренду и корпоративной социальной ответственности через основные характеристики бренда. Тестирование теоретической модели было проведено на основе моделирования структурными уравнениями.
Ключевые слова	Корпоративная социальная ответственность, люксовый бренд, имидж бренда, доверие к бренду

ABSTRACT

Master Student's Name	Karina Baisheva
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Academic Advisor’s Name	Sergey A. Starov, Doctor of Economic Sciences, Professor of Marketing Department
Description of the goal, task and main results	<p>The purpose of the study is to identify the relationship between corporate social responsibility (CSR) and consumer trust toward luxury brand. To answer the research question it was necessary to reach the following objectives: (1) to define conceptual framework of brand and corporate social responsibility; (2) to identify trends and main characteristics of luxury industry; (3) to analyze the specific characteristics of consumer brand trust; (4) to develop a model of corporate social responsibility influence on luxury brand trust; (5) to investigate the possible relationship of luxury brand’s social-orientation on brand trust. To achieve this goal, a model was developed on the basis of theoretical analysis to identify the relationship between consumer trust towards an international luxury brand and corporate social responsibility through the main characteristics of the brand. The theoretical model was tested on the basis of structural equation modelling (SEM).</p>
Keywords	Corporate social responsibility, luxury brand, brand image, brand trust

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INTRODUCTION

Today social responsibility becomes one of the most discussed issues. It concerns all the spheres of the society and, thus, businesses contribute more to the development and maintenance of corporate responsibility strategies to reach several objectives of the company and target a complex social problem, bringing about a “social change”, which could imply environmental sustainability, protection of human rights and advancing ethics. Traditionally social responsibility has been mainly associated with social enterprises, where impact that a company has on a society is in priority. The companies with an established corporate social responsibility policy refer to a category of traditional business, following the companies that allocate some percentage of the revenues to charities and mainstream market companies. Socially driven business is the enterprise that has both characteristics of the traditional business and revenue generating social enterprise.

Corporate social responsibility has recently touched luxury market, which has drawn public attention and was not taken seriously for the decades. However, this attitude towards luxury brands stems from the low market openness level as well as the prejudice that luxury industry is a product of emotions and creativeness of its manufacturer, where the market players are predominantly guided by intuition rather than rationalism. Luxury market is regarded as special mainly because it does not fit in the traditional economic development models. It rapidly recovers from turmoils and hardly reacts on financial crises, and always introduces changes at the same time staying the leader of brand names number.

The concept of social responsibility and luxury are interrelated as luxury consumers are seeking for excellence in its variety forms. The most important feature here is the “quality” of the product that consumer purchases. If the history of the product creation implies the unsustainable production, violation of human rights during, for instance, the diamond mining, it can strongly affect the consumer’s attitudes towards a brand. The consumer does not want to purchase the product with a bad history of creation. Consumer buys a story behind the brand; and especially it concerns the luxury brands. However, still many of people cannot see the possible link between social responsibility, sustainability and luxury.

Luxury is a business of a brands’ variety and it is offering “dreams” to its consumers. These are major characteristics distinguishing this industry from the other ones. Traditionally, it is considered that such a brand is based on its philosophy and traditions, or historicism, emphasizing the brand’s historical context. Today, luxury brands should face new challenges, which rapidly emerge worldwide, and it refers not only to the consequences of technological

development processes known as digitalization. It can be observed that the meaning of the consumer's aspirations towards a luxury brand is also constantly transforming. Consumers are becoming more social aware, they expect social good when purchasing the product. Therefore, the aura of a luxury brand requires the constant process of recovery, which is one of the reasons to introduce new policies of the brand, and it also concerns corporate social responsibility within the company that, assumingly, increases the level of brand trust.

The research "The effects of corporate social responsibility on luxury brand trust" is dedicated to consumer trust towards social responsible luxury brands. The research question is "*Do socially responsible practices of luxury companies impact consumer's trust towards a luxury brand?*" The objectives of the research are the following:

1. to define conceptual framework of brand and corporate social responsibility
2. to identify main characteristics of luxury industry
3. to analyze the specific characteristics of consumer brand trust
4. to develop a model of corporate social responsibility influence on luxury brand trust
5. to investigate the relationship of an luxury brand's corporate social responsibility on brand trust

This study consists of three chapters. The first chapter is dedicated to the investigation of existing literature on brand and its characteristics, specifically luxury ones, and corporate social responsibility concept and its dimensions. The author of the research has reviewed the literature, which contributed both to the theoretical and empirical implications, to conduct the proper analysis and to answer the questions concerning the development of brand management strategies to follow social responsibility requirements. The existing literature provided the author with the necessary implications and contributed to discovering the research gap that is to be filled in the given research.

The second chapter is dedicated to the overall overview of the methods that are used for research on consumer behavior as well as the methodology of the current empirical study. It will describe the data collection process and analysis of the data, which was made on the basis of the multiple regression analysis. The third chapter provides the description of the analysis results, research limitations and managerial implications. It will elaborate on the possible practical solutions for the companies built on the statistical results.

CHAPTER 1. THEORETICAL RESEARCH ON BRAND CONCEPT AND SOCIAL RESPONSIBILITY

1.1 Investigation of a Brand Concept

1.1.1 Brand Nature and Definition

Traditionally brand is commonly associated with a combination of signs, symbols, pictures that are intended to identify the product and to differentiate its products from competitors (American Marketing Association, 1960). This vision of the term “brand” is proposed by the American Marketing Association: “A brand is a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers” (1960), which is the mostly used in brand management. Aaker (1996), Kotler (2012) and other well-known experts in the field of marketing and brand management also followed this definition. This leads to two main functions of the brand: product identification as well as the distinctiveness of products in a competitive environment. However, this definition is classical and narrow. For a more precise definition of a brand it is useful to consider the product concept, as it is closely related to a brand. According to this concept, the “core” of the product, or its first level, is the intangible benefit of an actual product, operational and technical specifications that define the basic use of the product, or, its benefit (Kotler & Armstrong, 2012). The second level is a generic product, a set of its attributes, its quality and brand image, meanwhile the next levels refer to the expected, augmented definition of a product, namely, its value-added services that distinguish this product from competitors’ products, in other words, the characteristics of the products that make a certain product more attractive to the consumer (Kotler & Armstrong, 2012).

The most important objective of effective brand management is to ensure that the brand influences consumer behavior, which is essential for maintaining profits (Romero & Yagüe, 2015). Hence, to achieve this, the company should have the unity of three components: goods and services, brand identity, brand image and brand content. It is necessary to mention such important concepts in relation to the brand as brand image or its perception, the identity of the brand or the company’s vision on how the brand should be perceived, brand positioning or the element of the brand identity and value proposition, which is actively communicated to the target audience (Faircloth, Capella & Alford, 2001). It is also essential to recognize the difference between brand name and the product and, therefore, the concrete reasons why it is necessary to create a brand, not just to promote the

product. Thus, the latter includes such features as application area, functional properties, quality and value. The brand properties include brand products consumers' association with the country of origin and the company, brand personality, and most important, emotional benefits (Nasab & Abikari, 2016) and benefits of self-expression that a brand can deliver to the consumer.

Having a strong brand is vital in the time of existing competing products with the same features. Brand can offer a lot more features and benefits that can help consumer to personalize the brand. In the marketing literature brand content is called brand identity, as one of the main functions of the brand is the identification of goods or services (Faircloth, Capella & Alford, 2001). Identification is the merger of perceived object with the one stored in memory, which could coincide on substantive grounds. Brand management specialists differentiate content when they use the brand and identity term. Thus, Aaker (1996) indicates that the identity of the brand is particularly the idea behind the brand, namely, brand perception that a company wants to achieve, the ideal content of the values that a brand could offer. Therefore, brand stands out for a special individuality, corporate knowledge and value system.

Aaker (1996) suggests the following definition: "The identity of the brand is a set of unique associations that the brand developers need to create or maintain. These associations represent the value of the brand and the promises that are given to consumers". Hence, the brand is a unique set of attributes associated with the brand that describes its promise to the consumers. Jean-Noël Kapferer (1997), leading European authority on brand management, indicates that a brand has a differentiation function and the function of having an influence on consumers. In this sense, brand has a character, goals and values that present a unique brand differentiation. According to the brand definitions proposed by the literature, it could be stated that a brand identity has the following characteristics: it is a strategic concept of a brand, its external expression, an aggregate of his identity; it reflects the unique brand characteristics that motivate the buyer; it plays a key role in the process of brand recognition of the consumers; forms its originality. Brand identity is the main motivational element of brand management. Kapferer (1997) believes that the brand identity is clearly defined when the firm formulates answers the questions about the specific purpose and vision of the brand, the characteristics that make the difference and the nature of the brand, its value or values. Thus, the characteristic feature of the system is a specific concept possesses the following features: unambiguous and precise identification, differentiation, influence on consumer behavior, i.e. retention of existing and attraction of potential customers. According to

Wheeler (2006), the basic requirements for the best brand identity systems are memorability and authenticity. Moreover, a brand should add value. Therefore, the identity of the brand should be unique, easy to understand and consistent with the overall level of development of the enterprise. The concept of the Brand Value Chain offered by Keller and Lehman (2003), one of the most valuable dimensions related to brand knowledge is brand image or brand association.

Therefore, looking on the brand, which is “a manifestation of consumers” (Aaker, 1996) and brand structure and characteristics, it can be concluded that the brand’s identity and brand image are the foundation for building brand coherence and brand responsibility. Building such a strong brand requires involvement of all the organization’s departments and taking into account all the stakeholders.

1.1.2 Strong Brand and Brand Equity Model

The number of brands is steadily growing, and for the existing brands it is more difficult to maintain reputation and trust of consumers in the circumstances of external and internal barriers. David Aaker, the author of one of the most famous work about branding “Building strong brands” (1995), discusses the obstacles that potentially influence the brand. Among these factors there are price, competitors proliferation, fragmentation of the brands in the media channels and different markets, the growing number of brands that could compete with the existing ones. Today brands are constantly facing these issues. The reasons mentioned refer to the external factor group, whereas Aaker (1995) outlines that the internal factors such as the constant willingness of the management to change the brand and to make it more related with the trends and the needs of the society as well as the willingness to invest elsewhere caused by chasing the profitability objectives and the bias against innovation that does not lead the organizations to perform short-term results.

These possible pitfalls for brand-managers can be split into several groups. The first one concerns attention to the brand image that could be unnecessarily high and demanding. Brand image, enhancing brand equity development, is based on the tactical aspects of brand management, while the overall system of the brand represents a strategic tool to create and manage long-term brand equity (Faircloth, Capella & Alford, 2001). Brand image can be also damaged by negative emotions evoked by company’s behavior (Nasab, Abikari, 2016). The second trap is the overreliance on brand positioning. Positioning always implies adaptation of the system of characteristic features of the brand to the specifics of the local market (Alden, Steenkamp & Batra, 1999). Brand positioning occurs by means of communication, and

marketing is only part of the brand identity. Positioning could mean possible destruction of brand identity in the case of taking too much into account the peculiarities of demand and supply in a particular local market, as the brand positioning is a local adaptation of the global brand identity (Aaker, 1995).

The following traps group is the one that is called “outside observer” (Aaker, 1995). In this case the brand owners, dragging the ability to influence consumer behavior, ignore the impact of a strong system of the characteristic features of the brand on the company’s employees, namely, the influence of corporate values, vision and mission, which is also mentioned in the research of Farjam and Hongyi (2015). The development of characteristic features of the brand is based on the principle of “inside out” to adapt the corporate culture to customer needs and market conditions. The principle of “outside to inside” makes it possible to take into account the needs of consumers with respect to the produced goods and services. Only the balance of these two trends allows the strategy implementation and satisfaction of customers needs. According to Aaker (1995), the fourth pitfall refers to the excessive enthusiasm for the development of the functional features of goods, its functional purpose, quality, etc. However, brand is more than just a commodity. Moreover, brand perception can be reduced to its visual and verbal characteristics only that contradicts the fact that brand is not only its brand name, logo, sales strategies, but it is also the idea behind it (Aaker, 1995).

Aaker (1995) describes ten possible guidelines for building a strong brand. The first one refers to brand identity and the perspective of four facets of the brand, namely, the brand-as-person, brand-as-organization, and brand-as-symbol, as well as the brand-as-product. It is also necessary to modify brand according to the demand of local markets and customer segments according to “consumer cultures” (Alden, Steenkamp & Batra, 1999). The second one concerns the brand value proposition, important for understanding and development of the relationship between customer and the brand. The next step following after the credibility is the positioning that also allows implementing the proper communication strategy between the brand and its consumers. Afterwards, brand management should follow the execution of the communication strategy and maintain the consistency of the brand, understanding the possible risks of changing its identity, as it is partially communication, which is able to change it either positively or negatively (Madhavaram, Badrinarayanan & McDonald, 2017). The author also outlines the necessity of building a strong brand system and brand portfolio. The portfolio of the brand, in its turn, should be clear and consistent with the possibility of future brand leveraging, brand extension still being focused on the integrity of the brand (Dacin & Smith, 1994).

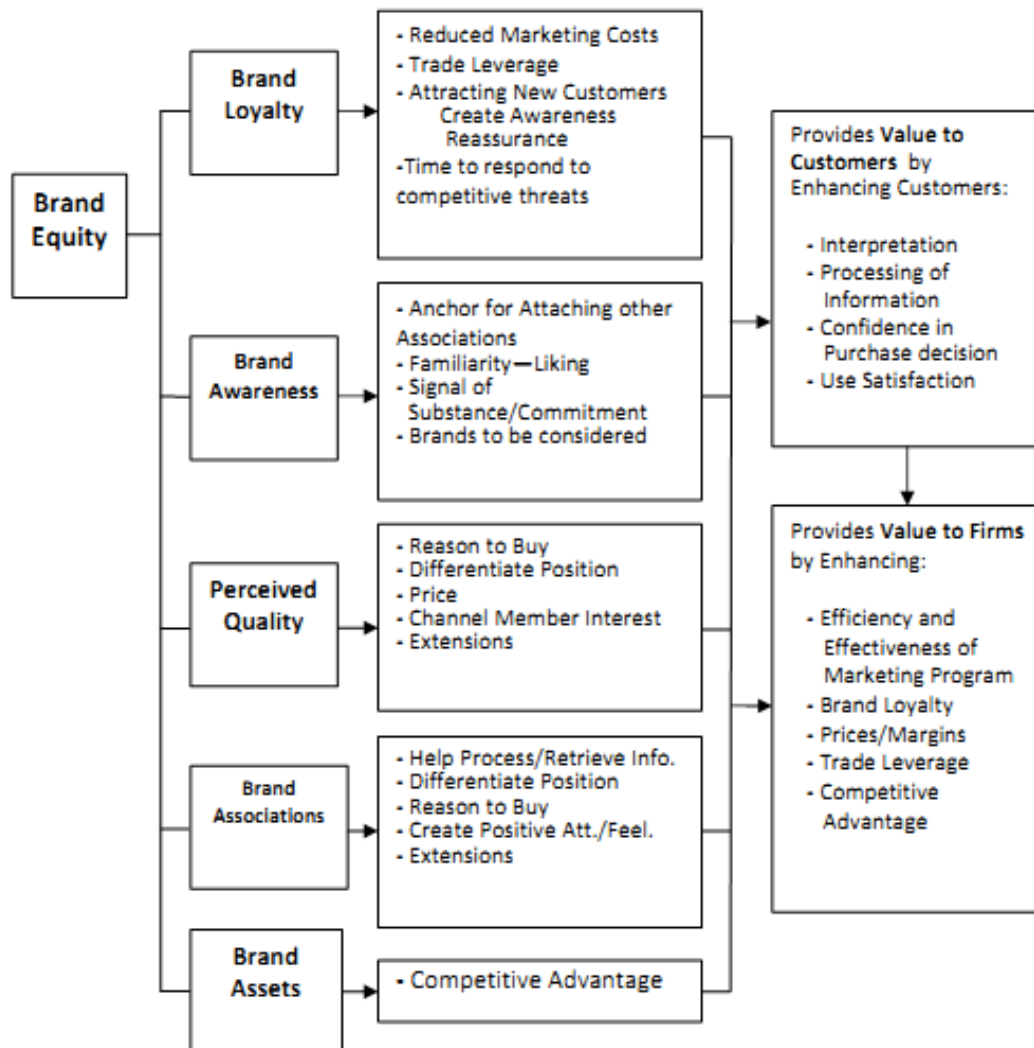


Fig. 1. Brand Equity Model (Aaker, 1991)

The author enhances the point about tracking the brand equity, which includes the following elements: brand awareness, perceived quality, brand loyalty, and brand associations and other corporate assets such as patents, trademarks, distribution channels, etc (Aaker, 1991). Brand equity, or brand assets, is usually understood as the cost of capital that brings added value (Faircloth, Capella & Alford, 2001). It is an assessment of the product's reputation, as is reflected in how consumers perceive the difference between the product and its superiority over others, leading to an increase in the volume of purchases (Avis, 2009). In other words, brand equity is the added value that becomes a product, associating with a particular brand name. According to Aaker (1991), brand equity is a collection of assets and liabilities associated with the brand, its name and symbol, which builds or weakens the value provided by the product or service of the company and or its customers. Brand equity also

implies consumer's perception of a brand and organization; namely, it should be trusted, admired and credible (Aaker, 1991).

However, there are other definitions and indicators of brand equity as the brand equity also depends on the other factors as brand personality, brand potential, competitive sustainability, and brand dynamics. For example, for Kotler and Keller (2009), brand equity is a link between investments in marketing and customer's knowledge of a brand. Farjam and Hongyi (2015) mention three perspectives of the brand equity: financial, customer and employee that were also distinguished by other authors. In this case brand equity stands for the customers' responses to the experiences with a certain brand, to the marketing activities that a company exercises concerning the brand. Interestingly, for Keller (1993), a customer should be in a situation that emerges the positive feelings towards the brand, and thus, the model includes brand imagery, feelings, performances, etc. The brand equity model reflects the relationship between the customer and the brand, starting from brand awareness stage, the ability to recognize the brand that refers to brand salience, to the brand loyalty, or the resonance stage, where the customer gets attached to the brand.

Besides, researchers and companies (Aaker, 1995) use the "brand essence" collocation, or "the DNA of the brand", which is the idea, the germ, as well as frames and borders, allowing the brand to develop. As the main characteristic of the goods of the brand, the essence is that the buyer notes with the act of consumption of the goods. This is a key component. In addition, the term can be regarded as a key promise of the brand that is usually transmitted into words, the most important thing in the brand identity. The essence of the brand is the core of the basic elements which cannot be changed and which influences its authenticity (Newman & Dhar, 2014).

In the B2C market, brand that evokes emotions of the customer is the only way to achieve sound and sustainable differentiation (Chouthoy & Kazi, 2016). If the brand is focused on the consumer's emotions, their trust and the margins of the company will be higher. The latter would support them in all the circumstances because of the emotional attachment (Chouthoy & Kazi, 2016). Today in the conditions of fierce competition of the brands, it is difficult to hold the leadership position achieved by introducing various innovations. When the company loses competitive advantages in terms of innovations, the emotional attachment is the only element that holds the consumers to the brand. Therefore, it is vital to maintain the emotional aspect of the brand that requires consistency of numerous contacts with customers.

To create and maintain an emotional brand is difficult as it is very difficult to break through the information noise and create a positive image of their brand in the consumer mind. To be attractive, brands must convey the quintessential essence during each communication process with a customer (Faircloth, Capella & Alford, 2001). This communication may be in store, on the media, on the brand page in social networks, or when the consumer uses the product itself (Parrott, Danbury & Kanthavanich, 2015). This is especially important in the fragmented world of social media. Brands should express its essence with clarity, gradually increasing it over time, in media and geographically, to finally form the vision in mind of the consumer. Small organizations are trying to achieve such consistency due to the so-called brand custodians, keeping in mind the full picture of the brand and blocking anything that could violate the consistency of its use Berthon, Hulbert and Pitt (2001). However, as the organization grows, the number of decisions increases and brand custodians are becoming a bottleneck that hampers development. For larger organizations, the brand should be conveyed through the entire company, so that everyone can act in accordance with it.

Therefore, brand equity and brand essence include several elements, emphasizing the necessity of the following: the main emotional brand promise that can be an advertising slogan; facts and symbols which could be easily found by a simple search; brand personalization and the feelings that the brand evokes in the consumer. There are several ways to create and maintain these elements. According to Capon, Berthon, Hulbert and Pitt (2001) in big companies the brand custodianship is the responsibility of the senior management as they have a complete brand vision. The authors also point out to the approaching or avoiding behavior of the brand, which leads either to customers' concerns, or, contrariwise, trust towards the brand resulting from economic, social or psychological benefits, e.g. "assurance that the product will continue to deliver functional benefits" (Berthon, Hulbert & Pitt, 2001) and feelings related to consumption.

Hence, maintaining trust, which is a prerequisite for brand purchase intention and loyalty, is essential for development of a strong brand that should have a competitive advantage to be distinguished from a growing number of new brands on the market. Brand trust is an attribute generated by a positive brand image, or, brand characteristics in the mindset of a consumer. To maintain the superior image, the companies should take into consideration emerging trends and demands of the society.

1.2 Social Responsibility and Brand Management

1.2.1 Corporate Social Responsibility and its Dimensions

The main business goal has always been the wealth creation and meeting the interests of the stakeholders, which can be either destructive or used for social welfare. Previously corporations followed one of two existing scenarios: staying out of social problems and focusing on making money or being involved in contributing to solutions of mostly environmental issues. To date, these major contradictions were “smoothed” by new concepts, for instance, corporate social responsibility being “a shared value” (Porter & Kramer, 2011).

Social responsibility concept has started its gradual development since 1950s, and gained momentum at the beginning of 1960s. During this period Bowen (1953) released the first fundamental work on social responsibility, which stated that the company’s social responsibility is the implementation of policy and initiatives that would be desirable for the purposes and values of the society and its well-being. It was pointed out that the concept of social responsibility could be extended to the business circumstances, making the organization more than just an economic integrity. The realization of broader social goals in business decisions can bring social and economic benefits to society (Choutroy, Kazi, 2016). This statement implied two different visions on social responsibility as an act, a contract between organization, businessman and consumers’ values and as the moral imperative of a businessman or, organization, which reflects and voices the society values (Bowen, 1953).

The next stage in the 1980s was the emergence of changes in the broader context of social responsibility (Blagov, 2015). The concepts of “business ethics” and “stakeholders” have emerged during period, namely referring to ethical behavior towards all the stakeholders, and social responsibility became a more discussed issue. At the beginning of the XXI century developed the theory of “sustainable development” and “corporate citizenship” were developed (Valor, 2005). The concept of “sustainable development” has entered into the system of the developed countries’ corporate governance after the United Nations Conference on Environment and Development in Rio de Janeiro, 1992. Some countries with developing economies, and most developed countries have undertaken important international obligations concerning business. After that a new management philosophy has appeared, and it was called “sustainable development” of the company, where any administrative decision is made taking into account the economic, environmental and social results.

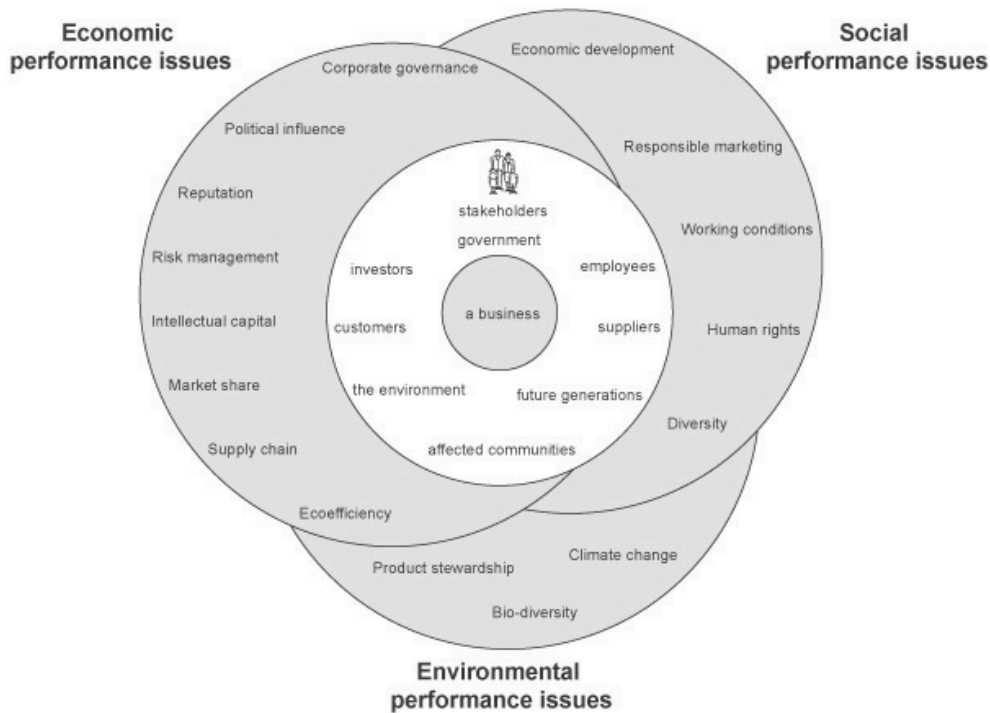


Fig.2. Defining Corporate Social Responsibility (UNIDO, 2007)

According to the principles of the United Nations Global Compact (2000), which is the largest initiative in the world of corporate sustainability, corporate social responsibility both internal and external dimensions can be divided into several categories: human rights, labour, environment and anti-corruption. Internal dimensions include stable, decent wages; a guarantee of social and medical insurance for employees; additional training opportunities, skills development; financial assistance in case of emergency. According to the external dimensions, the companies could be distinguished by the level of contribution they make, namely, social investment and philanthropy; concern for the environment; the level of company's responsibility for the consumers; interaction with the authorities and local communities. Companies that are focused on these dimensions refer to the companies with a global vision (United Nations Global Compact, 2000). Today, in most of developed countries of North America and Europe, social responsibility as a sustainability management system has become a key business ideology and the basis of social partnership with the authorities at all levels, as well as civil society.

In 2007, Triple Bottom Line (TBL) approach, first introduced in 1994 by Elkington, was used by UNIDO as a tool to put corporate social responsibility concept further (UNIDO, 2007). This approach served as a basis for UNIDO CSR Programme (2007), where the

central instrument for embedding CSR practices into business was Responsible Entrepreneurs Achievement Programme (2007). Triple Bottom Line approach implies finding a balance between economic, environmental and social aspects with meeting both shareholders' and stakeholders' expectations (UNIDO, 2007). Therefore, the definition of corporate social responsibility offered by UNIDO is the following: "Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and intentions with their stakeholders" (UNIDO, 2007).

Davis (1975) first considered the issue of social responsibility in the administrative context. He argued that the company's actions, even slightly beyond the direct economic interest, are related to social responsibility. At the same time socially responsible business practices can contribute to long-term economic effects. The concept of corporate social responsibility was based on five key points: social responsibility arises from public authorities; authorities should create conditions and set a social responsibility pattern as a two-way open system, taking into account the influence of society, market signals and being open to the public; social costs must be carefully evaluated and reviewed from the point of view of the lawfulness; social costs are allocated for each product, service, activity and are passed on to the consumer; business institutions are involved in certain social problems. Davis and Blomstrom (1975) determined the direction of corporate social responsibility as a duty of decision-makers to take such actions, which are directed not only to meet their own interests, but also to the protection and enhancement of social wealth.

The concept of social responsibility is used in many areas. However, only when it is used in a business context, pointing to specific areas of development, it becomes a clear statement. This allows researchers and specialists to divide the corporate social responsibility into certain categories. To be more precise, corporate social responsibility is a contribution made by the organization in the development of social, economic and environmental areas on a voluntary basis, it is related to the ethical identity of the brand, which is "a concept in which the corporation is a citizen of a society with rights and responsibilities" (Alwi, Ali & Ngyen, 2017).

Some types of social responsibility are of a legal nature and reflected in the legislation, for instance, providing quality services and products to consumers; creation of legitimate jobs; the official issuance of wages; financial investment in staff development; strict compliance with tax, labor, environmental and other laws; litigation with regard to ethical and social expectations and contribution to the society through the implementation of social programs and projects, both individually and within collaboration with other

organizations. According to Carroll (1979), CSR is the set of “economic, legal, ethical and philanthropic expectations that society may have towards the company”. Corporate social responsibility dimensions were also described by Bhattacharaya and Sen (2004) who claim that CSR implies following the principles of ethics and environmental values along with pursuing commercial objectives. Barnes (2011) also distinguished several CSR dimensions similar to the ones of the previous authors. Thus, he outlines that there are internal employment, ethics, economics and legal components that affect the brand trust of the consumer.

To conclude on the CSR dimensions, it is necessary to outline that there is no clear unanimity about the concrete dimensions. All of them, however, are based on the principle of company’s responsibility to embed social, economic and legal aspects and the company’s commitments, namely, social and environmental issues as well as the issue of governance (Freeman, 1984). Ammar, Naoui and Zaiem (2015) refer, however, to four most common dimensions mentioned in the literature, which are the following: environmental (activities consistent with the company’s interests undertaken to protect the environment); economic (the company’s core responsibilities and following the society needs); social (the accountability to consumers, employees, society and stakeholders); philanthropic (material and non-material contributions to the community welfare).

1.2.2 Socially Responsible Brand

In the recent decades, there has been a continuous increase in cause sponsorship and corporate social responsibility initiatives. More companies tend to choose, for instance, donations or other forms of social investments as a part of their strategy. This explains the trend of applying cause-marketing practices in the companies that witnessed the consumers’ response on their marketing message including a cause. Corporate social responsibility is usually attributed to a corporate brand meaning (Villagra & Lopez, 2012). A brand that can address the emerging trends and demand of the society and, hence, consumers, gains an advantage in competitive circumstances. Thus, Edelman study (2012) has demonstrated that in the conditions of the products’ quality and price equality, social orientation of the brand has significantly impacted on the consumer’s buying behavior. Greene (2012) has stated that the purpose relevance in the global consumers’ motivations has shifted upwards to 26 percent, which could mean a step towards the stronger brand affinity. Contrariwise, there is also a phenomenon of corporate social irresponsibility, (Nasab & Abikari, 2016), which

evokes negative emotions of a consumer and leads to brand distrust or brand switching. This can refer to ethical violations, for instance, disrespectful attitude towards employees.

It became obvious that the trend of social responsibility initiatives becomes the norm for most global companies, such as Apple, Google, Microsoft and many other companies that have demonstrated their social responsibility to the society (Smith, 2012). However, there are different companies and different understanding of social responsibility. There are many concepts that characterize social responsibility of business in forms of charity, philanthropy, social-marketing programs, sponsorship, etc. Despite the fact that each concept has its own characteristics, it can be generalized that all these concepts are reduced to one, namely, to assist those in need or to solve a global problem that humanity faces. Today, the social and marketing activities are not only aimed at solving social problems, but also to obtain economic benefit, expressed in increasing sales, increasing customer trust, strengthening the company's position in the market (Zhang & Hanks, 2016).

Authors on social responsibility and sustainability literature (Du & Sen, 2015) traditionally distinguish five steps in the development of social-marketing strategy of any organization to build competitive advantage: charity, which is expressed in support of the one-time, unsystematic appeals of citizens and civil society organizations, unfortunately, social activity usually stops on this without affecting the development of the enterprise and society; sponsorship of socially significant events and projects as both an access to the organization's target audience and a tool of socially responsible marketing (Elving, 2010). The following step is to define a clear focus on the priorities of the company's social activity, which is part of the company's image, creating additional intangible assets of trust and preference, for instance, the development of charity policy of the company inscribed in its strategy. The final step, according to authors (Du & Sen, 2015), is building a corporate charity policy that solves social problems of employees and corporate enterprise objectives.

Socio-marketing projects can be an effective means of promoting brands and at the same time a tool for solving social problems: strengthening company's reputation and image; strengthening relationships with customers; increase customer loyalty and employees; increasing the investment attractiveness of the company (Du & Sen, 2015). Therefore, the social and marketing activity is a symbiosis of charity, sponsorship and PR, appealing to the public good. Today, company's success can be measured according to the extent it contributes to the societal well-being, whereas earlier it used to refer to financial performance of the company. According to Saunders (2006), the consumers are more prone to advice a brand that tends to contribute to social problems resolution, and are more likely to buy these

brands even if they are more expensive than the ones that are not concerned with social issues. This provides company with a possibility to reduce its liabilities and insurance costs and to strengthen a brand image. Consumers perceive the brand according to the brand performance and brand equity that was discussed above. Brand equity implies consumers' perception of a company above those that are refer to the product quality (Aaker, 1991). Brand performance implies the contribution of the brand towards the business performance.

Previous research demonstrated that corporate social responsibility has a positive effect on brand loyalty. Brand loyalty, according to Armstrong (2008), is defined as the purchasing patterns of a consumer. These patterns repeat towards a particular brand that consumer usually purchases. Brand loyalty also includes consumer's recommendation and promotion of the brand to others. Brand loyalty can be classified: the hardcore consumers who purchase only one brand; the softcore buying a small number certain brands; and the switchers who are not attached to any brand. Kotler (2008) states that CSR policy of the company transforms the "softcore" and "switchers" to the "hardcore" consumers category. He outlines that a company should definitely take social responsibility into consideration to the extent it can do it. However, when implementing corporate social responsibility into brand's strategy, proper CSR communication should be considered in order to avoid creating consumer skepticism towards a brand (Elving, 2010).

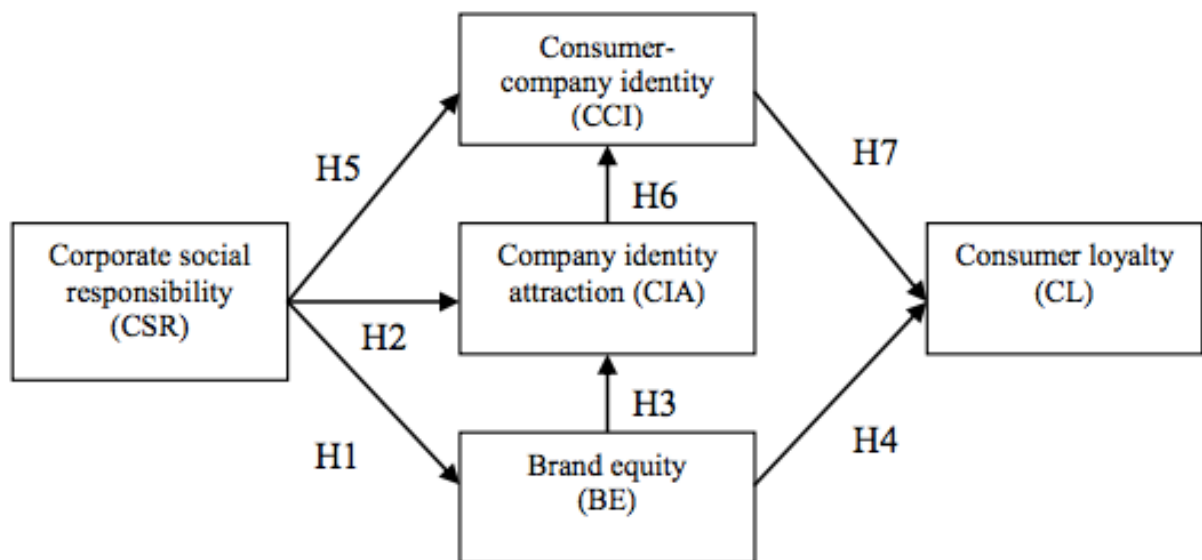


Fig. 3. The Impact of CSR on Consumer Loyalty (Raman, Lin & Nail, 2012)

Raman, Lin and Nail (2012) in their research have proved that there is a strong correlation between consumer loyalty and CSR, namely, the more CSR initiatives are

companies taking, the stronger is the loyalty. The research was conducted on the bases of a survey on a Malasian electronic company. However, the authors confirm that there could be further investigations for better understanding the interdependency of social orientation of the company and brand loyalty. The authors mention that brand loyalty is related to consumer-company identification, which can be distinguished and measured in the following categories: extent to which a consumer is willing to support an organization; the consumer's affiliation level towards a particular company and similarity of the other consumers' patterns in terms of attitudes to the company.

However, looking at the brand equity mentioned previously, brand trust is a prerequisite for brand loyalty and brand commitment. Chouthoy and Kazi (2016) outline the essential role of CSR being binded to the business model of the organization and having an important impact on the brand trust that lies in the brand commitment as the customers tend to follow their buying patterns towards the products that they trust. In their view, CSR implies "a corporation's or brand's assurance to make the most of long term economic, societal, and environmental welfare through business practices, policies, and resources".

Brand trust, in its turn, is the guarantee that the brand pursues positive functions to the customer and that the latter will demonstrate the higher level of brand commitment. In their study the authors also include the important point concerning the organizational models, namely, adaptable and non-adaptable, to incorporate a specific brand with CSR practices, e.g. mission-driven model meaning that social responsibility is in the heart of the business idea, which leads to the existance of "social enterprises" or communication team model implying the CSR is a responsibility of the communications team (Choutroy & Kazi, 2016). Considering organizations in the luxury industry, it can be concluded that these companies mostly refer to adaptable models as they are mostly focused on creating wealth. However, as it will be discussed later today almost all the companies follow the CSR integration policies.

Ammar, Naoui & Zaiem (2015) in the study on the influence of the CSR perceptions and brand trust support the idea that social responsibility practices enhance the image of the company and consumer trust, "which is meant to secure competitive positions on the market and the development of lasting relationships between various stakeholders". They outline that the companies respect for the environment, consumers, workers and regular philanthropic activities have a positive impact on the brand trust playing a moderating role. The study was conducted in the relation to the food industry as one of the ost sensitive in terms of CSR. The authors used Gurviez and Korchia (2002) scale to measure the brand trust with several dimensions, however, the sample was divided into groups of individuals who, assumingly,

were most involved in the support of the company’s activities and least involved reciprocally. The study demonstrated that the mentioned dimensions do play the enhancing role in consumer confidence towards the brand.

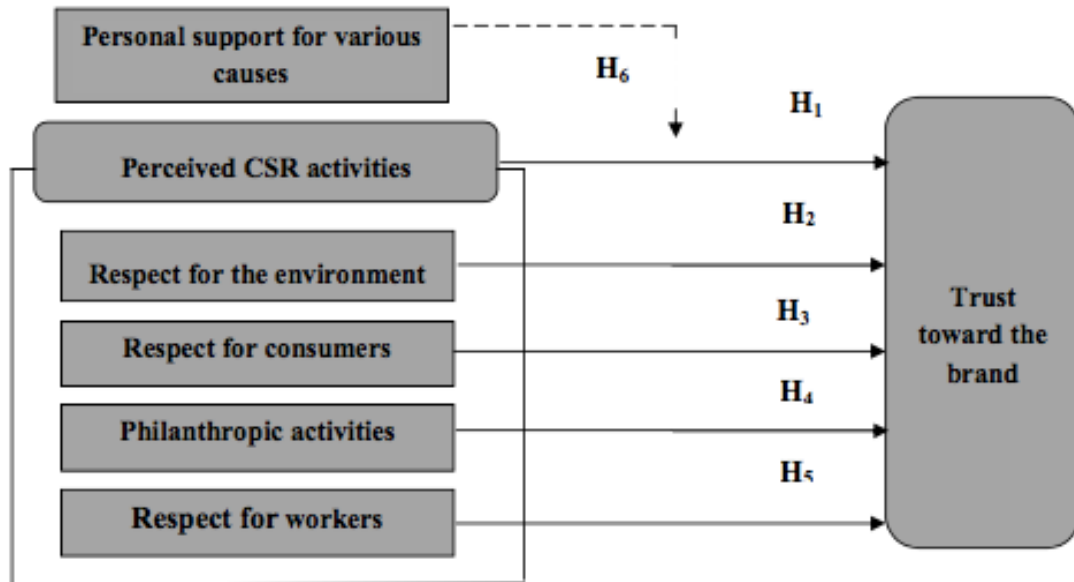


Fig. 4. The Influence of the Pereptions of CSR on Trust toward the Brand
(Ammar, Naoui & Zaiem, 2015)

Other investigations on social responsibility and brand trust role demonstrated the similar results supporting the assumption that CSR enhanced the trust and affinity of the consumers towards the brand, being “an integral component of brand identity” (Brusseau, Chiagouris & Fernandez Brusseau, 2013) in case the initiatives are authentically built. An interesting point mentioned by the authors is that while consumers of the brand tolerate social component, the majority of them is “less willing to tolerate, however, the sense that the reason for the social action is the profit or, stronger, that the social cause is being exploited for profit” (2013). That lets the author of the current study assume that in relation to luxury industry this prejudice does not refer to luxury industry, as luxury companies perceive the business they do more as an art than profit oriented, which is known by the consumers. Hence, the motive of the CSR activities of a luxury company should be clear and considered as authentic and non-conformist, being a result of “broadening the spectrum” of CSR dimensions and the meaning of what business could give to society (Brusseau, Chiagouris & Fernandez Brusseau, 2013).

1.3 Luxury Brand and Social Responsibility

1.3.1 Luxury Brand Definition

There are several approaches towards the definition of luxury and luxury brands used in scientific research. According to Andreeva, the author of “Marketing of luxury: Modern strategies”, (2010), “luxury”, which is usually taken as a synonym of “wealth”, has, however, nothing in common with the latter. Luxury is “a certain form of a game with consumer, where both manufacturer and consumer win” (Andreeva, 2010). This definition is an example of a specific understanding of what luxury is. It describes the core idea of the industry, which was also emphasized by famous creators, whose names are associated with luxury: “Some people think luxury is the opposite of poverty. It is not. It is the opposite of vulgarity” (Chanel, fashion designer); “For our customers the ultimate luxury is defined by exclusivity and customisation” (Giorgio Armani, head and founder of the Armani Group).

Several studies have considered luxury as a brand property and introduce a vague term of a “dream value” (Dubois & Paternault, 1995): “It seems particularly difficult to explain and predict the conditions under which “dreams” of luxury emerge and how such dreams materialize into purchase acts”. The result of the research demonstrated the relationship between awareness and luxury brand purchase, as well as the relationship between awareness and a consumer’s “dream” as the authors call it (Dubois & Paternault, 1995). Nevertheless, the correlation between “dream” and “purchase” was not proven. Instead, the authors derived the following “dream formula”:

$$\text{DREAM} = 0.58 * \text{AWARENESS} - 0.59 * \text{PURCHASE} - 8,6$$

The “dream formula” demonstrates that awareness is a main attribute for a luxury consumer. Whereas it creates a “dream” for a luxury consumer, the purchase destroys it. This accurately describes marketing and branding paradox in luxury industry. While for most of the goods of various categories, the main objective is a demand increase, for luxury industry the most challenging task is the creation and development of proper brand image that should emphasize its exclusivity and value (Dubois & Paternault, 1995). Luxury brands imply a specific identity and a unique vision and standards, “translating their vision into symbolic characteristics and thereby creating the greater part of their product benefits” (Kapferer, 2001). Therefore, this vision should be stable; it cannot constantly change and be significantly adapted it to new trends and short-term consumer expectations.

Kapferer (1998) argues that market of mass and luxury brands has a pyramid

structure, at the top of which are products called griffe, a «materialised perfection», implying unique work pieces. Followed by the luxury brand category, however, griffe products are made in a limited number of units according to specific traditions, serving as the guarantee of the highest quality. The third level refers to the upper-range brand, more rationalised luxury brand versions that are available to a broader target audience. This stage is where the industrialisation process starts, when the brand names allow generating the added value for high-quality products. Therefore, luxury management is based on the system of the interaction between these levels. Interestingly, the third level of the upper-ranged brand is the basis for generating profits, which allows investing into the griffe creation to maintain the aura of uniqueness and creativity (Kapferer, 1998). The key point in luxury brand-management is to prevent the product from shifting to the lowest level of mass brand.

Availability is the feature that weakens the whole idea of a luxury brand, and mass-produced luxury is a contradiction to it as otherwise the main work of luxury industry would be not to produce luxurious goods, but “to decrease costs while pretending that quality remains as high as ever” (Hutzler, 2011). For this reason, the industry hinges on “a fragile paradox” (Andreeva, 2010). Once the industry is following the path of democratization, turning luxury goods into commodities anyone can possess, it loses its identity, and thereby impers its economic viability; thus, the reason luxury is immune to market fluctuations is its value that is by definition timeless and transcendent (Hutzler, 2011).

According to Bruno and Castelli (2013), “for the consumer, continued excellence over time allows the brand to acquire a strong reputation and maintain a first class position. To achieve luxury status, brands need to have a strong, legitimate and identifiable aura”. Luxury goods companies “must create and maintain desirability” (Bruno, Castelli, 2013), one feature of which is “a strong aesthetic appeal that is modern but related to traditional values; another feature is high price, which strengthens the product’s social status, the product’s rarity and uniqueness” (Bruno & Castelli, 2013).

Groth and McDaniel (1993) describe the basis for the development and maintenance of a luxury brand image and argue that it is positioning and prestige pricing that reinforce a positive and exclusive brand image. In this sense the exclusivity implies brand positioning and requires a special price that is higher than the one for analogical items. The possibility of such positioning is determined by the exclusive value principle (Groth & McDaniel, 1993). In its turn, the exclusive value is a difference between the market value and pure utilitarian value. For a consumer, luxury item market value is based on pure utilitarian value and exclusive value premium, and for the producer sales price should be higher than

manufacturing and marketing costs, therefore, in this case, is constituted from product related costs (production and marketing) and, again, exclusive value premium (Groth & McDaniel, 1993).

Aaker (2004) outlines that it is brand architecture that sometimes allows the brands to function as an entity. The brand architecture is especially important when it comes to the complication of the brand functioning conditions, for instance, the increasing number of product offerings, development and complication of the distribution channels, emergence of new competition types. Therefore, according to Aaker (2004), structured brand architecture is the foundation for brand management strategy development. Aaker provides an example of Ralph Lauren as one of the most successful historical examples of brand architecture that managed to cover different distribution channels, customer segments and product categories with the help of certain brands connected by the names, subbrands and supporting brands.

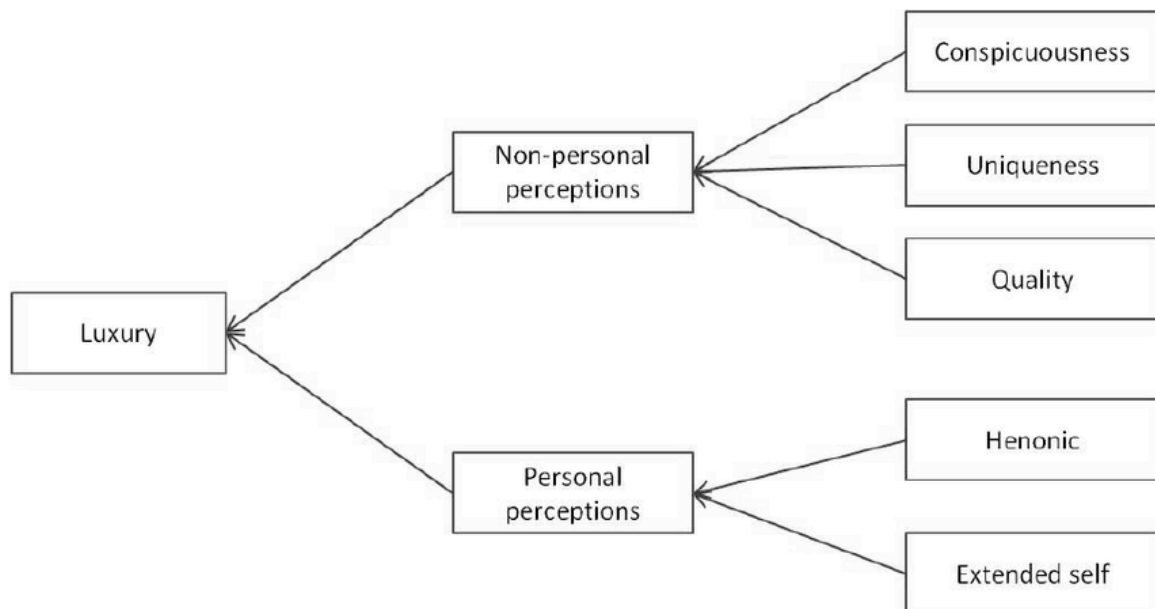


Fig. 5. Framework of Luxury Brand (Vingeron & Johnson, 2004)

A large-scale luxury brands analysis was conducted by Vingeron and Johnson (2004). The objective of the study was to formulate the model of a luxury consumer brand perception, to specify the characteristics of a luxury brand and to found a system for luxury brand measurement by the Brand Luxury Index development (BLI). The framework of a luxury consumer perception of a luxury brand consists of personal and non-personal levels as it is presented on Fig.5. Such characteristics as conspicuousness, uniqueness and quality refer to non-personal perception, whereas hedonic and extended self-influence the specifics of personal perceptions.

As the premise for the Brand Luxury Index development, the authors (Vingeron & Johnson, 2004) used several ideas: every market implies existence of two brand types, luxury and non-luxury, and luxury market is not homogenous. Consumer's perception influences the brand's positioning in the case when the brand can take the highest place in one product category, being at the bottom of consumer ratings in another one. For instance, Cartier jewelry is perceived as a high-end luxury by the consumers, meanwhile the brand's perfumes do not have such an image in the consumer's mind. On fashion market, Giorgio Armani is considered to be an unmatched luxury, however, Emporio Armani is more demanded due to the lower prices. The question that arises is how to measure the level of "luxuriousness" of the brand.

Vingeron and Johnson (2004) applied five core characteristics of luxury brand, conspicuousness, and uniqueness, quality, hedonic and extended-self, to the process of Brand Luxury Index development demonstrated in Fig. 5. The researchers investigated consumer's characteristics perception by interviews with luxury consumers and further content analysis. As the result, Vingeron and Johnson (2004) offered Brand Luxury Index as a tool for measuring the extent to which consumers perceive a brand as a luxury. The Brand Luxury Index allows to get the comparative quantitative indicators for estimating the level of the brand «luxuriousness» in different product categories and geographical markets. Therefore, this instrument can help to identify special segments, or clusters, in consumer's perception of a luxury market. Considering luxury brand image, the scale offered by the authors allows to define luxury category that consumer associates a brand with, and the way this perception relates to brand's positioning. Moreover, it can define the characteristics that need either to be strengthened or changed depending on the competitors' positioning on the market.

Another authentic framework on luxury brands was offered by Michael Beverland (2004) who distinguished six components of a luxury brand. In contrast to other frameworks, the Beverland's contributes to understanding the process of a luxury brand creation, development and maintenance throughout time. The key elements of the framework are product integrity, value driven emergence, culture, history, marketing and endorsement. These elements as it is demonstrated in Fig. 6 positively influence luxury brand image and tend to enhance the consumer's affiliation towards the brand. Here, the most interesting and valuable to notice dimension is value driven emergence of the brand which can either create or destroy positive brand image (Beverland, 2004). This also refers to corporate social responsibility as an influential component of value driven emergence as it is straightly related to brand values.

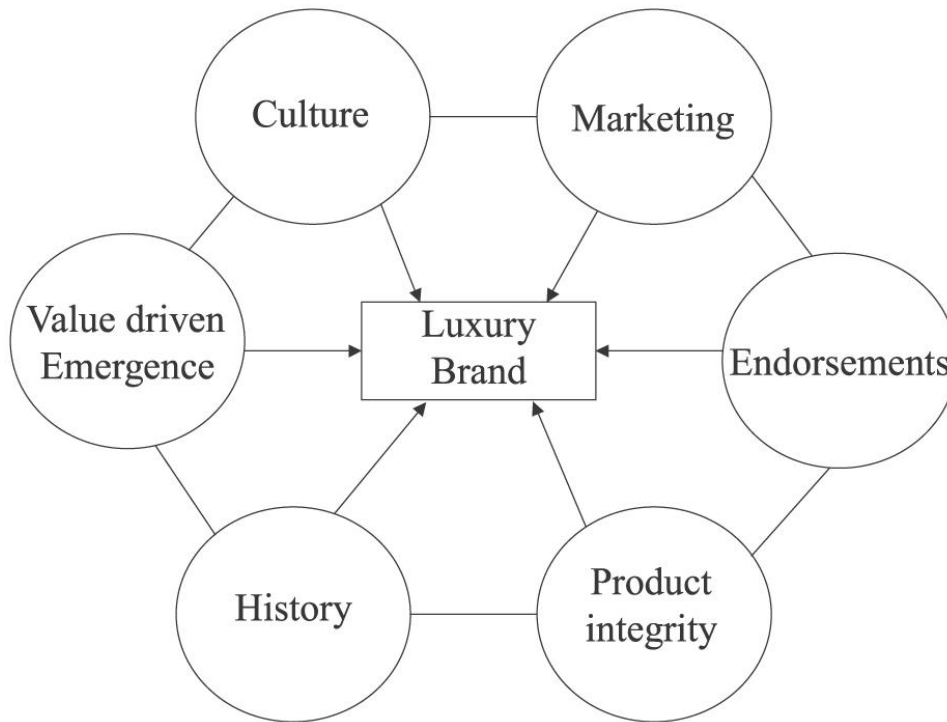


Fig. 6. Model of a Luxury Brand (Beverland, 2004)

- Integrity implies a set of characteristics connected with luxury goods production. These include quality, high attention to details, reliability and integrity of the brand.
- Value Driven Emergence is the synonym of a producer’s philosophy and methods of leading business that should enhance brand reputation and brand image.
- Culture/History allows the usage of historical and cultural facts and material evidence in practice is a necessary condition for companies-producers of luxury brands. Approaches towards the historical heritage can be different. The author outlines story telling and policy. All the historical facts transform into a certain culture, which is inherited within generations.
- Marketing/Endorsement are the part of a corporate culture. Having analysed the market of elite wines, Beverland argues that luxury goods producers do not use the marketing strategies to manipulate consumers’ needs by intruding the intrusive advertisements, etc. Hence, consumers should themselves decide on what they want and the reasons for that. Therefore, instead of using the word “marketing”, luxury producers tend to use the definition of “endorsement” in the sense of “support” without intrusive influence on consumers minds in favour of the act of purchasing (Beverland, 2004).

Concerning the core characteristics of a luxury brand, the main features are similar to the ones outlined for luxury in general. However, a brand should not be associated only with a high quality or excellent design. A luxury brand is like a person with its own history and heritage. The latter implies the craftsmanship that comes from the brand founders (Louis Vuitton), following the manufacturing traditions and appreciation of the manual labor (haute couture clothes, high-end jewelry). Besides, the uniqueness of a luxury brand is reached by special production limitations and marketing. The limited number of goods creates the brand exclusivity and consumers' "waiting lists". In its turn, marketing through the selective distribution and premium pricing, supports the brand positioning based on the combination of emotional attractiveness and the idea of a luxury product perfection (Beverland, 2004).

Nueno and Quelch (1998), however, outline that besides of these features, a luxury brand should have a global reputation; brand presence should take place on the key geographical markets. Presented everywhere, a luxury brand should also be associated with the country of origin and with the brand creator's personality, his values as well as both personal and professional qualities.

One of the most important characteristics that the authors mention implies that a brand should always be "in tune with the times" and the ability of the brand to stay modern. Brands, including luxury ones, should provide effective communication of its value to the consumer, stating its benefits and connecting with consumers at the emotional level. It is usually reached through a story told by advertising campaigns (Nueno & Quelch, 1998). "The most iconic of brands over time, mastered the art of really digging into the "soul" of a brand. How it was differentiated from others and how it should be expressed in all parts of the world" (Armano, 2016).

Armano points out that modern brands should master the relationship between three key facets for how brands sustain their relationship with consumers after answering what the brand stands for:

- Strategy presenting the balance between business, brand and consumer objectives.
- Creativity, which is becoming more complicated nowadays. Exceptionally compelling stories and experiences motivate people to make a purchase.
- Agility, the most disruptive dynamic out of the three facets as today's consumers have ever-evolving values, demographics and technology & lifestyle habits.

So, Parsons and Yap (2013) investigate the link between dedicated the corporate branding, emotional attachment and brand loyalty in luxury industry; namely, empirically tests a theoretical framework that grasps the influence of corporate branding factors on customer emotional attachment and, hence, brand loyalty reciprocally. The authors (So, Parsons & Yap, 2013) confirmed that emotional attachment based on corporate values and associations seems to be the most important factor for the customers of luxury good and provide the example of the way the research could be conducted and what flaws that could lead to the shortcomings might emerge.

The authors (So, Parsons & Yap, 2013) claim that to maintain a strong brand and to remain competitive, a luxury firm should consider several factors or characteristics that, from the customer's perspective, deliver multi-faced benefits, for instance, social status, sense of belonging, etc. These factors include innovation, product craftsmanship, recognizable and exclusive style, premium pricing.

Today's luxury customers are placing more emphasis on the emotional value that affects making the purchase decisions (Bain & Co., 2005; Choo et al., 2012). Therefore, as the luxury market steadily grows and wealthy customers become less loyal, most luxury firms are shifting from focusing on merely "building social status" towards "customers emotional attachment" cultivating brand loyalty. To bolster corporate reputation that contributes to cultivating the emotional attachment and building customer loyalty, corporate branding strategy has always been used as the long-standing business practice.

The study (Soo, Parsons & Yap, 2013) addresses the relationship gap between the concepts of customer emotional attachment, brand loyalty and corporate branding by putting forward the conceptual framework that captures the corporate branding attributes on customer emotional attachment and brand loyalty. The customer's emotional attachment is determined by brand liking, brand affection, and brand connection, as they seem to make the customer to be committed to a brand and stay in a long-term relationship with it.

The Fig. 7. describes the conceptual framework that was validated in the study. It depicts several dimensions that are hypothesized to impact the customer brand loyalty through cultivating their emotional attachment. The examples of the hypotheses drawn by the authors imply the relationship between customers perception of corporate associations and their emotional attachment as well as brand loyalty.

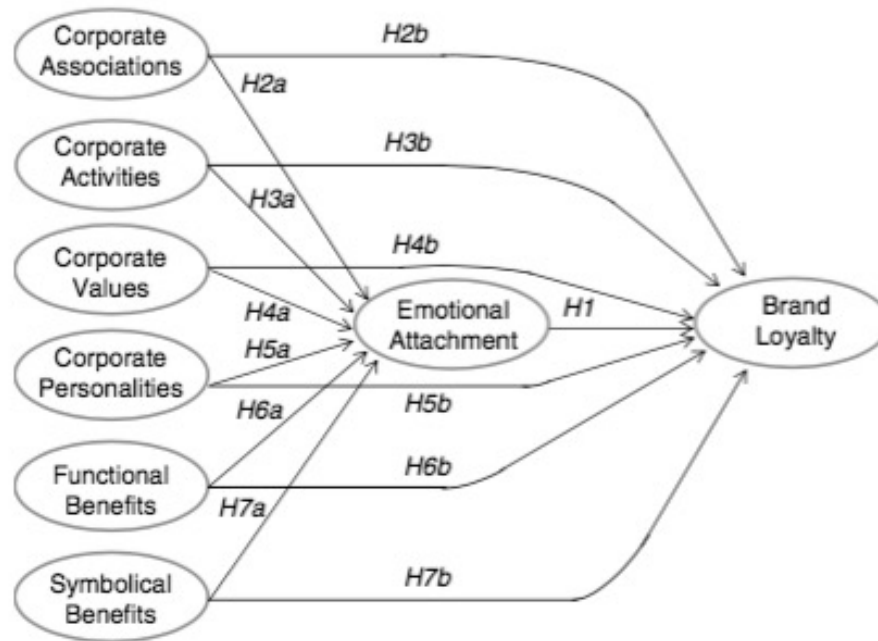


Fig. 7. Dimensions that are hypothesized to impact the customer brand loyalty through cultivating their emotional attachment. (So, Parsons & Yap, 2013)

The method used to test the hypotheses of the framework was structural equation modelling which will be used by the author of the current research. The study was focused on luxury handbags as the primary driver of brand sales for the luxury firm and, moreover, a handbag is a product that entails both functional and symbolical values (So, Parsons & Yap, 2013). The measurement was first validated through a confirmatory factor analysis before estimating the model. The results of the study showed that corporate branding does not enhance the emotional attachment level of the consumer. Contrariwise, the findings did show that the customers' emotional attachment has a positive impact on brand loyalty. Among the dimensions of corporate branding, only corporate associations, functional benefits, and symbolical benefits were described as effective in driving emotional attachment of a luxury consumer. However, the authors did not investigate the influence of emotional attachment on brand trust, which can be seen as an incentive for further research.

Although luxury brand features were defined and categorized by several authors, there was no empirical confirmation of their importance and realization in practice. The author, however, believes that the empirical justification is needed. If such features as quality, heritage, and unique design are clear to understand, the ability of a luxury brand to stay in “tunes with the times”, which includes the introduction of corporate social responsibility,

seems to be vague. Today brands need to respond to global challenges and adjust in order to answer rapidly changing consumer demand and preferences that evolve due to influences from various sources over time. Nevertheless, the more things develop and change, the more they need to stay the same in terms of core value, and development of a balance between control and change is important. In the context of luxury brands maintenance, this is the idea, which is essential to be justified and supported, including the consideration of corporate social responsibility embedded into the luxury brand's strategy.

1.3.2 Corporate Social Responsibility in a Luxury Industry

Although luxury companies are not perceived as socially responsible and have been criticized for their recent attempts to introduce several initiatives, more luxury companies started to look in this direction. 2015 has moved luxury industry towards thinking about sustainable development, social responsibility as the answer for communities demand for business models that imply this. The report "Predictions for the luxury industry" (2016) states that millennials are seeking for working positions in the companies with socially responsible practices that could contribute to a society well-being. Besides, this generation is more likely to vote for the companies with such practices and, hence, assumingly, they would purchase the brands from such companies. The report states that: "All these changes have left luxury companies with no option but to improve as the potential for sales and stocks to plummet increases, and the hand of the law hangs over them" (2016).

According to the mentioned studies, brand trust and brand awareness enhance consumers purchase intentions. It is possible when the brand efficiently uses its strategies towards targeted consumers (Malik, Ghafoor & Iqbal, 2013). However, the previous studies referred to a non-luxury sector of economy. However, there is a limited number of studies concerning luxury goods and CSR influence on such dimensions as brand trust, brand loyalty and consumer purchase intentions. By examining the differences between the consumer credibility and attitude towards the CSR performing and nonperforming luxury companies Jin, Park and Yoo (2017) defined that not engaging in CSR may negatively influence the consumer response towards the luxury brand. However, having focused mainly on donations and volunteering activities as one of the CSR practices, they didn't examine the full range of the CSR dimensions which could potentially influence the brand trust. Moreover, product and consumer characteristics were also limited excluding the possible differences resulting from cultures and social status.

Supporting the statement of Brusseu, Chiagouris, Fernandez Brusseu (2013) mentioned previously, Ahn (2015) points out to “consistent activities based on public relations and authenticity through corporate social responsibility” as “critical factors for companies’ brand reputations and their long-term growth”. The author provides several examples of successful CSR activities of luxury brands, including the campaigns, to demonstrate the contribution that they do to the social responsibility issues. For instance, such brands as Gucci and Bulgari contributed to these matters by launching the Green Carpet Challenge bags to prevent deforestation and Save the Children Rings to protect the children rights reciprocally (Ahn, 2015). The list of the examples can be extended. For instance, having launched Sustainability Commitment policy, Tiffany & Co is the leader of sustainable mining, processing crafting and environmentally sound practices. In 2002 the company has launched its Coral Conservation program to protect the health of the oceans. The company believes that besides of admiring the beauty and the quality of the “engagement ring”, the customers should be assured that “it was sourced ethically and the diamonds were mined responsibly” to be proud to own and to wear a diamond (Tiffany & Co, 2017).

Ahn (2013) also considers the issue of authenticity in the eyes of the consumer and alleges to the consumers’ skepticism towards the CSR activities of the brands. Interestingly, the conclusion drawn in the study concerned the pricing strategies of luxury brands, namely, the lower-priced luxury product had certain positive spillover effects. Another remarkable conclusion drawn by the author is that CSR activities may draw more attention the consumers who demonstrate less interest towards the luxury brands.

Products of luxury brands are closely connected with fashion industry, which is highly focused today on the sustainability issues. Thus, recently, a Russian entrepreneur Miroslava Duma has launched a new project called Fashion Tech Lab to encourage socially responsible investments and introducing new technologies withing the fashion industry. Fashiion Tech Lab is aimed to assist in the procecesses of fashion production and development for global luxury players as LVMH and Kering (Young & Hoang, 2017).

Thus, corporate social responsibilty can represent an added value for the customers of luxury goods, potentially enhancing their positive perception towards the brand built on the credible brand image, which is the consumer perception of the brand. Taking into consideration that luxury brand image coincides with a luxury corporation image; the main function of a luxury company before such issues as consumer loyalty is to gain brand trust of its consumers through its success, quality of goods, innovativeness and the most important – sensitivity to the consumer’s values and social issues.

1.3.3 Research Question and Conceptual Model

The previous studies on the corporate social responsibility and brand trust demonstrated that ignoring corporate social responsibility is unfavorable. However, according to the analysis of the existing studies on luxury brands and corporate social responsibility, it is discovered that brand trust is usually considered in the context of brand loyalty instead of being analyzed as a separate construct being influenced by a number of factors. Taking into consideration the research gap implying that no research was previously conducted on the issues of CSR effects on luxury brand trust which is the demonstration of commitment and satisfaction of the consumer (Afzal, Khan, Rehman, Ali & Wajahat, 2010), the research question that emerge in the study is the following: *Do socially responsible practices of luxury companies impact consumer's trust towards a luxury brand?*

The investigation of these issue will answer the question about the possible effects of the corporate social responsibility on a luxury brand trust represent a value not only for luxury companies' management but also for the companies that are willing to introduce social responsibility practices into the company's strategy. The organizations could understand whether it is a social responsibility and its aspects that make customer feel confident in brand or this attitude does not depend on the company's CSR actions.

Brand trust, described by O'Shaughnessy (1992) as an eagerness to act ignoring costs and benefits without rationality, always underlies brand loyalty, the repurchase of the brand. Hence, brand trust should be considered when a company wants the consumer to get attached to its brand. Importantly, as it was mentioned, brand trust consists of several components that are potentially influenced by corporate social responsibility practices through the concrete mediators, namely, it is assumed that being influenced by corporate social responsibility practices of the company, these components are constructed from positive brand image, its positive perception. Brand trust was also defined from the sociological perspective. Thus, Zucker (1985) outlines the following: "From a sociological perspective, trust is defined as a set of expectations shared by all those who involved in an exchange".

Besides, trust is an important attribute when considering the issue of consumer skepticism towards corporate social responsibility messages that the companies are using as a marketing tool, which significantly decreases the potential benefits from CSR initiatives driven by a brand and can cause negative associations (Zhang & Hanks, 2016). In relation to consumer skepticism issue, Elving (2010) outlined that despite the fact that corporate social responsibility can have a positive influence on company's reputation as well as consumers'

attitude towards a brand and consumers' purchase intentions, it is essential to demonstrate to stakeholders that the motives of a company are not based on self-interest. Brand trust, in its turn, is the indicator of an attitude towards the brand, and it is practically important to discover whether skepticism applies in case of luxury brands.

The proposed antecedents that influence luxury brand trust are based on the studies of Lau and Lee (1999) and Anik (2014), where the main factors influencing brand loyalty through the brand trust were defined. The authors introduce sets of characteristics affecting consumer's trust in brand, namely, brand characteristics, company characteristics and characteristics referring to consumer-brand relation. The authors include brand reputation, predictability and competence to the first set of the mentioned features meanwhile brand experience; brand support and similarity between consumer self-concept are referred to the consumer-brand characteristics. The conceptual model is also includes consumer consciousness component which potentially enhances consumer perception towards corporate social responsibility practices of the brand. Conceptual model of the study with the hypotheses is provided on Fig. 9. It demonstrates main relations between the constructs.

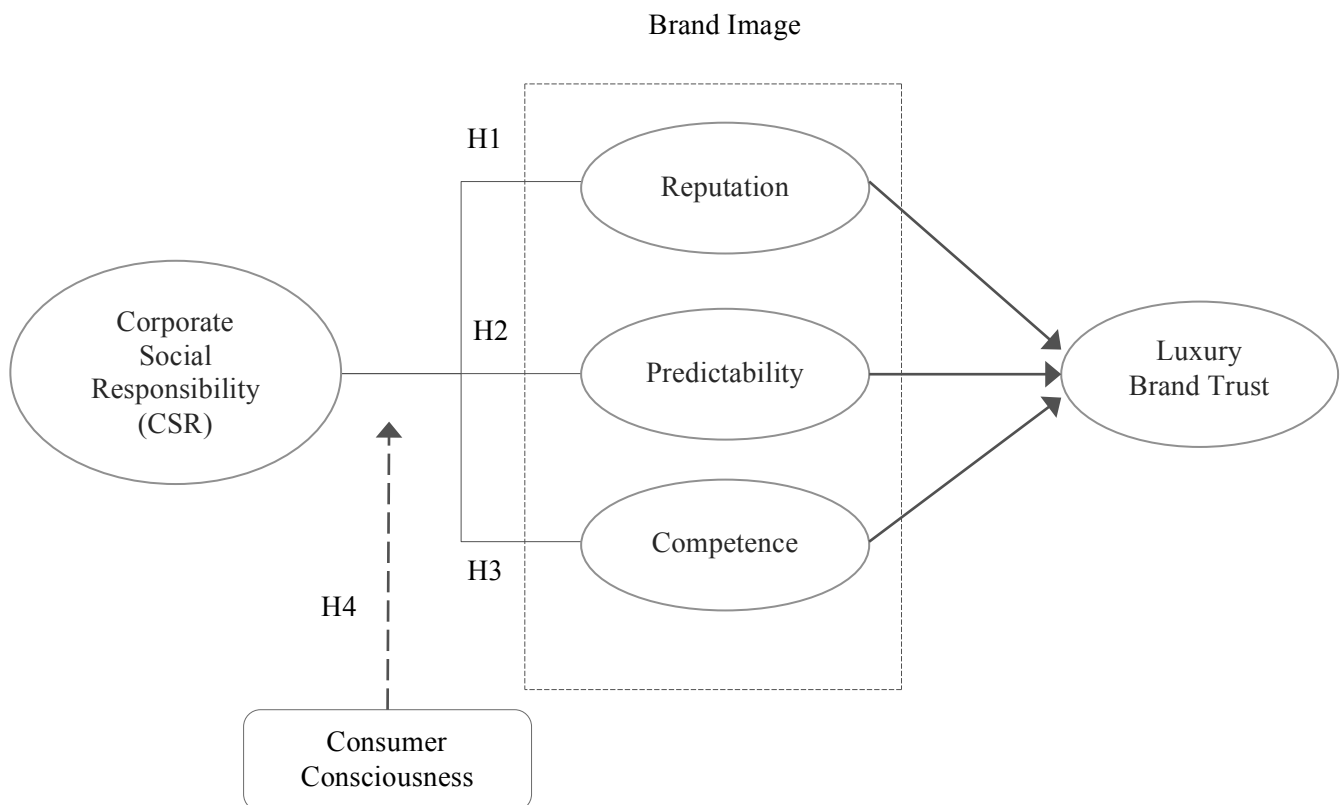


Fig. 8. Conceptual Model “The Effects of Corporate Social Responsibility on Luxury Brand Trust”

Hypothesis 1: Corporate social responsibility positively affects luxury brand trust through its effect on luxury brand reputation.

Playing an important role of brand trust antecedents, brand characteristics such as reputation, predictability and competence are essential for building the positive brand image and a relationship with a consumer. Reputation is the characteristic which primarily indicates the extent of reliability and reputation of the brand. If a consumer subconsciously feels that the brand is worth to rely on, it leads to positive expectations towards the brand. In its turn, reputation implies such as integrity and honesty (Afzal et al., 2010). This especially refers to companies that embed corporate social responsibility into its strategy, as people tend not to believe in the ability and willingness of business in doing good to the society, also known as consumer skepticism towards corporate social responsibility (Zhang & Hanks, 2016). However, when talking about luxury companies, potential buyers could have in good intentions under these actions of the brand. Besides, positive reputation means that a consumer considers the brand as worthy of praise and is ready to recommend this brand to other people.

Hypothesis 2: Corporate social responsibility positively affects luxury brand trust through its effect on luxury brand predictability.

Brand should satisfy consumer needs and promise expected quality of the product or service. As luxury industry players are perceived to have the best product quality, corporate social responsibility assumingly enhance the positive expectations towards the promise of the company that a brand will not disappoint consumer either in brand quality or performance. Being confident in brand's performance means that consumer can be confident that in the future the brand will exist further and maintain its positive image. Therefore, certainty in brand, as Afzal, Khan, Rehman, Ali and Wajahat (2010) pointed out assures the consumer that "nothing unforeseen can be forecasted".

Hypothesis 3: Corporate social responsibility positively affects luxury brand trust through its effect on luxury brand competence.

A brand, which is competent, is the one that has a competence and knowledge in various areas and satisfies the needs of a consumer. Therefore, a brand should know its consumers, namely, the problems that they strive to solve and their values. Moreover, consumers should be persuaded by other party that a brand is competent. For instance, advisors in a store can be the mediators that provide the consumers with all the necessary recommendations. In this case they are the brand authorities that speak on behalf of it.

These three characteristics of the brand are the basis of positive brand image, which influences the consumer's confidence in brand. Therefore, it is assumed that by enhancing these components, brand trust towards a luxury brand will be built.

Hypothesis 4: Consumer consciousness towards corporate social responsibility increases the effect of corporate social responsibility on brand image.

This hypothesis aims to prove the moderating effect of consumer consciousness, or concern, towards corporate social responsibility on brand characteristics. Being an “interface between consumers and the company” (Lau & Lee, 1999), brand and its image are developed by actions of the company's management including various marketing initiatives. However, it is also consumer's concern and attitude towards corporate social responsibility practices in general that can enhance the link between corporate social responsibility and brand image. Assumably, corporate social responsibility embedded into corporate social responsibility contributes to building a positive brand image and maintain it further.

In its turn, corporate social responsibility is considered through the lenses of several dimensions used on the basis of investigated studies and derived definitions of the term “social responsibility” and “sustainability”. Thus, the CSR dimensions can be classified to the internal and external ones, most of the authors, however, distinguish them differently. Nevertheless, the boundaries of these distinctions tend to be vague from common groups to concrete characteristics, for instance, respect for the environment, consumers, workers and philanthropic activities (Ammar, Naoi & Zaiem, 2015).

It has been decided to focus on the main CSR components that were mostly used and mentioned by the literature, these are: environmental (activities consistent with the company's interests undertaken to protect the environment); legal (anti-corruption practices, respect towards human rights); social (the accountability to consumers, labour policy, society and stakeholders); philanthropic (material and non-material contributions to the community welfare); economic (the effect of CSR on the company's financials, the balance between pursuing CSR practices and making profit).

The study is exploratory, dedicated to the investigation of the relationship between brand trust and CSR. The hypotheses will be tested and demonstrate whether the CSR dimensions influence the trust of the consumer towards luxury brands and answer the question what is worth paying attention to in the development of the CSR strategy.

CHAPTER 2. RESEARCH METHODOLOGY

2.1 Research Methods and Methodology for Brand Trust and Consumer Behaviour

To answer the research question, it is necessary to define the further empirical methods that should be used. The overview of the existing methods will provide the understanding of the most suitable techniques to be applied in the current research context. Among the most common existing methods, several groups can be outlined: quantitative and qualitative research methods that imply gathering data with the means of observation, documents analysis, or a case study, and survey in its various forms, e.g. interviews, questionnaires, tests.

According to Kothari (2004), research methods and techniques differ from methodology. Whereas *methods* refer to data collection and statistical processing of information, *research methodology* implies the knowledge and the ability to apply the methods to a particular situation, namely, the assumptions under the techniques that are used. Data can also be presented in different forms, either categorical, which is not measured in numerical ways, or numerical reciprocally (Saunders, Lewis & Thornhill, 2009).

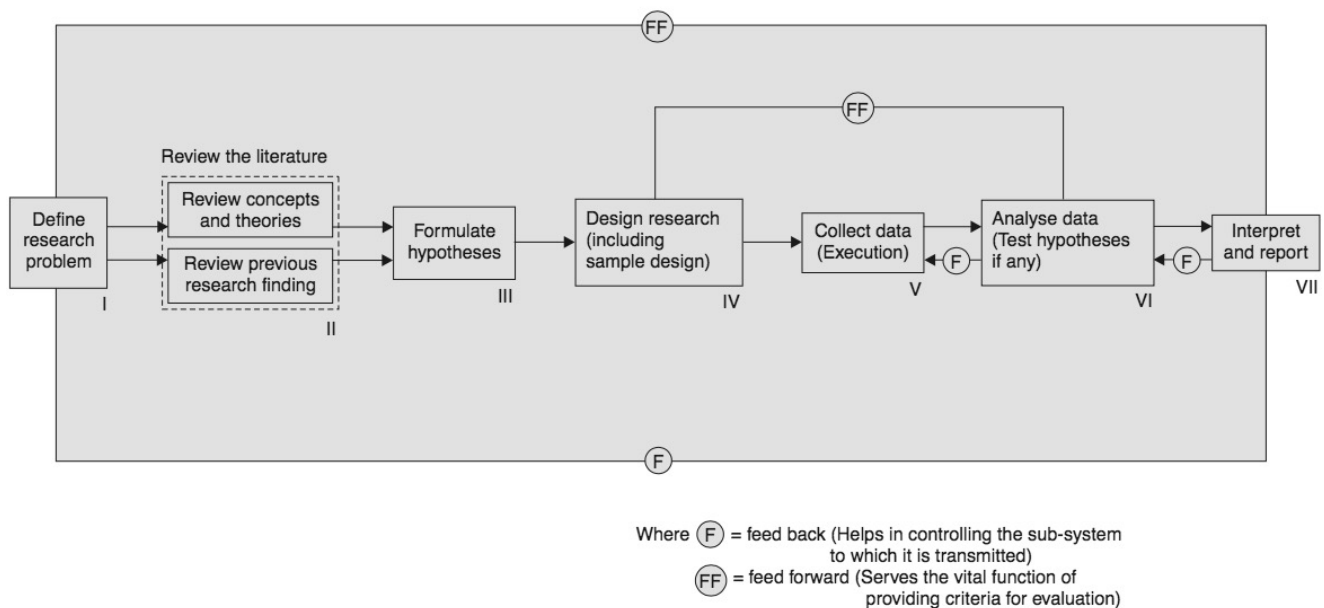


Fig. 9. Research Process. (Kothari, 2004)

Consumer behavior study can be referred to a marketing research, which is the process of searching, gathering, processing and preparation of information for operational and strategic decision-making in the enterprise. Accordingly, this definition clearly defines the main stages of any marketing research:

- Development of a concept study;
- Search and information gathering;
- Data processing;
- Preparation of the final analytical report.

One of the most time-consuming and costly steps of any marketing research is the search and collection of information on the researched topic. Depending on the sources of information used, it is divided into desk, or library, and field research. However, in practice, field and desk research complement each other, solving a specific range of issues. Obvious drawbacks with secondary information are frequent discrepancy secondary data conducted research purposes, by virtue of a general nature the latter; the information is often outdated; methodology and tools by which collected data are not consistent with the objectives of the present study (Kothari, 2004).

Field research implies a collection and processing of data specifically for the marketing analysis. Any field research is based on the primary data, in other words, the newly received data for a particular study problem. The main advantages of primary information: data are collected in strict accordance with the precise objectives of the research problem and the methodology of data collection is strictly controlled. The main drawback is, however, significant costs of resources. Depending on the tools used in a field research, information can be divided into:

- Qualitative research methods which provides descriptive information that cannot be analyzed in the numerical way;
- Quantitative research methods, namely, processing the numerical data with statistical and computational means, which can be further classified into inferential, experimental and simulation according to approach it is conducted (Kothari, 2004).

Main sources of marketing and brand management information are interviews and surveys, observation, experiment, panel discussions and expert review. Survey is the most common and important form of data collection in marketing. Approximately 90% of research uses this method. When being involved in a survey, participants receive questionnaire, which they must complete. Usually, in the written surveys using closed-ended questions, the answers to which imply the selection of the answers. The main disadvantage that could limit the use of this method is the long period and the low percentage of the return of completed questionnaires.

2.2 Methodology of Empirical Study

2.2.1 Methodology Overview and Variables Description

For the research on the consumer brand trust, the quantitative approach was chosen as the most suitable method to answer the research questions. The quantitative approach, however, implies knowledge about the existing analysis tools that are considered in the next paragraphs. During the processing and analysis of marketing research data, the first step is the frequency analysis, which has several elements. For instance, the average mean being the quotient of the sum of all values to their number, is a concrete measure which characterizes any sum as a whole, whereas median is the value of the variable in one unit together, which is located in the middle of the ranked number frequency distribution. The latter cuts half the number of distribution and can only be used for the characterization of metric scales (Saunders, Lewis & Thornhill, 2009).

The second stage of processing and analysis of marketing research data is the description of the correlations or covariance between the studied variables. Correlation is a measure of variable dependence. There are several correlation coefficients indicating the closeness of the relationship between the study variables. The correlation coefficients vary from -1 to +1, whereas covariance varies from $-\infty$ to $+\infty$. If the correlation coefficient is -1, the variables are strongly negative relationship and if the correlation coefficient is equal to 1, then the variables positively have a strictly positive relationship. There are different correlation coefficients, e.g. Pearson's correlation coefficient or Spearman's correlation coefficient (Kothari, 2004).

Before the descriptives, however, factor analysis, exploratory or confirmatory with established variables (Janssens, Wijnen, De Pelsmacker & Van Kenhove, 2008) can be used, which implies the set of techniques that are based on real-life relation attributes that allow detection of latent characteristics of the studied phenomena and processes. The main objective of the factor analysis is to reduce the number of variables and relationships between variables determining the structure if it is necessary for the study or to confirm the existing construct measures (Field, 2013). By reducing the number of variables, the most essential features of the merged variables become obvious. Classification implies the selection of several new factors of the variables associated with each other. In marketing, this method is used in connection with the in-depth analysis of consumer behavior to identify clearly observable factors. To assess the reliability of the scale, especially assessed on Likert, Cronbach's alpha is usually used (Santos, 1999).

Regression analysis is the statistical method of establishing the relationship between the independent and dependent variables. Regression analysis is based on the constructed regression equation that determines the contribution of each independent variable to the change of dependent variable (Field, 2013). However, if the model implies testing the mediation and moderation effects, an advanced statistics, i.e. structural equation modelling (SEM) is used (Janssen et al., 2008) that can be observed in the research on brands and its characteristics (So, Parsons & Yap, 2013). The current study will be based on the quantitative approach. Given that the research is focused on the relationship between several factors, SEM will be used to process the gathered data and test the conceptual model (Fig. 7). Before SEM, the author conducted confirmatory factor analysis and Cronbach's Alpha statistic to test reliability of scales.

In this research, brand trust is measured. The conceptual variables used in the research were operationalized for further analysis. To justify the operationalization of the variables, which are research indicators, the author focused on several studies conducted previously that were mainly using mentioned steps of analysis. Thus, Lau and Lee (1999) and Barnes (2011) study provided with most of the construct measures for brand reputation, predictability, competence and trust with several adjustments:

Corporate Social Responsibility

The respondents were asked to evaluate two scenarios (App. A) according to the description of the companies' brands. Hence, the following measures were taken: the evaluation of company's level of corporate social responsibility based on the comparison of the two companies as well as respect towards consumer and consumer values correspondance. This helps to define whether the company is socially responsible or not.

Consumer Consciousness

Consumer characteristics, their attitudes are essential when measuring such concepts as corporate social responsibility, which relates to the company and brand trust. Consumer positive attitudes towards CSR practices of luxury brands, assumingly, enhance the relationship between it and trust towards luxury brand. To define respondents' concern about CSR, the author offered to evaluate the level of concern with social, environmental and legal issues related to any business. In this connection, Aaker (1996) outlined that consumers always treat any brand as if it is a person, and this interaction also depends on the consumer personality.

Reputation

Among the reputation measures, the author included brand's reputation evaluation, reliability and the respondent's willingness to recommend the brand to other people as the indicators that a company following CSR practices potentially has a positive reputation in comparison to one that does not.

Predictability

This construct is related to brand's intentions and performance of a particular brand (Ong, Salleh, Yusoff, 2015). To trust the brand, consumer should be convinced that it does fulfill all the promises and will perform the same and even better than previously. Therefore, three measures of predictability were taken, namely, expected brand's product quality, brand's profitability and its consistency as consumers tend to predict that luxury brand should be of the highest quality, maintain high profits and be in general consistent with its promises.

Competence

Competent brand is the one that does not only know its consumer but also is knowledgeable in other areas and is able to answer the current trend and needs of the society. Thus, to measure brand's competence, the author of current research asked respondents to evaluate the brand's consumer knowledge level as well as its competence in society well-being issues and the ability of the brand's advisors to give full and transparent recommendations on the brand. If to look at the scenario on the CSR company, it can be concluded that this company's employees are highly motivated and allowed to give the recommendations that will not disinform the consumer and will provide with a complete picture of a brand's features and its application.

Luxury Brand Trust

Brand trust measures were based on the respondents' responses on brand trust level, feeling of security when buying the brand and additional value that a CSR company could potentially provide. The latter depends on the inner responses of the respondents, who seek not only utility benefits but also the emotional ones (Walter, Cleff & Chu, 2013).

The variables and their measures are presented in Table 1. Mentioned measures were represented by several questions that will be measured with the 5-point Likert scale (1 – strongly disagree, 5 – strongly agree). The questionnaire that was provided to respondents is presented in Appendix A.

Table 1. Variables Description Summary

#	Concept	Variable Type	Processing Name
Dependent Variables			
1	Luxury Brand Trust <i>Trust</i> <i>Security</i> <i>Additional value</i>	Numerical	Trust AddValue Security
2	Brand Reputation <i>Reputation</i> <i>Reliability</i> <i>Recommendation</i>	Numerical	Reputation Reliability Recommend
3	Brand Predictability <i>Expected quality</i> <i>Profitability</i> <i>Consistency</i>	Numerical	ExpectedQuality Profitability Consistency
4	Brand Competence <i>Consumer knowledge</i> <i>Employee recommendations</i> <i>Competence in society well-being</i>	Numerical	ConsumKnowledge EmpRecommend Competence
Independent Variables			
1	Corporate Social Responsibility <i>Company's CSR</i> <i>Consumer Respect</i> <i>Consumer Values</i>	Numerical	CompCSR ConsResp ConsValues
Moderator Variables			
1	Consumer Consciousness <i>Business CSR Concern</i> <i>Luxury CSR Concern</i>	Numerical	BusinessConcern LuxConcern

2.2.2 Questionnaire and Respondent Profile

To create a representative sample, probability sampling was used, which was also offered in similar studies mentioned (Lau & Lee, 1990; Barnes, 2011). The data gathering techniques imply conduction of a survey of 128 respondents of several countries and ages, to make an unbiased analysis of the consumer behaviour, namely, trust towards socially responsible luxury brands. To make the questionnaire understandable and to avoid potential inconsistencies, 10 people participated in a pre-test before the launch. The participants of a pre-test provided the valuable feedback after which several adjustments of the questionnaire were made.

The questionnaire consisted of three sections, which were dedicated to demographics, lifestyle and CSR brand characteristics on the basis of two scenarios reciprocally (App. A). The scenarios implied description of different luxury companies' brands of an equal price and quality: the first one provided respondents with socially responsible company description according to the dimensions mentioned in the previous chapter; the second one related to a company that does not demonstrate any socially responsible actions. Scenarios approach was based on the work of Barnes (2011) who also analyzed CSR effects on trust towards a mass-market brand. The respondents were offered to estimate the statements with a 5-scale Likert, which is a non-comparative rating scale, namely, itemized rating.

The target audience for the study was Russian, namely, 54% of the respondents, and international consumers, 46%, including such nationalities as Swiss, Austrian, and American who are acquainted with luxury brands and who have ever made a purchase of the brand product either on the regular basis or in certain time periods. The respondent profile included general characteristics: nationality, gender, age, educational level and income. The number of men and women representatives demonstrated a slight difference (57% of the respondents were female whereas 43% of male representatives filled out the questionnaire). This can be described with the higher interest of female respondents towards luxury goods in general. The education level demonstrated was Master's degree (58%) and Bachelor's of Specialist degree (51%) obtained, meaning that respondents have a high education level. Relatively high-income level and education level are explained by the fact that respondents were mostly graduates of international business schools and international companies top-management as the author of the research used mostly e-mailing and posting in social networks with special indicators to share the questionnaire and attract luxury consumers.

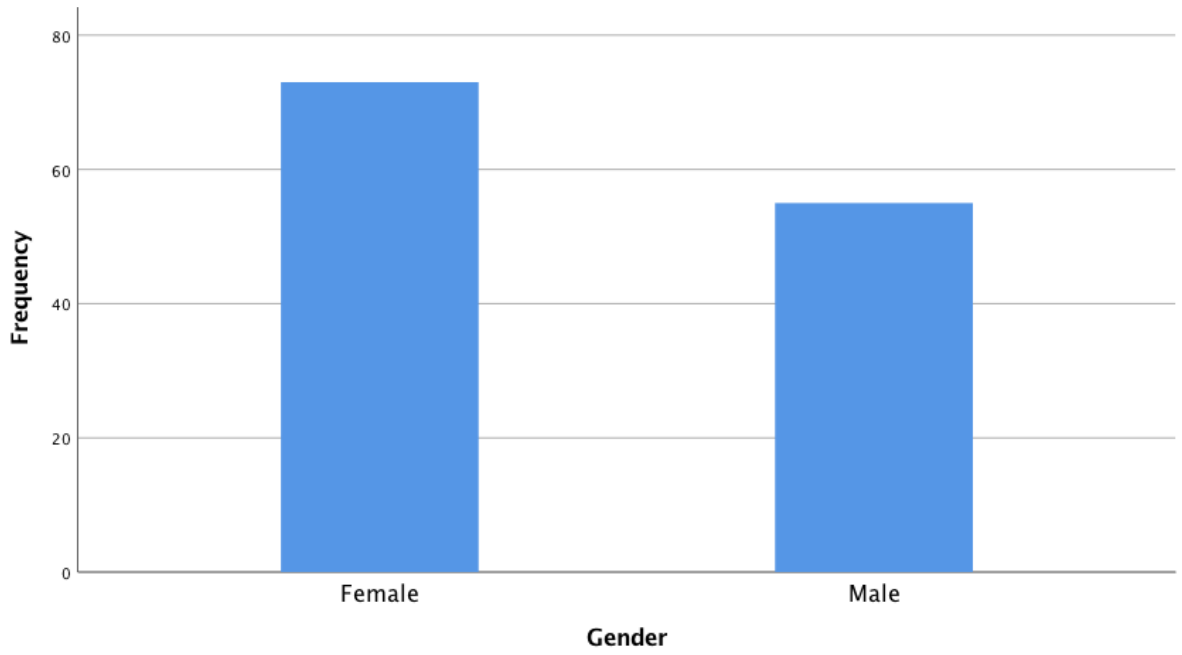


Fig. 10. Gender of the Respondents

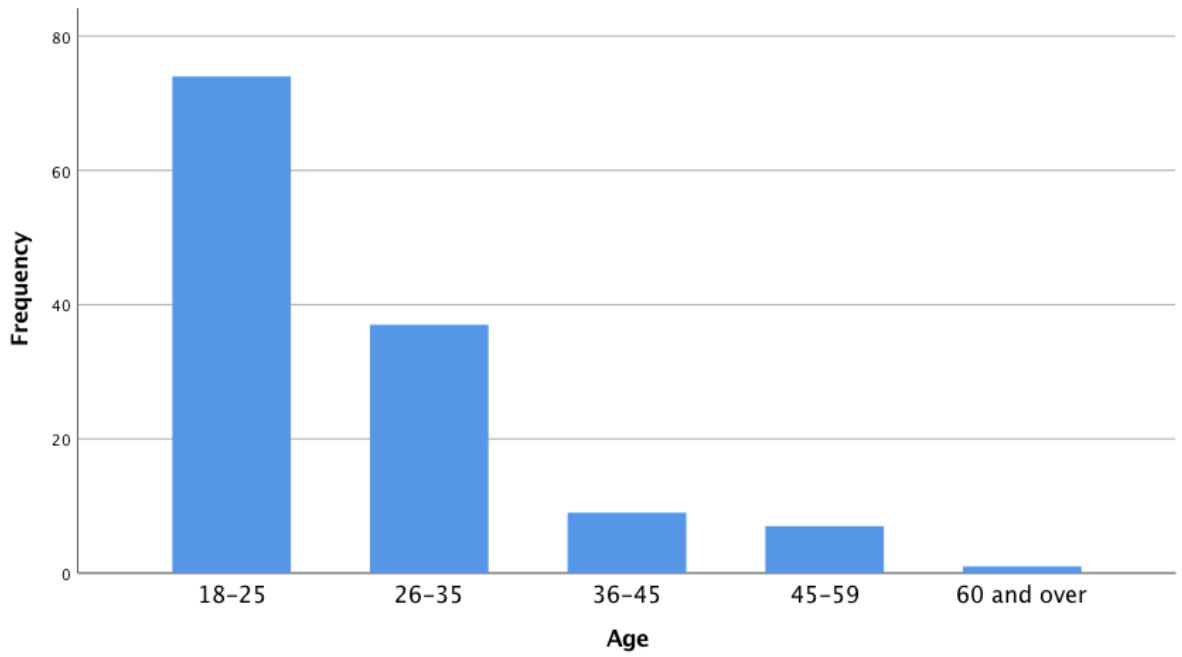


Fig. 11. Age of the Respondents

When considering luxury brands, it is essential to define the income level of the respondents. The questionnaire demonstrated that although 35% annual income was in category of less than 20 thousand euro and 9% did not want to share the information, the rest 56% fall into category of people who earn in the range of 20 and 50 thousand euro annually, including 12% of those who earn more than 50 thousand euro. This proves that respondents could afford buying at least one luxury purchase or were planning to buy it in the future, which was actually confirmed in the following survey questions. To make the concepts understandable, respondents were provided with examples of luxury brands and corporate social responsibility definition by UNIDO (2007).

The emphasis in the questionnaire was also put on constructing the respondent's profile according to their lifestyle and values attitudes towards social responsibility and global issues in general. Thus, 91% of the respondents are familiar with CSR practices of modern brands, whereas 55% even bought or intended to buy a product of any brand because of its appealing CSR practices. 66,4% of the respondents are willing to pay more for a luxury brand that follows corporate social responsibility practices. The most frequent percentage number of potential overpayment varied from 5 to 10% (App. B).

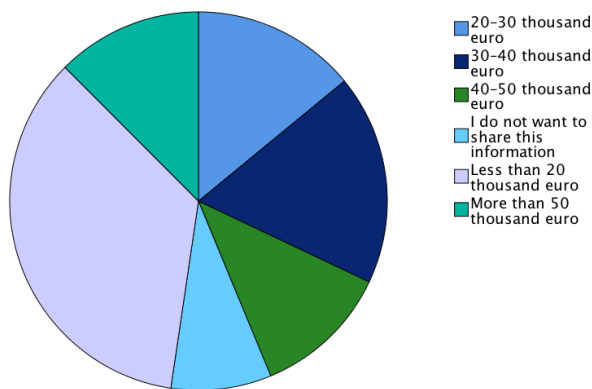


Fig. 12. Income of Respondents

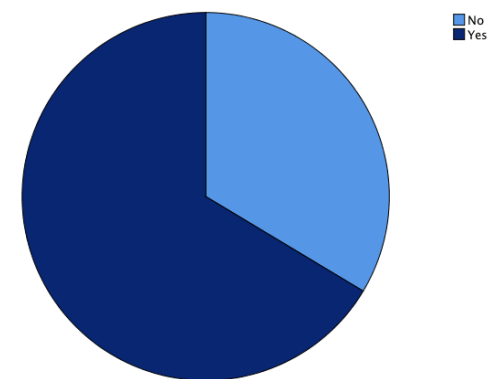


Fig.13. Willingness to Pay More

Interestingly, the respondents answers indicated that most purchased luxury products that have been ever bought by a respondent or was intended to buy were luxury beauty & care, food & beverages as well as apparel and accessories. The respondents were also asked about luxury product category, which need CSR most. These occurred to be the same category of products. Concerning CSR dimensions, respondents were mostly concerned with sustainable production and product testing as well as transparent information on the product ingredients.

CHAPTER 3. RESULTS OF THE ANALYSIS AND DISCUSSION

3.1 Data Analysis and Statistical Findings

The collected data was processed in IBM SPSS and IBM SPSS AMOS Software. The initial step in the data processing was conducting confirmatory factor analysis (CFA) in AMOS Software to prove the brand image measures, i.e. brand reputation, brand predictability and competence. Confirmatory factor analysis is used in the case when it is known from theoretical research which variables should measure a certain factor (Janssens, Wijen, De Pelsmacker & Van Kenhove, 2008). Therefore, the analysis should be applied to brand image construct as, in comparison to other constructs, it consists of three different measures with submeasures, as it is necessary to understand the extent of accuracy, which allows these measures to be identified as brand image components.

The interpretation of the model built has demonstrated that that the submeasures of profitability and competence should be removed as it positively influences the indicators of the overall model fit, which was also supported by modification indices analysis. The observation of the measures loadings has also indicated that all the variables except profitability (.041) have high loading ($>.50$) on the latent variables and are significant (C.R., critical ratio >1.96). After deletion of these two submeasures, the overall fit of the measurement model improved (Table 2).

Table 2. Goodness of Fit Indices of Confirmatory Factor Analysis

Fit Index type	Observed value	Acceptable value	Fit level
X^2	21.625; $p=0.27$ (df=11)	$p>0.05$	Good fit
X^2/df	1.966	≤ 3	Good fit
RMSEA	.081	≤ 0.08	Acceptable fit
GFI	.954	≥ 0.90	Acceptable fit
AGFI	.883	≥ 0.80	Acceptable fit
IFI	.978	≥ 0.95	Good fit
TLI	.956	≥ 0.95	Good fit
CFI	.977	≥ 0.95	Good fit
SRMR	.0375	≤ 0.08	Good fit

Df: degrees of freedom; X^2 : Chi-square; RMSEA: Root Mean Square Error of Approximation; GFI: Goodness of Fit Index; AGFI: Adjusted Goodness of Fit Index; IFI: Incremental Fit Index; TLI: Tucker-Lewis Index; CFI: Comparative Fit Index; SRMR: Root Mean Square Residuals.

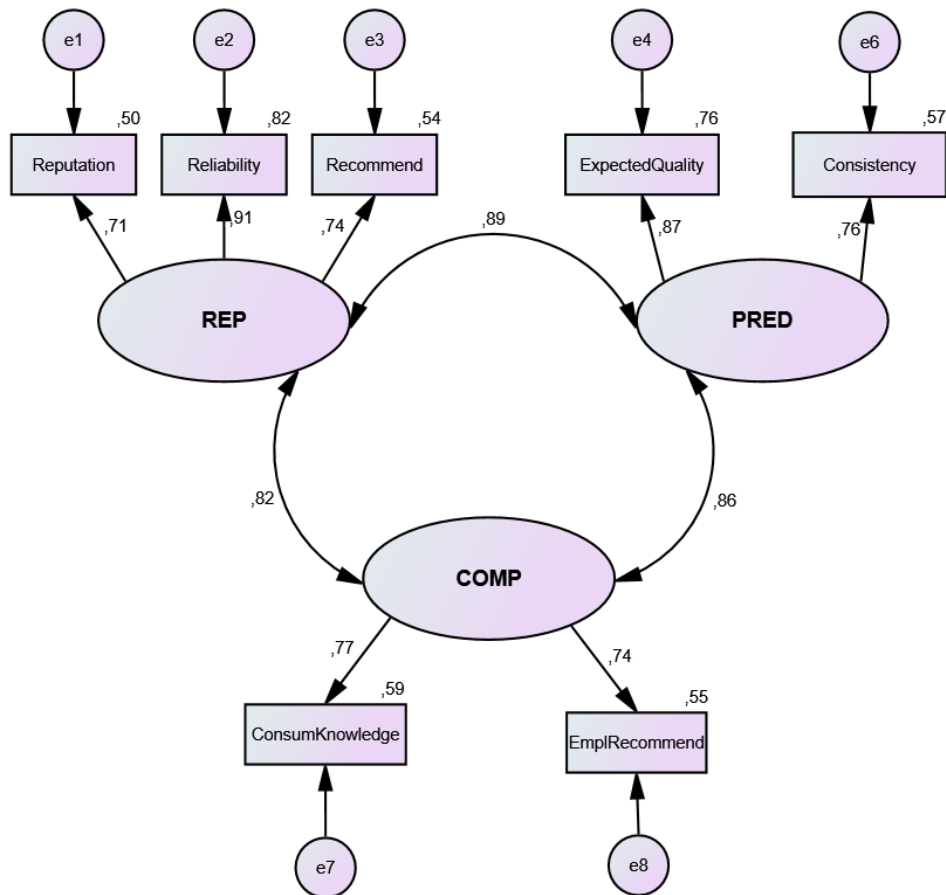


Fig. 14. Confirmatory Factor Analysis

Considering the deletion of the profitability and competence measures, it can be explained by the fact that this indicates that in relation to luxury brands the profitability indicator remains stable independently from the fact whether a brand tend to be socially responsible or not. Indeed, if to turn to the theoretical insights gained from the literature on luxury brands, it is obvious that this measure is considered to be high per se and may not be affected by any practical contributions, for instance, implementation of corporate social responsibility practices into the strategy. The competence scale, in its turn, was estimated on the basis of the respondents' estimates of brand's concern about future generation and competence in society well-being and global issues, which, is however, may not be associated with luxury brands.

The following step that was made was Cronbach Alpha statistics to test whether the measures are reliable to be grouped into constructs described previously. The fist two scales related to consumer consciousness towards CSR in general were tested: concern towards CSR practices in both any business and luxury. The following scales were brand characteristic

attributes (App. B). The results provided below demonstrated high reliability of the scales, which was an acceptable coefficient, i.e. above 0.7 (Santos, 1999).

Table 3. Reliability Statistics

Construct	Measures	Cronbach's Alpha
Consumer Consciousness	BusinessConcern LuxConcern	0.826
CSR Brand	CompanyCSR ConsumRespect ConsumValues	0.774
Brand Reputation	Reputation Reliability Recommend	0.816
Brand Predictability	ExpectedQuality Consistency	0.725
Brand Competence	ConsumKnowledge EmplRecommend Competence	0.706
Brand Trust	Trust AddValue Security	0.861

The next step necessary for the analysis was obtaining descriptive information on the Likert-scale measures. From central tendency measures, mean, median and mode, mean was taken for further analysis. Table 4 provides descriptive statistics on the measures including the average of the variables used for brand image construct.

Table 4. Descriptive Statistics

Measure	N	Minimum	Maximum	Mean	Std. Deviation
BusinessConcern	128	1	5	3.91	.833
LuxConcern	128	2	5	3.88	.842
CompanyCSR	128	2	5	4.53	.675
ConsumRespect	128	2	5	4.20	.817
ConsumValues	128	1	5	4.32	.860
Reputation	128	2	5	4.02	.869
Reliability	128	1	5	3.83	1.058
Recommend	128	2	5	4.14	.911
ExpectedQuality	128	1	5	3.52	1.057

Consistency	128	1	5	3.59	.855
ConsumKnowledge	128	1	5	3.54	.987
EmplRecommend	128	1	5	3.50	.931
Trust	128	1	5	4.18	.900
AddValue	128	1	5	4.03	.955
Security	128	1	5	4.11	.872
BrREP	128	1.67	5	3.99	.812
BrPRED	128	1.50	5	3.55	.872
BrCOMP	128	1.67	5	3.77	.734
CSRmean	128	2	5	4.35	.653
CONSCmean	128	1.50	5	3.89	.772

This data provides with valuable insights on respondents' way of answering the questions offered in the questionnaire. The means demonstrated the range from 3.50 to 4.53, whereas the standard deviation rated between 0.817 and 1.058. In general, the survey participants demonstrated relatively high estimates on the items. Thus, estimates of the company's «A» social responsibility level in comparison to B, the respondents answered in the range from 4.20 to 4.53.

As the variables and the constructs are unidimensional, valid and reliable, it is allowed to conduct path analysis using structural equation modelling (SEM) in AMOS Software (Janssens et al., 2008). The author of the research used mentioned scales of brand reputation, predictability and competence as manifest variables for brand image. Besides, willing to look at the moderating effect of consumer consciousness, the researcher created new variable for indicating consumer consciousness towards CSR issues by multiplication of corporate social responsibility average by the mean of consumer consciousness measure. CSR moderation effect would mean the higher consciousness level a consumer has, the higher is CSR influence on brand characteristics, or, brand image.

Having built the path model based on all the variables mentioned previously, the researcher examined the overall fit of the solution. Fig. 16 demonstrates the initial model with the moderator. However, despite of positive coefficients obtained in the structural model presented above, the general quality of the model should be adjusted due to the goodness of fit indices. The modification indices analysis demonstrated that the introduced moderator, i.e. insignificant consumer consciousness path as well as trust submeasure should be removed as allowing the connection between these variables and other variables, namely, CSR and its measures reciprocally, significantly decreases Chi-square value (Janssens et al., 2008).

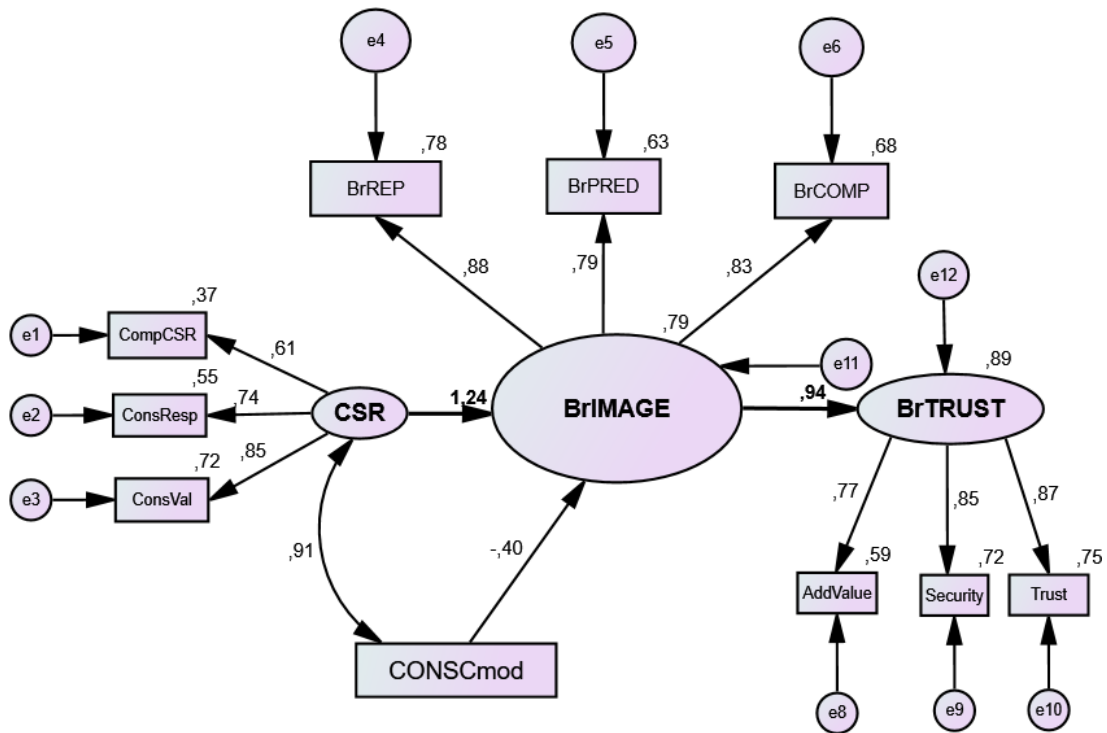


Fig. 15. The Path Diagram with Moderation

After removal of the variables mentioned, the fit of the solution indicators demonstrated the goodness of the model (Table 5).

Table 5. The Goodness of Fit Indices

Fit Index type	Observed value	Acceptable value	Fit level
X ²	35.047; p=0.09 (df=18)	p>0.05	Good fit
X ² /df	1.947	≤3	Good fit
RMSEA	0.083	≤0.08	Acceptable fit
GFI	0.935	≥0.90	Acceptable fit
AGFI	0.870	≥0.80	Acceptable fit
IFI	0.973	≥0.95	Good fit
TLI	0.957	≥0.95	Good fit
CFI	0.972	≥0.95	Good fit
SRMR	0.0422	≤0.08	Good fit

Df: degrees of freedom; X²: Chi-square; RMSEA: Root Mean Square Error of Approximation; GFI: Goodness of Fit Index; AGFI: Adjusted Goodness of Fit Index; IFI: Incremental Fit Index; TLI: Trucker-Lewis Index; CFI: Comparative Fit Index; SRMR: Root Mean Square Residuals.

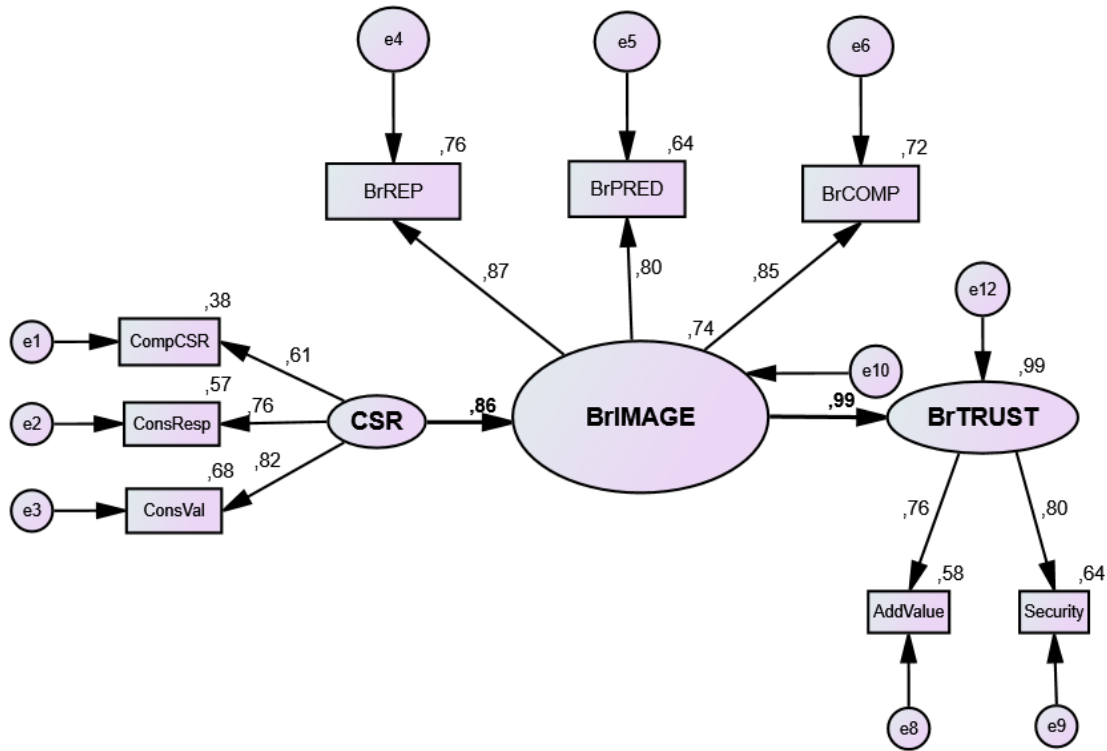


Fig. 16. The Path Diagram Adjusted

The figure above provides the adjusted path diagram, which is the final model of the research outcome. The consumer consciousness moderator had to be removed as the path was indicated to be insignificant ($p > 0.001$), which can be explained by the fact that the sample size and another factors and can significantly affect consumer attitude towards CSR initiatives, for instance, moral values, which can be investigated in addition to overall attitude towards CSR. In relation to trust scale, for most of the consumers it was identical to the question on security of the brand; hence, it could be removed. According to both unstandardised and standardized regression coefficients, it can be observed that corporate social responsibility of a luxury brand has a positive and a significant influence on brand image, i.e. brand reputation, predictability and competence (C.R. or t-value is 8.640, $p < 0.001$; correlation = .86). Finally, brand image, or brand characteristics being influenced by CSR also demonstrated positive influence on luxury brand trust (C.R. or t-value is 11.151, $p < 0.001$; correlation = .99), meaning that the main hypotheses concerning corporate social responsibility influence on luxury brand image and trust towards it driven by the author can be proved.

The path analysis demonstrated that brand's pursuing corporate social responsibility aspects, e.g., legal, environmental and social, in its strategy, is favorable for brand image,

which is based on several brand characteristics, such as brand reputation, predictability and competence. Indeed, Beverland (2004) argued that a luxury brand value driven emergence that implies philosophy, methods and intentions of luxury business affects brand reputation and the brand image either positively or negatively depending on what a luxury brand can offer to its consumer. Interestingly, respondents positively associated brand's corporate social responsibility with respect towards consumers. This means that corporate social responsibility of a luxury brand is believed as branding from authenticity in comparison to conformity, i.e. understanding its values and discover the ways corporate social responsibility can enhance branding (Brusseau, Chiagouris, Fernandez Brusseau, 2013).

Being positively affected by CSR, luxury brand image demonstrated significant influence on trust towards luxury brand. If to refer to the previous research, it can be observed that companies' respect towards environment, consumers and philanthropic activities and the perception of these activities by the consumer influenced trust in a mass-market brand (Ammar, Naoui, Zaiem, 2015). The model derived during the current research proved, however, that this could be applied in relation to luxury brands. Moreover, the results of the study converge with the research on corporate social irresponsibility that, contrariwise, causes distrust towards a brand (Nasab & Abikari, 2016) and are in agreement with Jin, Park and Yoo (2017) who highlighted that non-involvement in CSR may negatively influence the consumer response towards the luxury brand.

3.2 Theoretical Contribution, Limitations and Further Research

On the basis of the conducted research, the model of corporate social responsibility influence on brand trust was developed. The model contributes to addressing the issues discussed in previous research on corporate social responsibility. First, it considers the issues of corporate social responsibility in the context of luxury market and luxury brands that demonstrates increasing demand for transparency, ethical behavior and sustainability from the consumers. Second, it focuses on brand trust as one of the most important attributes of a relationship between a brand and a consumer using structural equation modelling technique. Third, the author provided the ground for careful consideration of the measures that previous authors were using in their research.

To elaborate on limitations of the research conducted and suggest further research in the area investigated, it is necessary to emphasize the sample size and measures considered in the analysis. As the study related to international context, 128 respondents, participated in the survey, represented different countries and continents. Hence, it would be interesting to

conduct the research with a larger sample and in the context of one country to explore the general cultural pattern, which could be useful for local management.

As it can be observed from the analysis process, some of the brand constructs did not demonstrate influence on brand trust towards luxury brands. This provides a ground for further investigation in the relation to other brand's and consumer characteristics, i.e. consumer self-concept and its similarity to personality of the brand (Lau & Lee, 1990) to test the moderating effect of consumer's concern towards global issues and corporate social responsibility in general or emotions evoked by corporate social responsibility practices of a brand. The relationship between mentioned constructs and brand loyalty or brand affinity could be also explored as today, brands, especially luxury ones have powerful online instruments to go far beyond building brand loyalty and create affinity with potential consumers and make them brand advocates as well as advocates of social responsibility in long-term perspective. In this sense the moderating effect of emotional attachment could be investigated.

Besides, the research was based on quantitative approach and did not focus on one luxury product category. However, in brand management and marketing studies, it could be also beneficial to conduct some qualitative research, for instance, in-depth interviews of the consumers to discover their inner motives of being more prone to one luxury brand instead of another on the real examples of luxury brands operating in the industry. This could lead to additional practical implications for the management of a particular luxury brand and contribute to right implementation of CSR practices into a luxury brand's strategy. The product categories in future studies can also be specified, for example, focusing only on jewelry & watches or apparel, which could lead to attributing corporate social responsibility to most suitable product category.

3.3 Managerial Implications

The research on corporate social responsibility and its influence on luxury brand trust provides valuable practical implications for brand management in luxury industry. The model derived can be applicable for enhancing such brand characteristics as brand reputation, predictability and competence, in its turn increasing a luxury brand trust level by careful implementation of corporate social responsibility practices into the brand's policy in accordance to main dimensions of corporate social responsibility, including legal, environmental and social ones.

In order to make a consumer aware about luxury brand's corporate social responsibility and increase brand trust level, it is important to communicate corporate social responsibility to luxury consumers as consumers "use ethical information if it is in front of them, but they will not seek it out" (Torres, 2016). This can be done by benefitting from modern communication tools as social media, which has an intense synergy with a luxury brand (Parrott, Danbury, Kanthavanich, 2015). However, this communication should be implemented carefully to avoid the scepticism towards brand's corporate social responsibility actions (Zhang & Hanks, 2016). Therefore, a brand should not only create digital marketing strategies initiatives in social media to make a new brand product promoted but also demonstrate consumers the involvement into corporate socially responsibility issues solution process. It is also beneficial to enhance consumer's understanding of corporate social responsibility to make sure that further actions will be used towards right target audience who understands the efforts of a luxury brand.

Today, several big luxury brands can be observed being active in embedding social responsibility practices and promoting, for instance, sustainability throughout supply chain, human rights and environment protection, i.e. Dior, Tiffany & Co, Stella McCartney or Armani. Thus, Armani is known for its sensitive approach towards corporate social responsibility and sustainable policy, and recently it realized the necessity "to deliver a more committed and concrete approach to Social Responsibility" (Armani.com, 2017). The strategy implies not only free policy and chemical safety of the product which can be regarded as a marketing instrument but also process control "to ensure that its supply chain complies with the principle rules governing ethical-social behaviour, safety regulations in the workplace and respect to the environment" (Armani.com, 2017).

Contrariwise, there are also some companies that still lack practices addressing the corporate social responsibility issues being accused of an unethical and unsustainable behavior while new generations whose disposable income steadily grows demand transparent, sustainable and ethical brands (McPherson, 2016). In this relation, luxury brand managers should take into consideration the fact that consumers tend to be inspired by ethical behavior of the brands and can be engaged into co-creation process of new corporate social responsibility traditions.

It is essential to mention that corporate social responsibility does not guarantee the increase in brand trust level per se as the core luxury brand characteristics, such as high product quality, exclusivity, etc. are at the forefront of a luxury brand. However, in combination with socially responsible characteristics, such brand could gain more benefits.

CONCLUSION

The conducted research on the effects of corporate social responsibility on luxury brand trust empirically measured corporate social responsibility effect on brand characteristics, as well as luxury brand trust. The conceptual model was built on the basis of the analysis of existing studies on mentioned concepts as corporate social responsibility, luxury brand and brand trust. It was discovered that brand and luxury tend to be vague terms with a number of characteristics suggested by researchers, meanwhile corporate social responsibility has several dimensions usually categorized in different groups.

The literature review demonstrated that research referred to these topics is limited. Brand trust usually being considered a part of brand loyalty has rarely been studied as a separate construct neither in relation to mass-market brands nor to brands of luxury industry, which in its turn provides a good field for investigations as brand trust is considered as a driver of purchase intentions and brand loyalty. Today, luxury brands, which are often being accused of irresponsibility for their operations while obtaining high profits, are facing big challenges including consumers' demand for the brands, which do not only possess good physical and intrinsic characteristics but also strive for contributing to social well-being and respecting rights of both employees and consumers.

The empirical analysis of the study has indicated that corporate social responsibility positively influences brand characteristics in the consumer's mindset, i.e. brand image, and trust towards a luxury brand, which is distinguished by several main features as high quality, authenticity and creativity. According to the study, corporate social responsibility is able to have a positive impact on brand image constructed from reputation, predictability and competence and, thus, to trust towards it, which should be taken into consideration by brand management of luxury industry.

This does not mean, however, that luxury companies' brands should only use modern promotion instruments, for instance, to demonstrate support of environment protection in the form of campaigns and appealing messages to attract potential consumers. In addition to its communication, it is essential to ensure social responsibility of internal processes occurring around brand creation, from manufacturing to the point when it gets to consumers. The combination of these practices embedded into the overall brand's strategy will turn the company into a true advocate and ambassadors of corporate social responsibility as one of the most vital elements of modern businesses.

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APPENDIX A: QUESTIONNAIRE

Welcome! Thank you for taking your time for completing this survey which is carried out within the scope of a project of the Graduate School of Management, Saint Petersburg State University. The survey deals with the questions concerning corporate social responsibility and luxury brand and takes about 7-10 minutes.

Your data will be treated anonymously. This means that no personal information is collected and no reference can be established to you. This means that no personal information is collected and no reference can be established to you. Also you will not be personally identified in any way. Please do not hesitate to contact us if you have any queries.

A. DEMOGRAPHICS

1. Please indicate country of your nationality (write the country name):

2. Please indicate your gender:

- a) Male
- b) Female
- c) Other

3. What is your age?

- a) Under 18
- b) 18-25
- c) 26-35
- d) 36-45
- e) 45-59
- f) 60 and over

4. Please indicate your highest educational level:

- a) Elementary school or unfinished high school
- b) High school or equivalent
- c) College or technical school degree
- d) Bachelor's or Specialist degree
- e) Master's degree
- f) PhD degree

5. Please describe your annual household income before taxes per person:

- a) Less than 20 thousand euro
- b) 20-30 thousand euro
- c) 30-40 thousand euro
- d) 40-50 thousand euro
- e) More than 50 thousand euro
- f) I do not want to share this information

B. CSR PRACTICES & LUXURY CONSUMPTION

In this section you will be asked about your general attitude towards corporate social responsibility (CSR). Corporate Social Responsibility is «a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders» (UNIDO, 2007).

1. Are you familiar with corporate social responsibility (CSR) practices of any brand?

- a) yes
- b) no

2. Have you ever bought or intended to buy a product of any brand because of its appealing CSR practices (e.g. TOMS Shoes "One for One" campaign – "With every product you purchase, TOMS will help a person in need")?

- a) yes
- b) no

3. Luxury goods (Dior, Dolce & Gabbana, Cartier, Rolls-Royce, Hennessy) of which product category have you ever bought or eager to buy in the future? Please rank the items in terms of purchase frequency (1 – never, 5 – frequently):

- a) beauty & care products
- b) apparel and accessories (e.g. bags, purses)
- d) jewelry and watches
- e) food & beverages
- f) real estate and transport means (e.g. cars, motorcycles, yachts)

4. Which product category of luxury goods would you assume need CSR practices most?

Please rank (1 – lowest need, 5 – highest need):

- a) beauty & care products
- b) apparel and accessories (e.g. bags, purses)
- d) jewelry and watches
- e) food & beverages
- f) real estate and transport means (e.g. cars, motorcycles, yachts)

5. Please rank the CSR dimensions that you would consider most valuable for a luxury brand

(1 – least valuable, 5 – most valuable):

- a) sustainable production and product testing (e.g. recyclable materials, non-animals testing)
- b) transparent information on product ingredients
- c) sponsorship & donations
- d) campaigns to protect environment & society well-being
- e) internal support of the employees (e.g. flexible regulations, fair legal conditions)

6. Would you pay more for the luxury brand that follows CSR practices?

- a) yes
- b) no

7. How much would you pay over the normal product price to contribute to the luxury brand CSR activities? Please write the approximate percentage:

8. How strong is your concern with global issues in general (e.g. climate change, human rights)?

- a) Global issues do not matter to me
- b) I know some general information about about global issues
- c) I am interested in any news concerning globl issues
- d) I am concerned with global issues but I do not believe in their solution
- e) I try to contribute to solving global issues

C. CSR & LUXURY BRAND TRUST

Please read the following two short scenarios on luxury companies and answer the questions below. The companies' brands presented here are identical in terms of price and quality.

Scenario A

An international company «A» produces a range of high-quality luxury goods from beauty products to apparel (excluding leather goods) and high-end jewelry under its brand. Most of the brand products are produced using natural ingredients and recyclable materials. The beauty & care line goods are not tested on animals and the ingredients information are transparent for the final consumer. Recently the company has introduced the campaign towards protection of children rights. The company «A» is also famous for its favorable labour conditions and positive feedback from the employees who demonstrate high motivation.

Scenario B

An international company «B» produces a range of high-quality luxury goods from beauty products to apparel including leather goods, which brings a lot of profit, and high-end jewelry under its brand. The products packaging is made mostly from plastic and paper without full information on the ingredients being written. The company has recently faced several labour issues, however, now it is taking measures to address them. It does not contribute any resources to the activities for addressing global issues.

Please read the statements based on the scenarios and express your considerations using the following scale dimensions:

1 – Strongly disagree

2 – Disagree

3 – Neither agree nor disagree

4 – Agree

5 – Strongly agree

CORPORATE SOCIAL RESPONSIBILITY AND BRAND CHARACTERISTICS

1. As a consumer I am concerned with social, environmental and legal issues related to any business.

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

2. As a consumer I am concerned with social, environmental and legal issues related to luxury business.

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

3. I would describe company «A» as socially responsible in comparison to «B».

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

4. I feel company «A» has a higher respect to its consumers than «B» (1 – Strongly disagree; 5 – Strongly agree).

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

5. Company «A» actions and policies meet my values better than «B».

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

BRAND CHARACTERISTICS AND BRAND TRUST

Reputation

1. I believe «A» brand has an excellent reputation in comparison to «B».

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

2. I would describe «A» brand as more reliable than «B».

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

3. I would rather recommend «A» brand than «B» to other people.

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

Predictability

1. Company «A» brand will not cheat me and will provide with expected product quality in comparison to «B».

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

2. In comparison to «B», company «A» less successful in gaining profits.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. In comparison to «B», brand «A» performance is more consistent.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Competence

1. Company «A» knows me as a consumer better than «B».

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. In comparison to «B», «A» employees will provide me with all essential product recommendations.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Company «A» is concerned about future generations and is more competent in global and society well-being issues in comparison to «B».

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Brand Trust

1. In general I would trust brand «A» more than «B».

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. I would feel more secure when buying «A» brand product than «B».

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. I feel brand «A» promises me additional value in comparison to «B».

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This is the end of the survey. Thank you for your participation!

APPENDIX B: DATA ANALYSIS

Frequencies

		Statistics						
		Country	Gender	Age	Educ	Income	GlobalIssues	Familiarity
N	Valid	128	128	128	128	128	128	128
	Missing	0	0	0	0	0	0	0

		Statistics			
		PurchaseAct	PayWillingness	PayPercent	
N	Valid	128	128	128	128
	Missing	0	0	0	0

Frequency Table

		Familiarity			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	11	8,6	8,6	8,6
	Yes	117	91,4	91,4	100,0
	Total	128	100,0	100,0	
		PurchaseAct			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	58	45,3	45,3	45,3
	Yes	70	54,7	54,7	100,0
	Total	128	100,0	100,0	
		PayWillingness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	43	33,6	33,6	33,6
	Yes	85	66,4	66,4	100,0
	Total	128	100,0	100,0	

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,826	2

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BusinessConcern	3,88	,709	,703	.
LuxConcern	3,91	,693	,703	.
Scale Statistics				
Mean	Variance	Std. Deviation	N of Items	
7,79	2,388	1,545	2	

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,774	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CompanyCSR	8,52	2,236	,573	,742
ConsumRespect	8,85	1,891	,574	,736
ConsumValues	8,73	1,582	,705	,581

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
13,05	3,847	1,961	3

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,816	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Reputation	7,97	3,243	,619	,797
Reliability	8,16	2,306	,781	,624
Recommend	7,84	3,094	,628	,787

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
11,98	5,937	2,437	3

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,468	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ExpectedQuality	6,27	1,539	,456	,007
Profitability	7,11	3,043	,002	,785
Consistency	6,20	1,922	,506	,002

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
9,79	3,853	1,963	3

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,785	2

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ExpectedQuality	3,59	,731	,660	.
Consistency	3,52	1,118	,660	.

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
7,11	3,043	1,744	2

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,706	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ConsumKnowledge	7,80	2,242	,554	,576

EmplRecommend	7,84	2,296	,600	,515
Competence	7,04	2,888	,426	,725

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,725	2

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ConsumKnowledge	3,50	,866	,570	.
EmplRecommend	3,54	,975	,570	.

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
7,04	2,888	1,699	2

Reliability

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	128	100,0
	Excluded ^a	0	,0
	Total	128	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
,861	3

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Trust	8,14	2,689	,788	,756
AddValue	8,29	2,758	,679	,862

Security	8,21	2,861	,748	,796
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Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
12,32	5,826	2,414	3

Correlations: Spearman's Rank Correlation

			ConsConscious	Brand CSR	Brand Rep	Brand Pred	Brand Comp	Brand Trust
Spearman's rho	ConsConsc	Correlation Coefficient	1.000	.492**	.461**	.299**	.430**	.443**
		Sig. (2-tailed)		.000	.000	.001	.000	.000
		N	128	128	128	128	128	128
	BrandCSR	Correlation Coefficient	.492**	1,000	.663**	.576**	.588**	.648**
		Sig. (2-tailed)	.000		.000	.000	.000	.000
		N	128	128	128	128	128	128
	BrandRep	Correlation Coefficient	.461**	.663**	1,000	.732**	.727**	.714**
		Sig. (2-tailed)	.000	.000		.000	.000	.000
		N	128	128	128	128	128	128
	BrandPred	Correlation Coefficient	.299**	.576**	.732**	1.000	.685**	.653**
		Sig. (2-tailed)	.001	.000	.000		.000	.000
		N	128	128	128	128	128	128
	BrandComp	Correlation Coefficient	.430**	.588**	.727**	.685**	1.000	.761**
		Sig. (2-tailed)	.000	.000	.000	.000		.000
		N	128	128	128	128	128	128
	BrandTrust	Correlation Coefficient	.443**	.648**	.714**	.653**	.761**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.000	
		N	128	128	128	128	128	128

** . Correlation is significant at the 0.01 level (2-tailed).