

**THE RELATIONSHIP OF
CORPORATE SOCIAL RESPONSIBILITIES INITIATIVES
AND CONSUMER LOYALTY**



**A Research Paper Submitted to College of Law, Government, and
International Studies, University Utara Malaysia in partial
fulfilment of the requirements for the degree of
Master of Science (International Business)
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DEDICATION

SPECIALLY DEDICATED FOR:

My Beloved Husband,
Amir Ariffin bin Aminuddin
&
My Dearly Love Parents,
Misman bin Miskal
Nor'in binti Man

For all the infinity love, faith, support, prayers, patience, sacrifices and kindness, for the wishes, being very supportive, understanding, bring joy and happiness to me and helpful also for the moments of up and down together...



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ABSTRACT

The trend towards social responsibility in recent years has amplified the interest of consumers in their consumption as well as purchase behaviour. Given the growing importance of social responsibility in the retail industry, in Malaysia, it remains imperative for the retail industry to understand the social responsibility as the determinants of customers' loyalty. Therefore, this study aims to underline the relationship of customer centric, green environment, and philanthropic towards customer loyalty. This study are quantitative in nature by using the sample of 172 respondents. Data analysis was performed using SPSS system. From the analysis, it found that all of CSR initiatives have positive significant effect on customer loyalty. As a result, philanthropic has the greatest effect on retail industry while customer centric the least influencing factor on loyalty.

Keywords: Malaysia, Corporate Social Responsibility, Customer Loyalty, CSR Initiatives, Retail Industry.

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Corporate Social Responsibilities is a voluntary assumption idea where the companies took the obligation beyond its legal responsibility and also absolutely economic (Sen and Bhattacharya, 2001; Boatright, 1997). McWilliam and Siegel (2001) describe CSR as “action that appear to further some social good, beyond the interest of the firm and that which is required by law”. Meanwhile, European Commission, 2011 has release CSR new definition as;

....Society impact by enterprises responsibilities...an integrated social process, consumer concern, human right, environmental and ethical concerns in core strategy and business operations and close collaboration with stakeholdersto increase the shared value creation for both stakeholder and shareholder and also large number of society: identifying, mitigating and preventing their possible adverse impacts.

The CSR aim is to be responsible on behalf of company action and providing its communities, consumers, environment, employees and other stakeholders a positive impact (De la Cuesta and Valor, 2003). According to Maignan and Ferrel, 2004; Lafuente, Vinuales, Pueyo and Llarra, 2003; Nieto and Fernandez, 2004 cited in Bigne, Andreau, Chumpitaz and Swaen (2006), they underlining that the significance of CSR concept has been an ongoing process for practical and academic writing to considered the interest and popularity from both perspective. Continually, new hypothetical ideas are situated up, endeavours to characterize CSR are embraced and more common sense contemplations are being talked about. Organizations spurred by interest organization, stakeholders, regulators, purchasers and governments, are spreading their activities with a growing concern

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