FROM CORPORATE SOCIAL RESPONSIBILITY TO BRAND ACTIVISM AND THE EFFECT ON CUSTOMER LOYALTY: A STRUCTURAL EQUATION MODELLING APPROACH

by

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DECLARATION: PLAGIARISM

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ABSTRACT

Increasingly multinational companies are making statements related to socio-political topics. This phenomenon is called brand activism and augments the concept of Corporate Social Responsibility (CSR). Therefore, it has the potential to direct a wider variety of socio-economic issues. Brand activism implementation causes negative and positive customer reactions. It is a challenge for companies to implement brand activism and predict the impact on customers. Existing literature lacks a robust theoretical body for brand activism. The effects of brand activism on customers are unclear, and there is no valid measurement model. This thesis aimed to understand the phenomenon of brand activism by identifying brand activism as an evolution of the concept of CSR and measuring the quantitative effect on customer loyalty. Therefore, brand activism was differentiated from CSR and implementation guidelines were inferred. A positive impact of progressive brand activism on customer loyalty was anticipated. Based on an in-depth literature review, this positive relationship was ascertained and observed by developing a measurement model to discover the impact of brand activism on customer loyalty. Thereof six brand activism dimensions, namely social, legal, workplace, economic, political, and environmental, were tested regarding the impact on customer loyalty and the effects of the six brand activism dimensions. The impact of brand activism on customers' legitimacy and authenticity perceptions was uncovered. Customers' expectations were compared to the measured effect on customer loyalty to make assumptions about the optimal implementation of brand activism. An experimental method utilising a survey with 372 respondents from South Africa, divided into six experimental groups and one control group, was applied. The survey targeted the Millennial generation (Generation Y). Millennials were selected as the unit of analysis as they have greater expectations regarding the socio-political activities of corporations than previous generations. The sample size was determined by applying a statistical power analysis. The experiment constituted six different treatments, including examples from the automotive brand Volkswagen in South Africa. Analysis of Variance was executed, and a structural equation model (SEM) was developed and applied. The SEM included three mediating variables, brand trust, customer-company identification, and brand image, besides the independent variable, brand activism, and the dependent variable, customer loyalty. The study reported an overall positive relationship between brand activism and customer loyalty. The variance analysis did not report significant results. Customer-company identification was the only mediating variable within the SEM reporting a high significance towards customer loyalty. Respondents perceived environmental brand activism as the most important dimension. Customers' expectation regarding brand activism implementation was higher than the measured customer loyalty. Implementing brand activism was perceived more in an authentic manner than a legitimate

one. This research suggests that brand activism as a concept should be implemented complementary to CSR. The relationship between brand activism and customer loyalty is based on the social identity theory. Therefore, customer identification with the company was the strongest predictor of loyalty within this relationship. An expectation-behaviour gap was suggested as customers' expectations towards the company were higher than their actual remuneration with loyal behaviour. A customer grid model to minimise the cognitive dissonance of customers is proposed for implementation. Overall, this research contributes to the field of strategic marketing and consumer behaviour. In terms of qualitative contribution, this thesis adds to CSR, brand activism, and customer loyalty research. A theoretical basis of the brand activism phenomenon is developed, and a strategic brand activism framework is implemented. The quantitative contribution of the study is a measurement model for testing the relationship between brand activism and customer loyalty and the results of the applied experimental study. The practical contribution of this research is the developed loyalty grid model, loyalty stage process, and overall recommendations based on qualitative and quantitative findings.

Keywords

OPSOMMING

Multinasionale maatskappye reik in toenemende mate verklarings uit rakende sosio-politieke sake. Hierdie verskynsel word handelsmerk-aktivisme genoem en verbreed die konsep van Korporatiewe Sosiale Verantwoordelikheid (Corporate Social Responsibilty - CSR). Derhalwe hou dit die potensiaal in om 'n groter verskeidenheid sosioëkonomiese kwessies aan te spreek. Die implementering van handelsmerk-aktivisme ontlok negatiewe en positiewe reaksies van kliënte. Dit skep 'n uitdaging vir maatskappye om handelsmerk-aktivisme te implementeer en die impak op kliënte te voorspel. Die bestaande literatuur toon 'n gebrek aan 'n stewige teoretiese model vir handelsmerk-aktivisme. Die effek van handelsmerk-aktivisme op kliënte is nie duidelik nie en daar is geen geldige model om die omvang daarvan te bepaal nie. Die doel van hierdie tesis was om om 'n begrip te ontwikkel vir die verskynsel van handelsmerk-aktivisme deur hierdie verksynsel te identifiseer as 'n evolusie van die konsep Korporatiewe Sosiale Verantwoordelikheid (CSR) en om die kwantitatiewe effek op die lojaliateit van kliënte te meet. Daarom word handelsmerk-aktivisme as iets anders beskou as net die korporatiewe sosiale verantwoordelikheid (CSR) en gevolgtrekkings word gemaak ten opsigte van riglyne vir implementering. 'n Positiewe impak van progressiewe handelsmerk-aktivisme op lojaliteit van kliënte word in die vooruitsig gestel. Met 'n diepgaande literatuurstudie as basis, is hierdie positiewe verhouding bepaal en waargeneem deur die ontwikkeling van 'n metingsmodel ten einde die impak van die implementering van handelsmerkaktivisme op die lojaliteit van kliënte bloot te lê. Dus word ses dimensies van handelsmerk-aktivisme bepaal, naamlik sosiale, wetlike, werkplek-, ekonomiese, politieke, en omgewingsaktivisme, en dit word getoets met betrekking tot die impak op lojaliteit van kliënte. Verder word die uitwerking van die ses dimensies van handelsmerk-aktivisme vergelyk. Die impak van handelsmerk-aktivisme op die legitimitiets- en outentisiteitspersepsie van kliënte word blootgelê. Die verwagtinge van kliënte word vergelyk met die effek op lojaliteit van kliënte namate die omvang daarvan bepaal word, ten einde aannames te maak oor die optimale implementering van handelsmerk-aktivisme. 'n Eksperimentele metode insluitend 'n opname onder 372 respondente in Suid-Afrika, verdeel in ses eksperimentele groepe en een kontrolegroep, word toegepas. Die teikengehoor van die opname is die millenniumgenerasie (Generasie Y). Die millenniumgenerasie is as steekproef

geselekteer aangesien hulle hoër verwagtinge as vorige generasies koester rakende die sosiopolitieke betrokkenheid van maatskappye. Die eksperiment is saamgestel met ses verskillende hanterings insluitend voorbeelde uit die motorhandelsmerk Volkswagen in Suid-Afrika. 'n Variansie-analise (ANOVA) is uitgevoer, en 'n strukturele vergelyking modellering (structural equation modelling - SEM) is ontwikkel en toegepas. Buiten die onafhanlike veranderlike, handelsmerk-aktivisme, en die afhanklike veranderlike, kliënte-lojaliteit, sluit die SEM die volgende drie mediasie-veranderlikes in: handelsmerkvertroue, identifisering van kliënte met die maatskappy, en handelsmerkbeeld. Die studie rapporteer 'n algehele positiewe verhouding tussen handelsmerk-aktivisme en kliënte-lojaliteit. Die variansie-analise het nie deurslaggewende resultate opgelewer nie. Die enigste mediasie-veranderlike binne die SEM wat 'n hoë aanduiding in die rigting van kliënte-lojaliteit gelewer het, is kliënt-maatskappy-identifisering. Omgewings-handelsmerkaktivisme is waargeneem as die mees belangrike dimensie. Die verwagting van kliënte rakende die implementering van handelsmerk-aktivisme is hoër as die kliënte-lojaliteit wat gemeet is. Die implementering van handelsmerk-aktivisme is eerder waargeneem op 'n outentieke wyse as in 'n legitieme wyse. Hierdie navorsing wil aan die hand doen dat handelsmerk-aktivisme 'n konsep is wat geïmplementeer moet word aanvullend tot maatskappy- sosiale verantwoordelikheid. Die verhouding van handelsmerk-aktivisme en kliënte-lojaliteit is gebaseer op die sosiale identiteitsteorie en dus was die identifikasie van die kliënt met die maatskappy die sterkste voorspeller van kliënte-lojaliteit binne hierdie verhouding. Daar is uitgebrei op 'n verwagting-gedragsgaping as die verwagting van kliënte teenoor 'n maatskappy wat hoër was as hul werklike vergoeding met lojale gedrag. 'n Kliënt-roostermodel om die kognitiewe dissonansie van kliënte te verminder, is voorgestel vir implementering. In geheel, dra hierdie navorsing by tot die veld van strategiese bemarking en verbruikersgedrag. Die kwalitatiewe bydrae van hierdie navorsing is 'n diepgaande oorsig van literatuur oor die verskynsel van handelsmerk-aktivisme en 'n strategiese handelsmerk-aktivismeraamwerk. Die kwantitatiewe bydrae van die navorsing is 'n metingsmodel vir die verhouding tussen handelsmerk-aktivisme en kliënte-lojaliteit en die resultate van die toegepaste eksperimentele studie. Die praktiese bydrae van hierdie navorsing is 'n ontwikkelde lojaliteitsroostermodel, 'n lojaliteitstadiumproses, en oorhoofse aanbevelings gebaseer op die kwalitatiewe bevindinge en kwantitatiewe resultate.

Sleutelwoorde

Handelsmerk-aktivisme, korporatiewe sosiale verantwoordelikheid (CSR), verbruikersgedrag, kliënt-maatskappy-identifisering, kliënt-lojaliteit, verwagtingsgedragsgaping, sosiale-identiteit-teorie

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DECLARATION: LANGUAGE EDITING

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Dear Sir/Madam,

Declaration of language editing

I, Jeanne Margaretha van den Berg, hereby declare that I have personally read through the research assignment of Carolin Welser and have highlighted language errors.

Yours sincerely

JM VAN DEN BERG

May 2022

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF APPENDICES

ACRONYMS AND ABBREVIATIONS

Abbreviation	Meaning
ANOVA	Analysis of variance
AVE	Average variance extracted
AVE	Advertising value equivalency (p. 209)
BBBEE	Broad-Based Black Economic Empowerment
BE	Brand equity
BEEP	Bicycle Education Empowerment Programme
BRICS	Brazil, Russia, India, China, South Africa
CB SEM	Covariance-based structural equation modelling
CC	Corporate Citizenship
CCI	Customer-company identification
CD	Communication domain
CFA	Confirmatory factor analysis
CFI	Comparative fit index
CGER	Corporate governance and economic responsibility
CIA	Company identity attraction
CR	Corporate Responsibility
CrM	Cause-related Marketing
CSI	Corporate Social Investment
CSP	Corporate Social Performance
CSR	Company's Stakeholder Responsibility (p.34)
CSR	Corporate Social Responsibility
CSRI	Corporate Social Responsibility Index
DV	Dependent variable
ED	Environmental domain

EDP	Expectancy-disconfirmation paradigm
EFA	Exploratory factor analysis
EI	Environmental impact
EPS	Environmental protection and sustainability
ESG	Environmental Social Governance
GOF	Goodness of fit
HER	Ethics and human resources
HRD	Human resource development
HTMT	Heterotrait-monotrait ratio
ILC	Impact on local communities
ISO	International Standardisation Organisation
IV	Independent variable
KCCSRM	Kanji & Chopra Corporate Social Responsibility Model
LGBTQ	Lesbian, gay, bisexual, transgender, queer
LS	Least squares
LSD	Least significant difference
MNC	Multinational company
MSE	Mean square of the error
MV	Mediating variable
NAM	Norm Activation Model
NFI	Normed fit index
NNFI	Non-normed fit index
NGO	Non-governmental organisation
NPS	Net promoter score
OECD	Organisation for Economic Co-operation and Development
OSPS	Organisational strategic planning system
PCSR	Political CSR

PLS	Partial least squares
rBGH	Recombinant bovine growth hormone
RFA	Restricted factor analysis
RMSEA	Root mean square error of approximation
RMSR	Average residuals for the correlation matrix
ROI	Return on investment
SASI	Social accountability and social investment
SAT	Customer satisfaction
SD	Social domain
SED	Socio-economic development
SEM	Structural Equation Modelling
SM	Stakeholder Management
SME	Small to medium-sized company
SOW	Share of the wallet
SRMR	Standardized root mean square residual
TRU	Customer trust

CHAPTER 1: INTRODUCTION

The present chapter serves as an introduction for the quantitative study executed on the evolution from Corporate Social Responsibility toward brand activism and the effect on customer loyalty. Firstly, the context of the research study is elaborated. Secondly, the research gap and motivation is explained. Thirdly, the research question and goal is clarified. Fourthly, an overview of the main relevant theories and methods is given. Lastly, a structural outline of the thesis is demonstrated.

1.1 CONTEXT OF THE RESEARCH STUDY

In an ongoing worldwide trust crisis of consumers towards institutions, Edelman (2022) asserted that business is considered to be more ethical and competent compared to other institutions like Non-Governmental Organisations (NGOs), media and government. Simultaneously, the expectations of customers towards brands to take a stance about socio-political topics are increasing, especially amongst the generation of Millennials (individuals born between 1979 and 2001) (Kotler & Sarkar, 2018). This development arises from rising societal fears, and consumers trust that business can contribute towards solving a range of societal issues. Consumers expect companies to take part in a broader variety of discussions in public (Kotler & Sarkar, 2018). Edelman (2022) reported that 76% want CEOs to shape the conversation about policy regarding jobs and economy, 73% want them to address topics about wage and inequality, and 68% want them to discuss global warming and climate change. Therefore, societal leadership is a core function of business nowadays. Established practice and literature included Corporate Social Responsibility (CSR) as a possible business solution for societal-related issues concerning business operations. Business scholars claim, however, that CSR is no longer enough to solve the issues and insecurities within society. Hence, brand activism is introduced as a natural evolution of CSR (Craddock, Boichuck, Cian, & Parmar, 2018; Kotler & Sarkar, 2018; Vredenburg, Kapitan, Spry, & Kemper, 2020).

1.2 RESEARCH GAP AND MOTIVATION

The existing literature on brand activism is limited. The nature as well as conceptualisation of the brand activism phenomenon is rarely addressed. In contrast to CSR, there is no proof about the impact of brand activism on consumer behaviour yet (Moorman, 2020; Moumade, 2020; Vredenburg et al., 2020). Meanwhile, the number of companies implementing brand activism is increasing. It is worthwhile to research the effects of brand activism on the consumer, as companies do not only include environmental, social, and governance (ESG) activities, but also values and opinions on socio-political topics in their marketing strategy to increase their financial performance (Kotler & Sarkar,

2018; Pimentel & Didonet, 2021; Taherdangkoo, Mona, & Ghasemi, 2019). In the proposal planning stage of the present PhD research study, the researcher interviewed an Audi representative regarding the Super Bowl advertisement in 2020 (Schwarze, 2020). Audi's superbowl advertisement in 2020 introduced the new electric car called e-tron by showing the 23 year old actress Maisie Williams passing the way through a traffic jam in an Audi e-tron. A story of transformation is told by including people from various culture and with different gender. Not only was the electric product range placed in the focus of the advertisement, but also the strategically re-invented values of the Audi brand, which included gender equality, climate change and a diverse, sustainable, and innovative oriented customer segment. The Super Bowl often represents the largest marketing budget allocation for an international brand. A 30-second advertisement costs between 3 million US dollars and 5,2 million US dollars on average (Brothers, 2018). Besides Audi, there is a variety of companies advertising with values such as gender equality, transgender issues, LGBTQ integration, environmental change and human rights (Lunde, 2018; Patel & Feng, 2021; Rivera, Bigne, & Curras-Perez, 2019). However, there is a lack of evidence in the consequences of using such topics in marketing communication. The effects of CSR on consumer behaviour are analysed in existing literature (Martinez & Del Bosque, 2013; Martínez, Pérez, & del Bosque, 2014; Rivera et al., 2019). The effects of brand activism are not clear yet. Another current problem in marketing research is the persistent decline in customer loyalty (Bennett & Rundle-Thiele, 2005). The researcher therefore supposes that brand activism can have an effect on customer loyalty as customer loyalty includes components that are influenced by customer as well as company values. These components are, for example, brand image, satisfaction, brand trust and the degree of customer identification with the brand. Therefore, the investigation of the relation of the brand activism phenomenon in relation to the impact on customer loyalty is beneficial for two broad interest groups, namely researchers and business. Firstly, marketing researchers benefit from the qualitative as well as quantitative output of this research as CSR is connected to brand activism and customer loyalty and a novel quantitative perspective is applied. Secondly, business benefits from this research as the effect of brand activism on customer loyalty is an important indicator of decision making in marketing.

1.3 RESEARCH QUESTION AND OBJECTIVES

The aim of this research project is to produce a well-thought-out definition and conceptualisation of brand activism. Furthermore, the objective is to observe what effect brand activism has on consumer behaviour and specifically loyalty. The investments in marketing activities including socio-political topics are rising. Simultaneously, customer loyalty is decreasing. A loyal customer base increases the profits and market share of a company (Chaudhuri & Holbrook, 2001). Hence, it makes sense to find

out whether brand activism influences customer loyalty. According to existing literature on the topic, especially the generation of Millennials (Generation Y) has higher expectations towards societal engagement of companies (Kotler & Sarkar, 2018). Therefore, Millennials serve as an appropriate generation for the research sample. The millennial generation not only has higher expectations from companies, but also values an individual consumer identity. Brand activism is separated in six dimensions that include different topics. It is therefore important to find out which topics have the highest impact on customer loyalty and how these topics differ from the viewpoint of millennial customers. As automotive companies increasingly address socio-political topics and one major trend in the industry is to expand in emerging markets, South Africa is the observed market for this research. South Africa has the biggest automotive sector on the continent, employs more than 110 000 South Africans and has an indirect labour-creating effect on approximately 1,5 million South Africans (BusinessTech, 2021). Therefore, the automotive sector has a high impact on consumers, employees and further stakeholders in South Africa. Additionally, South Africa is a country where people show a high level of distrust in government, as a large variety of socio-economic problems exist (Edelman, 2022). Brand activism therefore could serve as a strategy to foster change in the country, executed by operating multinational companies (MNCs).

All the above-mentioned motivations considered, the research question to be answered is what the effect of progressive brand activism is on customer loyalty in target group Millennials in South Africa and which of the brand activism dimensions matters the most to Millennials. Furthermore, this research explores whether the expectations of customers match with their actual consumer behaviour. To measure the effects and compare them, a framework and measurement model must be developed. Therefore, a further research goal is to develop and test a measurement model for brand activism and customer loyalty. In the framework of the measurement model, one goal is to observe if the selected mediating variables, namely brand trust, customer-company identification, and brand image influence customer loyalty. It is also crucial to find out whether brand activism has a significant impact on the three mediating variables. The scope of the research includes an experimental study including 372 participants replying to an online survey in 2021. The research project offers a definition, conceptualisation, framework, data analysis and results directed at strategic business implementation. It is limited to one sector (automobile) in one country (South Africa) and demonstrates a best practice case (Volkswagen).

1.4 OVERVIEW OF RELEVANT THEORIES AND METHODS

In the framework of this thesis, main theories, concepts, and quantitative methods are included. This section serves as an overview of the most relevant theories and methods applied to understand the

relation of the concepts in a marketing research framework. The theories included are CSR, brand activism and customer loyalty. The method included is a quantitative experimental research design analysed with a variance analysis and structural equation modelling.

Corporate Social Responsibility

CSR is the acknowledgement that companies, especially managers, carry responsibilities towards various groups in society other than stockholders (European Commission, 2011). A commonly accepted concept divides these responsibilities in economic responsibilities, legal responsibilities, ethical responsibilities, and philanthropic responsibilities (Carroll, 1991). Within this thesis, the development of CSR definitions is discussed, and key conceptualisations are reviewed.

Brand activism

Brand activism is a concept that includes the scenario when businesses publicly communicate their opinion on what they think is "good" for society and therefore address socio-political topics like societal, environmental and human issues (Craddock et al., 2018). It is described as either promoting or impeding societal improvement or stasis with the goal to promote or impede certain developments in society. A fundamental conceptualisation of brand activism in literature includes a social, legal, business, economic, political, and environmental brand activism dimension (Kotler & Sarkar, 2018). This thesis offers the development of a definition, explains the dimensions in detail, and demonstrates brand activism cases.

Customer loyalty

Customer loyalty is described as the bond to a brand and strongly held conviction to rebuy a product or brand constantly in the future (Jones & Sasser Jr., 1995; Oliver, 1999). Widely accepted conceptualisations include the constitution of customer loyalty in attitudinal and behavioural loyalty as well as the conceptualisation of customer loyalty as a process including the cognitive loyalty stage, the affective loyalty stage, the conative loyalty stage and the action loyalty stage (Baldinger & Rubinson, 1996; Oliver, 1999). The thesis offers a short historical outline of customer loyalty, and the definitions and conceptualisations of customer loyalty.

Social identity theory

Social identity theory acknowledges the existence of social groups that include individuals who identify themselves in social terms (Tajfel & Turner, 1979).In other words, social identity means being

like others in the group and seeing things from the group's perspective (Stets & Burke, 2000). In this context, the membership in a group serves to enhance their member's self-esteem, to foster cognitive social comparisons, and to build a positive social identity (Tajfel & Turner, 1979).

Quantitative method: Experimental design

A quantitative method includes a structural data collection technique to measure the relation of concepts in a numerical manner (Reiss, 2011). The experimental research design observes cause-effect relationships and aims at producing generalisable outcomes (Saunders, Lewis, & Thornhill, 2016). This thesis includes the experimental approach to create and measure the relationship between the concepts brand activism (independent variable) and customer loyalty (dependent variable).

Data analysis technique: ANOVA & SEM

To analyse the collected data, five steps were executed within this research study. Firstly, the descriptive statistics were analysed. Secondly, the reliability and validity of the variables, items and measurement model was checked. This step ensured that the developed structural model is confirmed and offers reliable and valid outcomes. Thirdly, the variances were analysed (ANOVA). Fourthly, the variances were compared. Lastly, the structural equation model was analysed (SEM). ANOVA is a statistical technique to compare measurements based on the kind of effects and thereby to observe the importance of effects (Tabachnick & Fidell, 2014). SEM is a collection of statistical techniques. It includes factor analysis as well as multiple regression analysis (Mohamad, Afthanorhan, Awang, & Mohammad, 2019). Within this research project, ANOVA was used to compare the effects of the different brand activism applications and make assumptions about the importance of the brand activism dimensions. SEM was used to observe the total path effects between brand activism, customer loyalty, and the mediating variables.

1.5 STRUCTURAL OUTLINE OF THE THESIS

The following chapter of this thesis (Chapter 2) includes an in-depth literature review. To provide a theoretical basis, the definition and conceptualisation of CSR are elaborated. This is followed by the definition and current standpoint of conceptualisation of the phenomenon brand activism. The concepts CSR and brand activism are differentiated. Definitions and conceptualisations of customer loyalty are explained. Then, a detailed overview of the research studies observing the effects of CSR and customer loyalty is provided to infer assumptions for the relationship of brand activism and customer loyalty. Finally, the used variables for the measurement model are reviewed.

As the phenomenon brand activism is new to literature and the industry, Chapter 3 includes a framework development. Firstly, a contextual framework of brand activism is developed. Secondly, a conceptual framework to describe the possible relationship between brand activism and customer loyalty is elaborated. Lastly, the industry framework for the observed sector and industry, namely the automotive sector in South Africa, is given.

Chapter 4 deals with the methodology of this research. The research question is elaborated in detail and supported by philosophical underpinnings. The quantitative method, namely the experimental approach is explained and the structural model is introduced. The fourth chapter reports about the variables and measures, hypothesis development, questionnaire development, data collection and tools for the data analysis of the research study.

The following chapter, Chapter 5, presents the results of the study. In more detail, the data analysis in the form of variance analysis (ANOVA), a comparison of ANOVA, and the path effects of the structural equation model (SEM) are elaborated.

The interpretation of the results from Chapter 5 is presented in Chapter 6, the discussion chapter. Within the discussion chapter key results are clarified and an interpretation of the effect of brand activism on customer loyalty as well as a comparison of the brand activism dimensions is made. The effects of the mediating variables are also discussed and aligned to the results of previous reviewed literature. Reasons why the effect of brand activism on customer loyalty was not significant are consulted. Finally, strategic implementations of brand activism in a grid model and the stages of customer loyalty are given and the challenges of brand activism implementation are highlighted.

Chapter 7 includes a conclusion of the thesis study and provides recommendations. Firstly, the research objectives are reconciliated. Secondly, the contribution in terms of theory and methodology are elaborated. Thirdly, contributions to practice and policy are presented. Fourthly, main recommendations are given in the form of a bulleted list. Fifthly, the limitations of this research regarding theory, research scope, industry scope, content of the experimental treatments, and forms of brand activism treatments are explained. Lastly, a final conclusion comprising the potential of brand activism and a future outlook are elaborated on.

In the next chapter the literature review provides an in-depth theoretical foundation of the concepts CSR, brand activism, customer loyalty, and the existing research on the relationship of CSR and customer loyalty.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

As explained in the introduction of this thesis, the literature review creates a theoretical basis for the study. The main topic of the research is the evolution from Corporate Social Responsibility (CSR) toward brand activism and the effect on customer loyalty. Therefore, the theoretical concepts CSR, brand activism, and customer loyalty are reviewed. To build a solid basis for the measurement model, the existing studies on the impact of CSR on customer loyalty were also reviewed in this chapter. To finish the literature review, the implemented variables of the measurement model were reviewed, namely brand trust, customer-company identification, and brand image. Finally, the antecedents of customer loyalty in regard to the measurement model were analysed.

2.2 CORPORATE SOCIAL RESPONSIBILITY

Throughout the past century, different theoretical perspectives on Corporate Social Responsibility (CSR) have been implemented by scholars. To give a basis for the definition of CSR, seven theoretical perspectives are explained the following section. Those seven perspectives were selected, because they are predominant in the CSR literature from the 1960's on. It is pertinent to elaborate on the theoretical perspectives as the theories build a basis on which societal beliefs, values, and scientific standpoints of the concept CSR were developed. In the following sections of the thesis, a comparison is made of how the differences of CSR and Brand Activism are derived and therefore, the theoretical foundations must be clear.

Derivation of the CSR definitions

The seven reviewed theories are the agency theory, the stakeholder theory, the stewardship theory, the institutional and classic economic theory, the resource-based theory, the theory of the firm perspective, and the political perspective theory (Davis, James; Schoorman, David; Donaldson, 1997; Freeman, 1984; Friedman, 1970; McWilliams, Siegel, & Wright, 2006; Omran & Ramdhony, 2015; Scherer & Palazzo, 2011). The agency theory perspective argues that CSR is a misallocation of business resources as the responsibility of a business is to fulfil the expectations of stockholders to maximize profits (Friedman, 1970). The stakeholder theory perspective, on the other hand, neglects the focus on stockholders, but aims at satisfying the needs of various constituents, like employees, customers and the local community as CSR can be beneficial for a company. This view focuses on the ethical and moral dimensions of CSR (Freeman, 1984; Omran & Ramdhony, 2015). The stewardship theory perspective however implies the moral imperative for managers to make ethically correct decisions

without any regards to monetary improvements (Davis, James; Schoorman, David; Donaldson, 1997). Furthermore, the focus of the institutional and classic economic theory is on the relationship of companies and stakeholders. This relationship is based on trust and cooperation as the returns from the customer toward the company of honest, trustworthy, and ethical behaviour can be very profitable for a business (Jennings & Zandbergen, 1995). Moreover, the resource-based theory aims at sustaining a competitive advantage. Then, the theory of the firm perspective integrates three elements, namely CSR as a principal part of a firm's business, CSR as a strategic investment and CSR as a form of reputation building, even if it is not directly related with the product or service (Bhattacharyya, 2010; McWilliams et al., 2006). The political perspective of CSR integrates the impact of globalisation on business behaviour and argues that multinational companies (MNCs) take over a state-like role in terms of CSR (Scherer & Palazzo, 2011).

2.2.1 Delineating CSR

Within this chapter the conceptualisation of CSR is delineated. Given the variety of theoretical perspectives and various approaches to define the concepts, a summarising discussion of CSR throughout the past century is necessary to draw a line to the relevance and development of brand activism in the 21st century.

2.2.1.1 Brief Summary of the Evolution of CSR

Based on the seven reviewed CSR theories, an overview of the definitions is given in Table 2.1. This theoretical development is important to understand as it serves as a basis to comprehend the evolution from CSR toward brand activism in the 20th century.

Table 2.1: Overview of CSR Definitions

Authors / Institutions	CSR definition	Underlying theory
Bowen (1953)	The responsibility of managers to meet policies, to make choices, or to follow guiding principles which align with objectives and values of our society	stewardship theory
McGuire (1963)	Companies do not only have economic and legal obligations. They are also an accountable toward society in a manner that goes further than before-mentioned obligations	stewardship theory & stakeholder theory
Friedman (1970)	To implement resources and engage in issues with the goal to improve its profits so long as it stays within the legal framework, which means to take part in market competition without corruption	agency theory

Davis (1973)	A company's incorporation and reaction to topics that go further than the economic, technical, and legal requirements of the organization to accomplish social benefits simultaneously with the initial economic gains which the company targets	institutional and classic economic theory
Carroll (1979)	The social responsibility of organizations is constituted by economic, legal, ethical and discretionary expectancies that society has towards business	institutional and classic economic theory
Sethi (1975)	Targeting corporate behaviour on the level where it aligns with the prevailing social norms, values, and expectations of performance	stewardship theory & stakeholder theory
Davis and Blomstrom (1968)	The responsibility of managers to make decisions that preserve and enhance the welfare of society congruent with the company's interest	resource-based theory
Jones (1980)	The acknowledgement that companies have responsibilities to various groups in society other than shareholders and beyond the law and union contract, suggesting that a stake goes beyond ownership	stewardship theory & stakeholder theory
Drucker (1984)	To turn a social problem into economic possibilities like productive capacity, job creation, and wealth	resource-based theory
Maclagan (1998)	A process in which companies take responsibility for acknowledging and integrating the interests of stakeholders affected by the company's behaviour	theory of the firm perspective

Table 2.1 indicates the first notion of CSR during the 1950s in the United States. Bowen (1953) as well as Selekman (1959) recognize the immense power in the decision-making of management and note that business decisions affect various stakeholders in many ways (Bowen, 1953; Selekman, 1959). The 1950s were marked by definitions arising from the stewardship theory, as managers are expected to "do the right thing".

In the 1960s definitions were not only based on the stewardship theory like in the decade before, but considered the stakeholder theory as well. On the one hand there was the "iron law of responsibility" for companies, which claims that companies risk losing their social power by avoiding taking

responsibility for business actions (Davis, 1960). On the other hand, there was also the perception that companies still must prioritise business goals as well. Overall, the 1960s brought up the debate among scholars whether CSR is compulsory or whether companies should perform these responsibilities on a voluntary basis (Davis, 1960; Davis & Blomstrom, 1968; McGuire, 1963; Walton, 1967).

The 1970s were marked by two milestones of the CSR debate, namely Friedman's (1970) agency theory based view and Carroll's (1979) pyramid of CSR. Friedman (1970) claimed that the main obligation of a company remains to be profitable, by arguing that the main responsibility of a businessman is to increase profits, as they are responsible for maximizing the shareholder's returns, because the main duty of a company is commitment towards their shareholders. In contrast, other scholars and institutions realise the importance of CSR to include societal values and state that corporate behaviour should reach a level congruent with established values, norms and claims of performance of society (CED, 1971; Sethi, 1975). In the end of the era, Carroll (1979) came up with a definition that has been the basis for one of the most well-known concepts of CSR until the 21st century, namely the pyramid model of CSR by including economic, legal, ethical and discretionary responsibilities within the definition of CSR.

The concept which created the most important impact for the conceptualisation of CSR in the 21st century was developed by Carroll (1991). Carroll (1991) suggested that four types of social responsibilities are included in the CSR concept: economic, legal, ethical, and philanthropic. Furthermore, these four categories or components of CSR might be depicted as a pyramid. "All of the former responsibilities have always existed to some extent, but it has only been in recent years [1990s] that ethical and philanthropic functions have taken a significant place" (Carroll, 1991:40). This concept, which is based on the stakeholder theory, is still applied widely in practice as well as literature in the field of CSR.

The beginning of the 21st century is marked by institutions like the European Commission, and International Standardization Organization (ISO) coming up with definitions for CSR. In 2001 the European Commission defined CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis" (European Commission, 2001). In 2010, CSR was defined by the International Standardization Organization (ISO). The ISO defines social responsibility as "responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with

applicable law and consistent with international norms of behaviour; and is integrated throughout the organization and practiced in its relationships" (ISO, 2021). The European Commission redefines the term CSR in 2011 and states that "[t]o fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

– maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;

– identifying, preventing and mitigating their possible adverse impacts" (European Commission, 2011:6).

However, this research lays the focus on the CSR concept from a marketing and strategic view. The main trends within the past 15 years were identifying CSR as a marketing tool as well as embedding CSR in a political context that preserves legitimacy for companies to function as political actors. It is pointed out how CSR is constituted as a tool in strategic marketing and how the perception of CSR developed in the course of the political context. It is made clear why other approaches and considerations must be involved and therefore, the concept brand activism is suggested in the study.

2.2.1.2 CSR as a Strategic Marketing Tool

Marketing strategy is directed at efforts based on managerial decisions in the marketing channel to create and retain competitive and performance advantages (Varadarajan & Jayachandran, 1999). The marketing scholars Kotler and Lee (2005) are pioneers in defining CSR with a marketing-focused approach. Within this approach the concept is defined as follows: "Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources" (Kotler & Lee, 2005:3). The two scholars identify various business-oriented reasons to implement CSR, such as improved sales figures and a bigger market share, better brand positioning and corporate image, increased attractiveness for possible employees as well as employee retention and motivation, lower operating costs, and a higher ability to attract investors and financial analysts. Kotler and Lee (2005) define six initiatives to implement CSR, namely Cause Promotion, Cause-related Marketing (CrM), Corporate Social Marketing, Corporate Philanthropy, Community Volunteering and Socially Responsible Business Practices. Summarised, Kotler and Lee (2005) identify CSR as a strategic marketing tool to be implemented to achieve company goals as suggested in the theory of the firm perspective. In general, companies and researchers included CSR in a marketing context within the past 15 years to achieve goals like a higher

market recognition, enhanced customer perceptions and ultimately to create a competitive advantage (Fioravante, 2010; Stehr & Struve, 2017).

2.2.1.3 CSR from a Political Lens

Matten and Crane (2005) argue that due to globalisation, companies adapted a state-like role in the framework of CSR, especially when the state system fails. According to Matten and Crane (2005) a growing number of companies are aiming at protecting, enabling, and implementing citizenship rights. Thereby, the scholars focus on the model of Corporate Citizenship (CC), which is an extension of the CSR framework. Furthermore, Barnett (2007) defines CSR as the improvement of social welfare by investing corporate resources to strengthen the relationship from organisations to key stakeholders.

In 2011, Scherer and Palazzo (2011) take up the idea of Matten and Crane (2005) that private business and nation-state governance cannot be divided in the framework of globalisation. The scholars define political CSR and argue that business contributes to global regulation and that corporations as well as civil society influence democratic regulation and have a major impact on of market transactions (Scherer & Palazzo, 2011). The KPMG International Survey of Corporate Responsibility Reporting claims that Corporate Responsibility (CR) reporting became a de facto law for business as it is not only about being a good corporate citizen, but also that CR is a driver for business innovation and performance (KPMG-International, 2011). Rasche, de Bakker and Moon (2013) define CSR as either corporate-centred or corporate-oriented and either complete or partial. Rasche et al. (2013) claim that in the past, CSR was more corporate-centred, which means the corporation itself defined its responsibilities and mainly implemented CSR in the form of philanthropy. Then, CSR evolved to a corporate-oriented phenomenon, which draws the focus not only on the corporation itself, but the sphere of the corporation including the supply chain and a wider array of actors, like governments and civil society organisations. Rasche et al. (2013) define complete organising CSR by the availability of certain organisational elements and partial organising CSR when there is no direct access to all organisational elements.

In 2016, Scherer, Rasche, Palazzo and Spicer (2016) redefined political CSR (PCSR) with the goal to clarify the term "political" in the framework of CSR and therefore claimed that "[b]usiness firms become political actors by engaging in public discourse, influencing collective decisions, and by providing public goods" (Scherer et al., 2016:276). In a holistic approach Scherer et al. (2016) define that "PCSR entails those responsible business activities that turn corporations into political actors, by engaging in public deliberations, collective decisions, and the provision of public goods or the restriction of public bads in cases where public authorities are unable or unwilling to fulfil this role.

This includes, but is not limited to, corporate contributions to different areas of governance, such as public health, education, public infrastructure, the enforcement of social and environmental standards along supply chains or the fight against global warming, corruption, discrimination or inequality. These corporate engagements are responsible because they are related to the effective resolution of public issues in a legitimate manner, often with the (explicit) aim of contributing to society or enhancing social welfare, and are thus not limited to economic motivations" (Scherer et al., 2016:276).

In 2020 Matten and Moon elaborated on the meaning and dynamics of CSR. In addition to the definition in 2005, they argue that the underlying theory of CSR is legitimacy. Legitimacy is defined as "the perceived appropriateness of an organisation to a social system in terms of rules, values, norms and definitions" (Deephouse, Bundy, Tost & Suchman, 2017:32). Therefore, the main goal of CSR should be gaining, maintaining and repairing legitimacy (Matten & Moon, 2020). Matten and Moon (2020) also claimed that CSR can be a hybrid model of implicit and explicit CSR as it is a dynamic concept that adapts to the societal context.

Figure 2.1 demonstrates how the CSR definition evolved from the past century. The figure is adapted from Gond and Moon (2011), Masoud (2017), and Mohan (2003). It adds the brand activism phenomenon on top of the evolution.
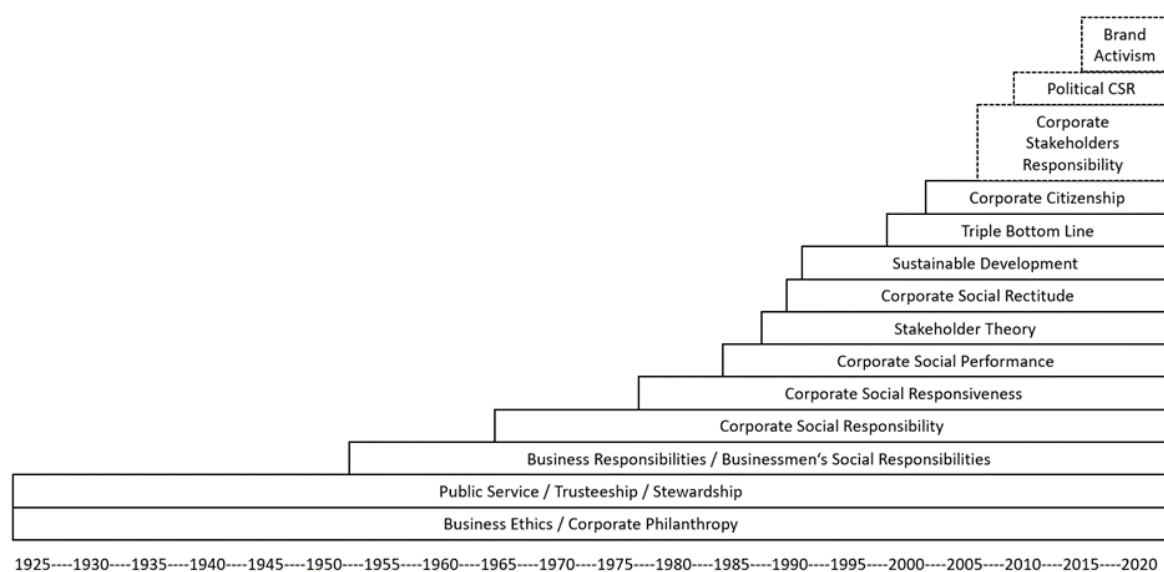
Figure 2.1: The escalation of CSR concepts (Gond & Moon (2011:11), Masoud (2017:3), Mohan (2003:75), modified)

2.2.1.4 Summary – Delineating CSR

All in all, the past 15 years were dominated by the theory of the firm perspective of CSR except for the political CSR stream. It is not clear, however, if one can distinguish one single theory from another as theories are built on each other over time and dimensions might be interconnected.

There are, however, several indications that can be gathered from the evolution of CSR to explain why the concept needs continuous re-definition and adaption. Combining the two main trends of CSR as a strategic marketing tool and political CSR, it becomes clear that both trends represent a certain function of CSR. CSR as a marketing tool provides incentives for companies to implement responsibility initiatives. The political view of CSR preserves the legitimacy of companies within a society, on the other hand. Following from this, the two trends go hand in hand with each other. The concepts must, however, be merged to both give incentives for companies as well as retaining legitimacy toward society. This being so, owing to globalisation and the fact that global MNCs rapidly entered more and more markets, the array of issues a company must deal with is naturally expanded. Ultimately, there is the need for a concept that firstly, respects the CSR evolution, secondly, integrates the trends of CSR marketing and political CSR and finally depicts the issues society is dealing with in the 21st century. The expanding concept of CSR suggested in the framework of this thesis is brand activism.

To fully understand the evolution and conceptualisation of brand activism, different key concepts of CSR must be demonstrated first. Commonly applied CSR key concepts are elaborated in the next section.

2.2.2 Related Key Concepts of CSR

When screening literature in the field of CSR, it is evident that certain theories and concepts are used interchangeably with the concept CSR or are strongly interrelated. These concepts are, however, distinct from CSR and a clear line must be drawn to reach a full understanding of the nature of the concepts. Therefore, the concepts Business Ethics, Stakeholder Management, Corporate Social Investment, Corporate Social Performance and Corporate Citizenship are analysed as to the nature of the concept as well as the difference to the concept CSR. Those key concepts were selected, because they are used interchangeably with the term CSR, but clarification is needed to build a holistic framework for this thesis. This is of high relevance within this research, as all the terms will appear in the course of the research study and must be defined to draw conclusions in regard to the evolution of brand activism. In general, the differentiation of the concepts is of high relevance to contribute to a fundamental understanding of the concepts in CSR and brand activism literature.

2.2.2.1 Business Ethics

Business ethics is a term often used interchangeably for CSR. The concepts are, however, distinct (Goel & Ramanathan, 2014). Business ethics is an overarching term of CSR. The term represents the principles and standards implemented that guide the business (Parboteeah, 2013). Business ethics includes rules, standards, codes, and principles as well as aiming at morally right behaviour, representing truthfulness, and ethical decision-making in specific decisions (Lewis, 1985). As elaborated in the previous chapter, CSR is mainly about the different responsibility dimensions of a company toward a stakeholder when it comes to certain business activities. Business ethics is about the morality of a business and its operations. Consequently there is the debate whether a company that implements a CSR program is equal to a company that is ethical (De George, 2015; Goel & Ramanathan, 2014). De George (2015) and Goel & Ramanathan (2014) argue that CSR cannot be equated with business ethics, as a company that implements CSR practices and policies can still be ethically deficient as seen in several cases. CSR is not sufficient to represent an ethical business. Therefore, CSR should rather be treated as a subset of the concept Business ethics. Especially, CSR can serve as a strategic approach to implement business ethics in a company (Parboteeah, 2013). Furthermore, CSR can be embedded in a marketing framework to achieve defined marketing goals.

2.2.2.2 Corporate Social Performance (CSP)

Corporate Social Performance (CSP) is a term that arose in the 1970s and 1980s in literature that should lead to a more holistic model of CSR. Carroll (1979) claimed that the corporate social performance model must include a basic definition of social responsibility, the issues of social responsibility, and the specification of the philosophy of the response. The scholars Wartick and Cochran (1985) further developed the model of CSP and claimed that in contrast to other CSR definitions, CSP integrates economic responsibility and public policy responsibility. Furthermore, it reflects the principles, processes and policies that address social issues. In this framework, CSP is constituted by economic responsibility, public responsibility and social responsiveness (Wartick & Cochran, 1985). Wood (1991) revisited the CSP model and claimed it is constituted by principles of corporate social responsibility, processes of corporate social responsiveness, and outcomes of corporate behaviour.

2.2.2.3 Stakeholder Management (SM)

In the framework of stakeholder management and CSR there is often a dual use of the abbreviation CSR. One meaning of CSR is as already elaborated, the concept "Corporate Social Responsibility". The other use for the abbreviation CSR is "Company's Stakeholder Responsibility" (Freeman & Moutchnik, 2013). In general, stakeholders are individuals with any kind of interest in a business project or

organisation. The differentiation between direct/primary and indirect/secondary stakeholders describes the relation of the individual to the organisation or project. Direct stakeholders are integrated in the project, for example clients, sponsors, managers, the project team, service providers, consultants, and contractors. Indirect stakeholders are indirectly associated, such as staff not directly involved in the project, the government public utilities, interest groups and labour unions. Those can be positive or negative stakeholders. Positive stakeholders support the project, whereas negative stakeholders do not support it (Lester, 2017). The definition of stakeholders considered, Corporate Social Responsibility and Company's Stakeholder Responsibility are two different concepts. One difference is for example that the term Company's Stakeholder Responsibility does not only include large corporations, but every company with business activities that could influence stakeholders. In general, stakeholder management plays an important role in project performance (Minoja, 2012; T. S. Nguyen, Mohamed, & Panuwatwanich, 2018). According to Freeman (1984) a company should aim at distributing value to a plurality of stakeholders and therefore value creation is a key driver for performance and also a key responsibility of a company. Stakeholder management therefore rejects the view of CSR as an add-on but promotes the view that CSR should be an fundamental part of a corporation's strategy (Minoja, 2012). CSR can also serve as one capability of stakeholder management to support organisational identity and manage key stakeholder relationships (Cantrell, Kyriazis, & Noble, 2015). As within the relation of business ethics and CSR, CSR can be treated as a subset of stakeholder management and implemented strategically to be directed at marketing and relationship management.

2.2.2.4 Corporate Citizenship (CC)

The term Corporate Citizenship (CC) emerged during the 1990s and is often used interchangeably with the term CSR. However, the term describes the social role of business in society in a more political way (Carroll, 2015; Matten & Crane, 2005). Within this framework the company defined as a citizen is part of a community with the goal to be a good citizen and one that gives back to society. Carroll (2015) defines CC in a broad and narrow context. Within a broad definition, CC means serving stakeholders and embracing economic, legal, ethical, and philanthropic responsibilities. The narrow definition aims at corporate community relation and only takes ethical and philanthropic responsibilities into account. Furthermore, Carroll (2015) states that global CC argues that companies must fit into countries and communities. Matten and Crane (2005) define CC as "the role of the corporation in administering citizenship rights for individuals" (Matten and Crane, 2005:173). Matten and Crane (2005) claim that companies must demonstrate a providing role, an enabling and channelling role in society. Especially, CC is a concept that is strongly interrelated with CSR and of high

relevance when it comes to the evolution of brand activism. As CC recognizes the role of companies as a citizen in society, it creates a foundation for the notion of brand activism that a brand can share opinions, make statements and support or boycott social and political movements.

2.2.2.5 Corporate Social Investment (CSI)

The term Corporate Social Investment (CSI) is often employed exchangeably with the term CSR (Babarinde, 2009). However, CSI can be defined as a narrow path of CSR. The term CSI is especially a South African phenomenon as the notion dates to the apartheid era, when CSI served as a strategic approach for the survival of companies that faced international sanctions and trade restrictions as well as political unrest (Hinson & Ndhlovu, 2011). Furthermore, it demonstrates an economically derived perspective and is implemented in the form of corporate or strategic philanthropy. It is not part of the core operations of a company, but vital for the future and survival (Babarinde, 2009; Hinson & Ndhlovu, 2011; Ndhlovu, 2011). The focal areas of CSI are education, healthcare, sustainable development, governance, private-public partnerships and these are executed by means of philanthropic contributions and donations (Babarinde, 2009; Hinson & Ndhlovu, 2011; Ndhlovu, 2011). Babarinde (2009) developed the term Corporate Social Investment and Involvement, as the term investment implicates that a return is expected. However, scholars agree that companies implement CSI to gain a strategic benefit (Babarinde, 2009; Hinson & Ndhlovu, 2011; Warhurst, 2014).

2.2.2.6 Summary – related key concepts of CSR

The purpose of this section was to clarify the definitions and distinctions of the related key concepts of CSR. Starting with the overarching concept for CSR, business ethics can be defined as a holistic term including further concepts besides CSR, such as standards, codes, and regulations. Another holistic concept is CSP, as it is more focused on the complete corporate social performance of a company including further components beside the responsibility. The differentiation continued with stakeholder management, which is a related term that focuses on a sub-responsibility, namely stakeholder responsibility. Corporate citizenship also is a related term that defines the corporation as a citizen. Finally, CSI is a narrow definition for a certain part of the CSR concept, relevant for this research topic. Not only related concepts are important in the course of the CSR delineation, but the different conceptualisations of the CSR concept are also reviewed.

2.2.3   CSR Conceptualisation

Not only are the related key concepts of CSR important to understand the development of brand activism; it is also of high relevance to review the different conceptualisations of the concept CSR to understand what dimensions and context shaped the phenomenon. Therefore, Table 2.2 depicts the

most important concepts since the first notions of CSR were presented. Those concepts are the most important ones as they are all part of fundamental CSR literature and teaching in a business context. The concepts differ in composition and context. The most relevant models are explained in more detail below.

Table 2.2: CSR Conceptualisations

Concept	Dimensions	Context
Three-State Schema (Carroll, 1979; Sethi, 1975)	• Social Obligation • Social Responsibility • Social Responsiveness	Corporate behaviour as indicator for economic and legal legitimacy of a company. Adoption of corporate behaviour to existing norms, values and expectations. Anticipation of corporate behaviour in the future.
Pyramid of CSR (Carroll, 1979 & 1991)	• Economic responsibilities • Legal responsibilities • Ethical responsibilities • Discretionary responsibilities	Four-part pyramid scheme that escalates dimensions from the base to the top. CSR dimensions are no goals, but obligations.
Ripple Effect of CSR (Marsden & Andriof, 1998)	• Economic • Environmental • Social responsibility • Ethical Business Standards • Human Resource Development	Influences of a company towards primary and secondary stakeholders.
Intersecting Circles (Schwartz & Carroll, 2003)	• Economic • Legal • Ethical responsibilities	Interrelationships between the responsibilities, no hierarchical order: purely ethical, purely economic, purely legal, economic-ethical, legal-ethical, economic-legal and economic-legal-ethical dimension.
3 C-SR Model (Meehan, Meehan, & Richards, 2006)	• Commitments • Consistency • Connections	Dimensions closely interrelated and cannot be separated. Identification of CSP deficit, Stakeholder deficit and CSR deficit.
Implicit-Explicit CSR Dimension (Matten & Moon, 2008)	• Implicit dimension • Explicit dimension	Comparative approach of CSR. Explicit CSR: Corporate activities that serve the interest of society. Implicit CSR: expectations of society.
Concentric Circles (Geva, 2008)	• Economic • Legal	Inner circle, intermediate circle and outer circle.

	• Ethical • Philanthropic	
PEARL Model (Bilgin, 2009)	• perception friendliness • environment friendliness • action • relationship • locality	Corporate strategy does not only react to stakeholder demands but can adapt to societal needs.
Analytical Model (Rigoberto Parada Daza, 2009)	• Utility • Emotional Well-being	Creating a valuation model for CSR.
Cyclical Matrix (Kanji and Chopra, 2010)	• Community • Workplace • Environment • Marketplace	Holistic and system modelling approach.
First-Order Model (Hung Chen, 2011)	• Accountability • Transparency • Competitiveness • Responsibility	Four first order model to measure how well the individual component represents an idea.
Universal Model (Nalband and Kelabi, 2014)	• Economic • Legal • Ethical • Philanthropic • Beliefs • Values • Assumptions	Addition of a strategic value by integrating socio-economic and environmental factors in the pyramid model.

The presented Table 2.2 reviews 12 ways CSR has been conceptualised. To meet the purpose of this research, five conceptualisations are reviewed in more detail, namely, the CSR basic models, the ripple effect, the cyclical matrix, the first order model, and the universal model. Those five models are reviewed in more detail as they integrate key elements of brand activism and therefore can be seen as predecessors of the brand activism model.

2.2.3.1 The Basic Models of CSR (1979-2008)

An important conceptualisation is the pyramid model of CSR by Archie B. Carroll, which was developed in 1979 and re-developed in 1991. The concept is reviewed as it is one of the most influential concepts in the development of CSR (Masoud, 2017). It serves as a foundation to understand the pathways of the development of the brand activism concept. According to Carroll (1979) the responsibilities of a company include economic responsibilities, legal responsibilities, ethical responsibilities and discretionary responsibilities. Economic responsibilities include producing goods and services as the main task of a business institution. Legal responsibilities include the fulfilment of the social contract, which means the company must meet legal obligations. Furthermore, ethical responsibilities include the expectations of society, which are being debated and not clearly defined. The last dimension, discretionary responsibilities, includes societal expectations that depend on individual judgement and

are purely voluntary. In 1991 Carroll developed the model and conceptualised it by forming a four-part pyramid of CSR (Geva, 2008). The model is depicted in Figure 2.2. The basis of the pyramid consists of economic responsibilities, which are defined as maximizing earnings per share, striving to be as profitable as possible, maintaining a strong competitive position, a high level of efficiency and the aim to be consistently profitable (Carroll, 1991). The second stage of the pyramid remains legal responsibilities, which are categorized as fulfilling expectations of government and law, complying with government regulations, being a compliant corporate citizen, meeting legal obligations and offering goods and services that at least meet minimal legal criteria (Carroll, 1991).

Furthermore, the criteria for the third layer, namely ethical responsibilities, are: meeting expectations regarding societal and ethical norms, acknowledging and adapting to accepted ethical and moral norms by society, preventing ethical norms from being fulfilled in order to solely achieve company goals, living good corporate citizenship as doing what is demanded morally or ethically and going beyond legal compliance (Carroll, 1991).

The top of the pyramid in Carroll's new conceptualisation are philanthropic responsibilities. The components of the final layer are: performing consistently with philanthropic ideas of society, supporting arts, employees participating in activities for charity, helping educational institutions and voluntarily taking part in projects that improve the quality of society (Carroll, 1991).
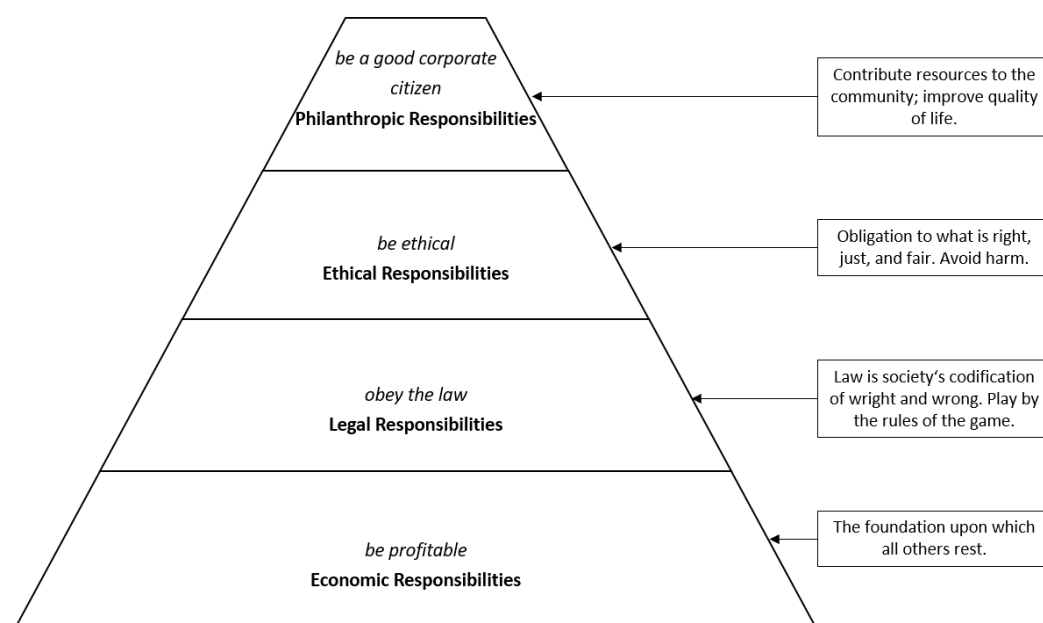
Figure 2.2: The Pyramid of Corporate Social Responsibility (Carroll, 1991)

In general, Carroll (1991: 43) claimed that "the CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen". Therefore, the dimensions of CSR do not represent goals that companies must maximise, but obligations that must be fulfilled. Based on this model, scholars developed other conceptualisations. "The pyramid does in effect promote satisficing behaviour rather than striving for excellence" (Geva, 2008:7). Therefore, the relationships of CSR domains are compared in three basic models.

a) Pyramid

Philanthropic

Ethical

Legal

Economic

b) Intersecting Circles

Philanthropic

Ethical

Legal

Economic

c) Concentric Circles

Philanthropic

Ethical

Legal

Economic
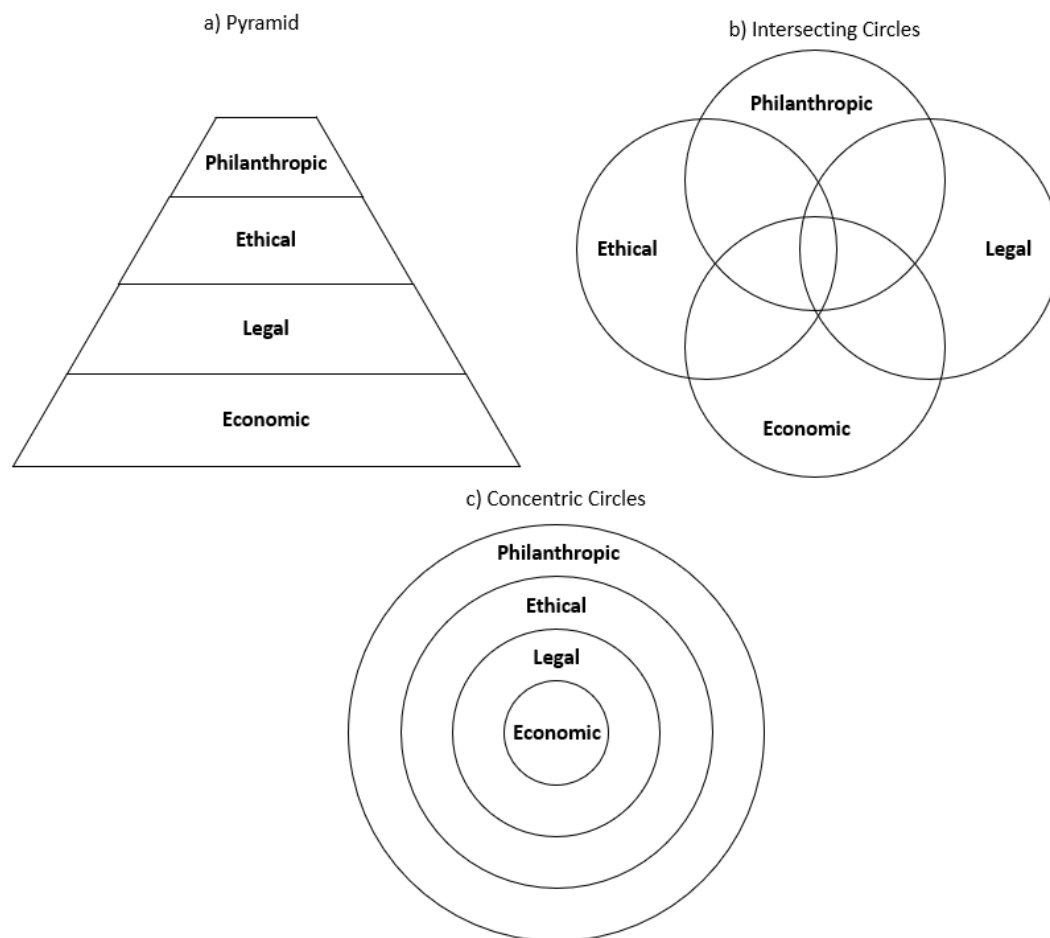
Figure 2.3: Three Basic Models of CSR: Relationships between Domains of Responsibility (Geva, 2008)

Figure 2.3 shows an overview of the three basic models of CSR that were further developed, based on the four CSR domains included in Carroll's (1991) pyramid model. Thereby, the pyramid model incorporates a hierarchy of separate responsibilities, the intersecting circles model is a non-hierarchical set of intersecting responsibilities, and the concentric circles model represents an integration of responsibilities whereby all are sharing a central core (Geva, 2008). The basic models of

CSR are important to review, as the pyramid is still the commonly used conceptualisation of CSR and the dimensions are a basis to develop a brand activism concept.

2.2.3.2 The Ripple Effect of CSR (1998)

Another conceptualisation to consider in terms of the brand activism development is the ripple effect model of CSR. The interconnection and classification of stakeholders in society is a predictor of the importance of a model like brand activism. The additional dimensions of the ripple effect model are also similar to the brand activism dimensions. The ripple effect model is demonstrated in Figure 2.4.

Figure 2.4: A company's 'ripple' effect (Marsden & Andriof, 1998)

In the framework of the ripple effect model, Marsden and Andriof (1998) revived the triple bottom line model, which includes economic, environmental and social responsibility and developed the model further. The scholars add the dimensions ethical business standards and human resource development (HRD) as those are relevant domains for the analysis of a company's Corporate Citizenship (Marsden & Andriof, 1998). In more detail, the concept highlights interdependent influences of the dimensions on society and claims the domains are not separated by strict boundaries (Kaman, 2015). The influences from a company towards society can be either conflicting or reciprocally beneficial. In more detail, the conceptualisation of Corporate Citizenship separates

primary stakeholders from wider society stakeholders. Primary stakeholders are defined as "shareholders, customers, suppliers/contractors, employees and the community (neighbourhood and interest groups)" within the model (Marsden & Andriof, 1998:331). It is relevant to review the ripple effect model, as this model expands the view of CSR in terms of dimensions as well as societal issues. These components are crucial in the development of a brand activism definition and concept.

2.2.3.3 Cyclical Matrix (2010)

The cyclical matrix of CSR is also important to comprehend in the brand activism context, as the dimensions serve as a foundation for the brand activism model. Kanji and Chopra (2010) aim at demonstrating an integral and system modelling approach to CSR. The scholars develop a model whereby CSR can be analysed and measured at an international level, country level and community level. CSR is conceptualized by four main topics, namely community, workplace, environment, and marketplace. In terms of community, a company should be socially accountable and invest in social matters. In the framework of the workplace domain, ethics and human resources are addressed in the model. The environment domain is about environment protection and sustainability. The last domain, marketplace, is concerned with corporate governance and economic responsibility (Kanji & Chopra, 2010). In more detail, the aim of CSR should be to improve workplaces by implementing ethical practices and to contribute towards building local communities by investing in social infrastructure. The contribution to a cleaner environment and fostering economic development are also responsibilities which should be performed within the framework of CSR (Kanji & Chopra, 2010). Figure 2.5 demonstrates the cyclical matrix, including the community, workplace, environment, and marketplace dimension.

Figure 2.5: Cyclical Matrix of CSR (Kanji & Chopra, 2010)

Furthermore, Kanji and Chopra (2010) developed a corporate social responsibility model (KCCSRM) which aims at supporting the corporate's financial performance (Kaman, 2015). The model includes six dimensions. The dimensions include organisational strategic planning systems (OSPS), Social accountability and social investment (SASI), environment protection and sustainability (EPS), corporate governance and economic responsibility (CGER), ethics and human resources (HER) and corporate social responsibility index (CSRI) (Kanji & Chopra, 2010). All in all, the model can be used to measure CSR. The KCCSRM model is graphically presented in Figure 2.6.
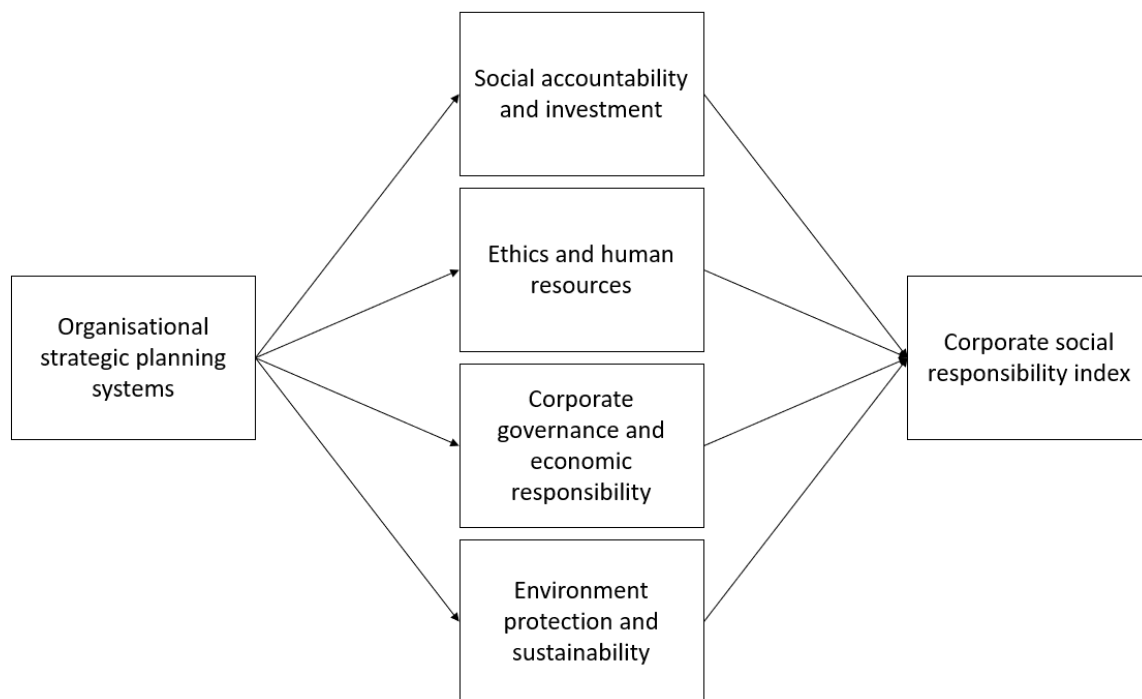
Figure 2.6: KCCSRM Model (Kanji & Chopra, 2010)

The model depicted in Figure 2.6 is important as it is a graphic outline that can be compared to the measurement of brand activism, which is further elaborated in the next sections of this thesis.

2.2.3.4 First Order Model (2011)

It is crucial to understand the first-order model, as it shows the influencing factors of CSR, which can also have an impact on brand activism. The four first-order model aims at constructing a CSR model with the best goodness-of fit. The model is constituted by four major elements, namely accountability, transparency, competitiveness, and responsibility (Hung Chen, 2011). It is necessary to mention herewith that the model does not include an environmental perspective as seen in the other models in literature (Kaman, 2015). Hung Chen (2011) develops a four first-order model to measure how well

the individual component represents an idea. The scholar could prove that all the four factors had a significant correlation. The model also suggests setting accountability and transparency as a priority and therefore fostering competitiveness, as it in turn leads to CSR (Bohn, 2014). Furthermore, Hung Chen (2011) highlights qualitative factors which also must be considered in the framework of CSR.
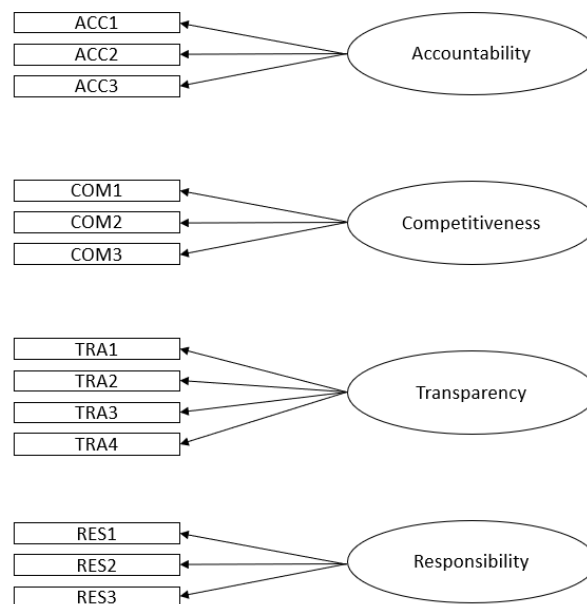
Figure 2.7: Four First-Order Model (Hung Chen, 2011)

The four first-order model depicted in Figure 2.7 is important in the context of brand activism, as similar measurement models of brand activism are applied within this research study.

2.2.3.5 Universal Model (2014)

Finally, the universal model is important to examine to develop a brand activism model. The highlight of the universal model is that society is considered as an influencing factor of CSR. Nalband and Kelabi (2014) transformed the original model of Carroll's pyramid model from 1979. The scholars claim that business does not run in isolation and therefore is affected by the environment, especially the beliefs of society. Consequently, the model of Nalband and Kelabi (2014) is justified by the integration of beliefs, values and assumptions of the people involved in a business and its environment. The scholars added a strategic value by integrating socio-economic and environmental factors in the model. Furthermore, the model can be better applied to different cultures, as factors from inside as well as outside of the business environment, namely values, beliefs and assumptions, are included. As the scholars suggest that the legal responsibility comes before the remaining three dimensions, the vagueness of Carroll's hierarchical model is reduced (Hamidu, Haron, & Amran, 2016). The scholars

did not, however, integrate the hierarchical perspective of the model, thus they agree upon the dependence of dimensions (Nalband & Kelabi, 2014).
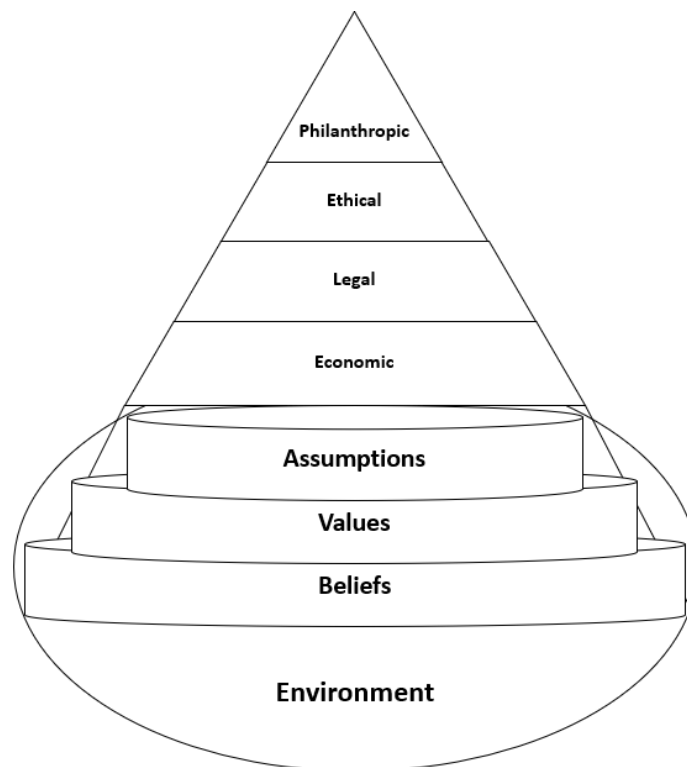
Figure 2.8: Universal Model of CSR (Nalband & Kelabi, 2014)

The universal model of CSR depicted in Figure 2.8 is relevant to consider when elaborating on the development of brand activism. The demonstrated model includes beliefs, values, and assumptions, which are not sufficiently demonstrated in previous CSR conceptualisations. These components are also reflected in the development of CSR.

2.2.3.6 Summary – CSR Conceptualisation

In the framework of this research, especially the pyramid of CSR, the ripple effect, the cyclical matrix, the four first-order model and the universal model were examined to create a direct link to the conceptualisation of brand activism. In terms of the dimensions, the pyramid model (Figure 2.2), the concentric circles (Figure 2.3), the intersecting circle model (Figure 2.3) and the universal model (Figure 2.8) can be compared. All the models include an economic dimension, legal dimension, ethical dimension, and philanthropic dimension. The difference between the models is the structure of the concepts. The pyramid model and the universal model built upon each dimension, whereby the dimensions within the circles models are interconnected and can be accomplished at the same time.

The pyramid model is especially important in the framework of brand activism as it introduces the dimensions of CSR, which serve as a basis for brand activism. The ripple effect model (Figure 2.4) adds two further corporate dimensions, namely ethical business standards and HRD, which are important for the brand activism model as it also includes a business/workplace dimension. The model distinguishes between primary stakeholders and wider society stakeholders. In addition, the cyclical matrix of CSR (Figure 2.5) also includes the workplace dimension, but adds the environmental dimensions, which are also adopted in the brand activism concept.

Finally, the four first-order model (Figure 2.7) as well as the universal model (Figure 2.8) are important in terms of predictions of CSR. The predictors accountability, transparency, competitiveness, and responsibility as well as assumptions, values and beliefs can serve as influencing factors for the brand activism concept. The KCCSRM model (Figure 2.6) is especially relevant in terms of a measurement model of brand activism.

All conceptualisations considered, there is the need for a new concept that depicts the relevant dimensions, the holistic structure to integrate stakeholders, the influencers of responsibility and it should also include current social issues. Brand activism has the potential to integrate all those requirements and serve as an efficient model in the 21st century.

2.2.4   CSR in a South African Context

Since the beginning of the 20th century, a discussion of scholars raised the fact that CSR in emerging markets is implemented differently than in industrialized countries and therefore another conceptualisation is needed (Amos, 2018; Jamali, 2008; Visser, 2008). The characteristics of developing countries can be described as a relatively lower per capita income than in industrialized countries, the rapid expansion of economies, lucrative growth markets, social and environmental crises, dramatic social and environmental impacts as well as CSR challenges that differ a lot from those in developed countries (Visser, 2008). Since developing countries offer a set of lucrative opportunities for business, the number of international companies operating in those countries increased. However, the involvement of multinational companies (MNCs) in developing countries is a polarized topic as the drivers for CSR differ from those in the rest of the world (Jamali, 2008; Visser, 2008). Visser (2008) claimed that the traditional pyramid model of Carroll (1991) as seen in in Figure 2.2 must be constituted in a different order. The base of the pyramid should remain economic responsibilities, as the shortage of foreign investment and poverty is a problem in developing countries and therefore economic contribution must be the main responsibility of organizations doing business in developing countries (Visser, 2008). The second layer in the pyramid model for developing countries, in contrast

to the traditional model, should be philanthropic responsibilities. As the socio-economic needs depend on philanthropy as well as the perception that philanthropy makes an improvement in failing societies, corporate philanthropy is essential. Furthermore, many developing countries rely on donations and foreign aid to sustain the current socio-economic level. The next level of the transformed pyramid model is should be legal responsibilities. As the legal infrastructure in developing countries is often poorly developed and the incorporation of human rights is on a lower level than in developed countries, legal responsibilities must take a higher priority in the CSR conceptualisation. The top of the new pyramid should be represented by ethical responsibilities. In developing countries, corporate governance is not a priority as it is in the rest of the world, following that ethical responsibility has the least influence on the CSR agenda. However, examples like the King Report in 1994, which was a corporate governance code, represent an improvement (Visser, 2008). In general, MNCs should investigate the socio-economic needs of developing countries and decide whether to standardize or localize CSR strategies (Jamali, 2008). Scholars criticize the research on CSR in developing countries, especially in Africa, as being limited (Kabir, Mukuddem-Petersen, & Petersen, 2015).

The evolution of CSR in South Africa is different from that in other countries, due to the country's apartheid history. The first notion of CSR in South Africa dated back to 1972 at the University of Cape Town when Meyer Feldberg, who was a lecturer in Business Administration, held a class called "Business profits and social responsibility" (Kabir et al., 2015). Companies recognized that the poor living standards of the black society living in South Africa, which is the majority of inhabitants, had an impact on the economic development. Therefore the "Urban Foundation" was founded in 1976, which is now called the "National Business Initiative". The foundation invested 1.8 billion rand for housing projects, schools, and teachers until 1995 (Kabir et al., 2015). The Sullivan principles were also established in 1977, which was an initiative of American organizations to treat African workers and American workers equally (Kabir et al., 2015).

In general, there is a debate among scholars about the social role of business during apartheid. One stream of scholars claims that business alleviated the effects of apartheid as companies contributed to urban reform and offered semi-skilled positions for black workers (Ramlall, 2012). On the other side, scholars claim that business "introduced the migrant workers labour system, single-sex hostels, workplace segregation, the racial division of labour and racially discriminatory salaries" (Fig, 2005:600).

In any case, after apartheid, a significant gap still remained between the wealthy and poor society in South Africa and therefore CSR issues were given high importance by corporate sectors in the past 10 years (Kabir et al., 2015). In more detail, there is a set of government initiatives to foster socio-economic improvement and support the population which was discriminated during apartheid. The initiatives include the Broad-Based Black Economic Empowerment Act (BBBEE), the Employment Equity Act, the National Empowerment Fund Act, the Preferential Procurement Policy Framework, and the Skills Development Act (Ramlall, 2012). Another regulatory framework is the King Report on Corporate Governance. The four King reports were issued in 1994 (King I), 2002 (King II), 2009 (King III) and 2016 (King IV). The reports provide guidelines for companies regarding how businesses should publish their financial performance, aligning with economic, social, and environmental performance in the framework of annual reporting (Kabir et al., 2015).

Even though South Africa became a more attractive operating environment after apartheid, the contribution of business in terms of addressing socio-economic problems is expected (Kabir et al., 2015). Stakeholders are also increasingly looking at the negative impacts of multinational companies operating in developing countries (Makka & Nieuwenhuizen, 2018). In South Africa there is no established national CSR agenda that defines the priority issues. Consequently, there is a debate whether CSR should promote ethical practices and good governance, or focus on social, economic, environmental, and societal challenges (Makka & Nieuwenhuizen, 2018). In the framework of CSR in South Africa, CSR is mainly constituted by Corporate Citizenship (CC), affirmative action, skills development, and Corporate Social Investment (CSI) (Hinson & Ndhlovu, 2011). The conceptualisation Corporate Social Investment (CSI) is a South African phenomenon and often preferred in literature regarding CSR in South Africa (Fig, 2005; Hinson & Ndhlovu, 2011; Makka & Nieuwenhuizen, 2018). Characteristics of CSI are that the projects are external to the business, with the aim of uplifting society and have a social, developmental and community focus (Fig, 2005). Initially those activities were interpreted as corporate or strategic philanthropy. Within the last 12 years the focus of CSI initiatives in South Africa shifted towards sustainable development, governance issues and public-private partnerships (Hinson & Ndhlovu, 2011). According to Fig (2005:601) " 'corporate social investment' and 'corporate citizenship' [are] concepts that ask no questions about legacy, memory, history, justice, or moral and ethical responsibilities". On the other hand, Hinson and Ndhlovu (2011) claim that "involvement in CSI (or socio economic development – SED – as it is sometimes referred to in South Africa) has largely been influenced and determined, not only by historical circumstances, but also by government regulations and the increasingly compulsory nature of B-BBEE and industry charters" (Hinson & Ndhlovu, 2011:341).

All the movements, argumentations, and implemented regulations considered, the next step is to bring the international and South African CSR context together. In the following section, the context and conceptualisation of CSR are combined.

2.2.4.1 CSR Combined Context

All in all, South Africa is facing a fragile economic outlook, which is caused by political uncertainty as there are high levels of unemployment, inequality, and poverty in South Africa. Due to growing numbers of MNCs in South Africa, more attention is given to the link between business and society. Multinational companies are overwhelmed by the variety of CSR issues in South Africa (Makka & Nieuwenhuizen, 2018). "Education, training and skills development; building and developing local communities; and health care and wellness" are considered the top three CSR priorities (Makka & Nieuwenhuizen, 2018: 828). Even though 68% of government spending is used to fulfil social objectives, the biggest problems still remain (OECD, 2020). The main socio-economic problems include a high inequality level caused by unequal distribution of market income and wealth, a high unemployment rate, lagging education, health, infrastructure, and a high level of perceived corruption. Furthermore, a stagnating or decreasing GDP as a consequence of a lasting low inflation rate below 2% since 2013 as well as high public debt demonstrate economic challenges for South Africa (OECD, 2020). Figure 2.9 represents the levels of well-being measures by eleven indicators in South Africa.
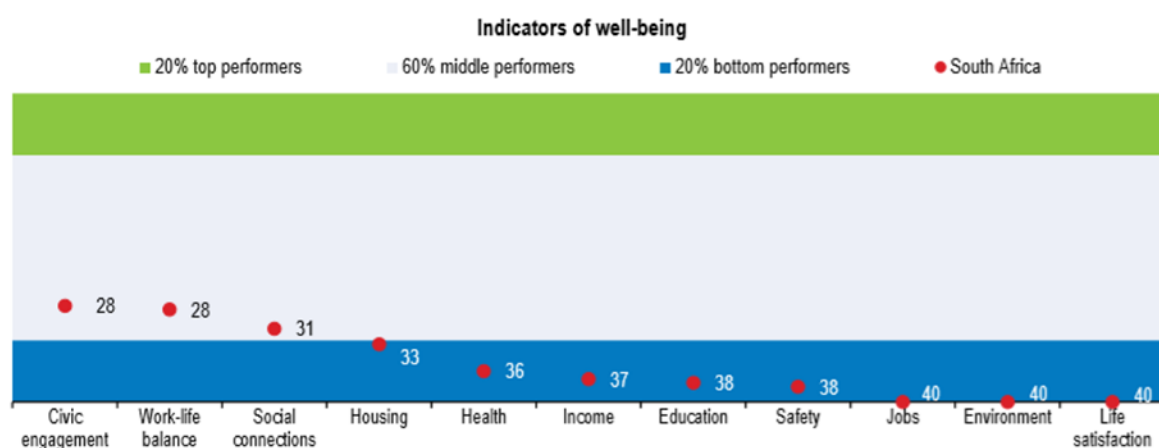
Figure 2.9: Better Life Index South Africa 2020 (OECD, 2020)

Eight of the indicators are amongst the 20% bottom performers of the OECD countries. The lowest ranked indicators include life satisfaction, environment, jobs, and safety.

All the issues considered, it is necessary to rethink international CSR models and adopt and change the models to effectively implement CSR strategies in South Africa. When it comes to needs regarding CSR in South Africa, political stability, less inequality and poverty, a higher employment rate, health and education and a better infrastructure are main issues to address. Inequality, poverty, and unemployment are issues that can be addressed within an economic responsibility dimension, as equality in human resource decisions, higher salaries and hiring decisions are usually made by companies, based on economic decisions. Health and education can be classified as issues concerning philanthropic dimensions or possibly a social dimension, as neither of these topics rely directly on business decisions. A well-educated and healthy workforce would, however, have a positive effect on companies and therefore these are issues that companies should be involved in on a voluntary level. However, all those issues concern a political and legal dimension. Consequently, the political CSR model of Scherer and Palazzo (2011) is a necessary theory for MNCs in South Africa to consider. As political uncertainty is a main concern in South Africa, companies should realise that they can take on a state-like role and address economic, legal, philanthropic, social, and ethical issues in the country. Furthermore, Visser (2006) proposes that Carroll's CSR pyramid model should be redesigned and philanthropic instead of legal responsibilities be placed on the second stage of the pyramid for Africa. Figure 2.10 shows the CSR pyramid for Africa proposed by Visser (2006). It is a modification of the international pyramid of CSR (Figure 2.2).
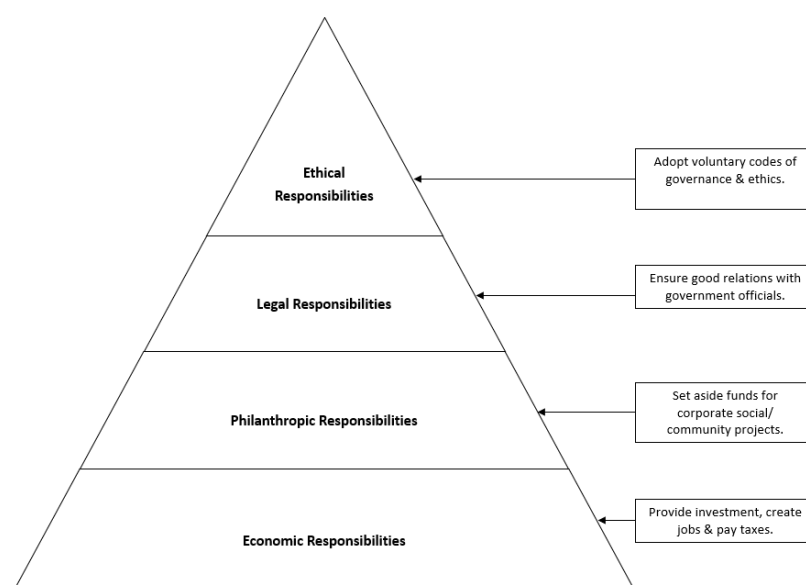
Figure 2.10: CSR Pyramid for Africa (Visser, 2006)

Visser (2006) argues that philanthropic responsibility should gain a higher significance in Africa than legal responsibility, because due to socio-economic challenges it is an expected norm and seems to be the most direct way to improve societies. In line with this, African societies already depend on foreign aid. Furthermore, other CSR models can be replicated and adapted to the South African circumstances, such as for example, the universal model. The lower level of the model still applies to African countries as it is adaptable to beliefs, values, and assumptions of the different countries. However, the top level of the pyramid should be changed, as economic responsibilities should demonstrate the basic layer and philanthropic, legal, and ethical responsibilities build up to the top. The intersecting circles model can also be applied. This model does not include any prioritisation of responsibilities, but all dimensions are valued equally. The model also applies to the South African market. Similar to the intersecting circles model, the ripple effect model of CSR also treats every dimension with equal importance and even includes primary stakeholders as well as wider society stakeholders. This model might be highly representative for South Africa, as the model is very much interconnected when it comes to dimensions as well as the effect on wider society stakeholders. The dimensions economic, environmental, and social responsibility as well as human resource development and ethical business standards cover the main issues in the South African market. In general, this model is very much applicable to developing countries as it takes a holistic view and shows understanding of the interconnections between society and business. It is only legal and political dimensions that are not explicitly depicted within the model.

2.2.4.2 Summary – CSR in a South African Context

This sub-section has highlighted the characteristics of developing countries, in more detail in the South African market. Due to a lower per capita income and a rapidly growing market, emerging markets like South Africa are lucrative for MNCs but are also risky in terms of the socio-economic environment and the polarizing image of MNCs operating in developing countries. In terms of CSR, South Africa has no national CSR agenda, but initiatives and regulatory measures are increasing. This situation is a partially a consequence of apartheid history. Consequently, South Africa's focus is on CSI. In combination with international CSR conceptualisations, scholars claim the adopted CSR model in South Africa should include the same topics but should apply a different prioritisation. The present research expands this view in the following sections and suggests that another concept can be beneficially implemented in South Africa, namely brand activism.

2.2.5   Summary of the CSR Literature Review

To conclude, this CSR literature review chapter consists of an introductory part and four main reviews. The introductory part includes the derivation of CSR definitions and reviews seven CSR theories to

elaborate what the CSR definitions and conceptualisations are based on. The delineation of CSR gives a brief summary of the definitions and categorizes the definitions based on the seven theories. This overview gives insights why CSR is what it is from a scientific understanding besides the practical implementation of CSR. The highlights here are the marketing application and the political lens of CSR, which arose in literature within the past decade. The view of CSR as a marketing tool and the application of CSR in a political framework are indicators that traditional definitions and conceptualisations are not enough. Therefore, a concept including a broader variety of application scenarios and viewpoints needed to be invented. This chapter also gives an overview about related key concepts. This is useful to categorize CSR in the field of business ethics, economics, and management. Furthermore, the chapter provides an overview about CSR conceptualisations and explains five conceptual models in more detail. This explains how CSR is constituted and gives a basis how brand activism can be conceptionally developed further from this. Finally, CSR is embedded in a South African context. This enables the context for CSR application and is the basis for implementation of this research study. It highlights that it is worthwhile to conduct CSR and brand activism research in South Africa, as the variety of socio-economic problems motivates the development of new social responsibility concepts. As one of the research goals is to demonstrate how CSR developed toward brand activism, the next chapter deals with the systematic review of the brand activism phenomenon.

2.3 BRAND ACTIVISM

One argument that motivates this research is that brand activism is a consequent evolution of CSR. CSR was extensively reviewed in the previous chapter. This chapter serves to develop a theoretical basis for the brand activism phenomenon. Therefore, it conceptualizes brand activism, demonstrates the brand activism cases, and strategically differentiates CSR from brand activism.

2.3.1 Conceptualizing Brand Activism

One of the aims of this thesis is to portray the brand activism phenomenon, explain the development from CSR to brand activism, and differentiate both concepts. It theoretically positions brand activism as a concept classified in the strategic marketing field. Even though the managerial relevance of the concept is increasing, brand activism still lacks a solid theoretical body being investigated from a research perspective.

2.3.1.1 Development of Brand Activism

As mentioned in the previous chapter, brand activism is deemed a natural development of the concept CSR and ESG (Environmental, Social, Governance) programs. In more detail, it mainly evolved from Cause-related Marketing (CrM) (Kotler & Sarkar, 2018). Chapter 2.2.1.2 indicated CrM as a main

component of CSR from a strategic marketing lens. Thereby, CrM is commonly defined as follows: "Cause-related marketing is the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organisational and individual objectives" (Varadarajan & Menon, 1988:60). Furthermore, other definitions focus on the marketing and profit driven character of CrM and explain that "cause-related marketing is often organized in the form of a promotional campaign and in cooperation with a charity or non-profit organisation that pursues a specific societal cause. The business community regularly defines cause-related marketing specifically as a cooperation between a commercial organisation and a charity for mutual benefit" (Beise-Zee, 2013:12). Following from this, CSR is the overarching term that includes responsible business behaviour and CrM is one part of it, which is mainly marketing driven. However, Kotler and Sarkar (2018) claim that these two concepts are not sufficient, due to the high expectations and desires toward companies posed by younger generations, like Millennials and Gen Z. Figure 2.11 depicts the development of brand activism from marketing driven concepts and corporate driven concepts toward the value-driven nature of brand activism.

Figure 2.11: Development of Brand Activism (Kotler & Sarkar, 2018)

Figure 2.11 distinguishes brand activism from existing marketing-driven and corporate driven constructs, namely cause promotion, CrM, corporate social marketing, corporate philanthropy, workforce volunteering, and socially responsible business practices. Brand activism incorporates a value-driven character expressed by a social, business (or workplace), political, legal, economic, and environmental dimension. Whereas the previous marketing- and corporate-driven initiatives usually provoked positive customer reactions, brand activism can polarize in positive and negative ways. It is a clear positioning of a company in society. Manfredi-Sánchez (2019:343) claims that "it involves a

transformation in corporate communication management and social responsibility practices, which borrows from those of social movements to contribute to the social production of identity of citizen-consumer." This movement includes slogans, messages, and political values (Manfredi-Sánchez, 2019).

In summary, brand activism is a phenomenon that evolved from CSR, in more detail CrM. This development is needed as the values of customers in the 21st century shifted and consumers in the generation of Millennials and Gen Z pose increasing expectations toward companies. The following section delivers a definition of brand activism.

2.3.1.2 Definition of Brand Activism

An increasing number of companies follow the trend to take a public position on polarizing standpoints rather than maintaining an indifferent position. The cause a company addresses, becomes an integral part of the brand identity, which provokes desirable and also undesirable responses by customers (Barros, Batista, Botelho, & Peixoto, 2019). As reported in several studies, most consumers want chief executive officers to take in a clear position concerning social topics (Barton, Ishikawa, Quiriring, & Theofilou, 2018; Edelman, 2018; Vredenburg et al., 2020). As brand activism directs the concerns of customers, it is a research topic in marketing, consumer behaviour and advertising (Clemensen, 2017; Gray, 2019; Hong, 2018). Only very little literature addresses the phenomenon of brand activism in the stream of marketing research (Barros et al., 2019; Pimentel & Didonet, 2021).

The notion brand activism incorporates the case when companies communicate an opinion on what is "good" for society on a completely voluntary basis. Companies practicing brand activism make public statements, and implement operations that are adapted to that cause, which mainly addresses societal, environmental and human issues (Craddock et al., 2018). In more detail, brand activism can have the form of open statements in a public domain, lobbying for a cause, donating money to a particular cause and making cause-related statements (Shetty, Venkataramaiah, & Anand, 2019). According to Shetty et al. (2019:163) the goal is to "support promote the social, economic, environmental, cultural and social issue and align it with its core values and vision of the company". The definition of Kotler & Sarkar (2018) is different in terms of the relation to the cause, as the scholars keep the option of either promoting, impeding or directing reform or stasis with the goal to either support or hinder improvements in society. Brand activism can be categorized in six dimensions, namely social, legal, business, economic, political, and environmental activism (Craddock et al., 2018; Kotler & Sarkar, 2021).

Figure 2.12: Brand Activism Dimensions (Kotler & Sarkar, 2018)

For the purpose of this research, the definition of Kotler and Sarkar is used, namely:

"Brand Activism consists of business efforts to promote, impede, or direct social, political, economic, and/or environmental reform or stasis with the desire to promote or impede improvements in society" (Kotler & Sarkar, 2018). Pimentel and Didonet (2021) propose a theoretical framework of brand activism, depicted in Figure 2.12. Figure 2.13 demonstrates the concerns and characteristics of brand activism, which serve as complementary features of brand activism to CSR.
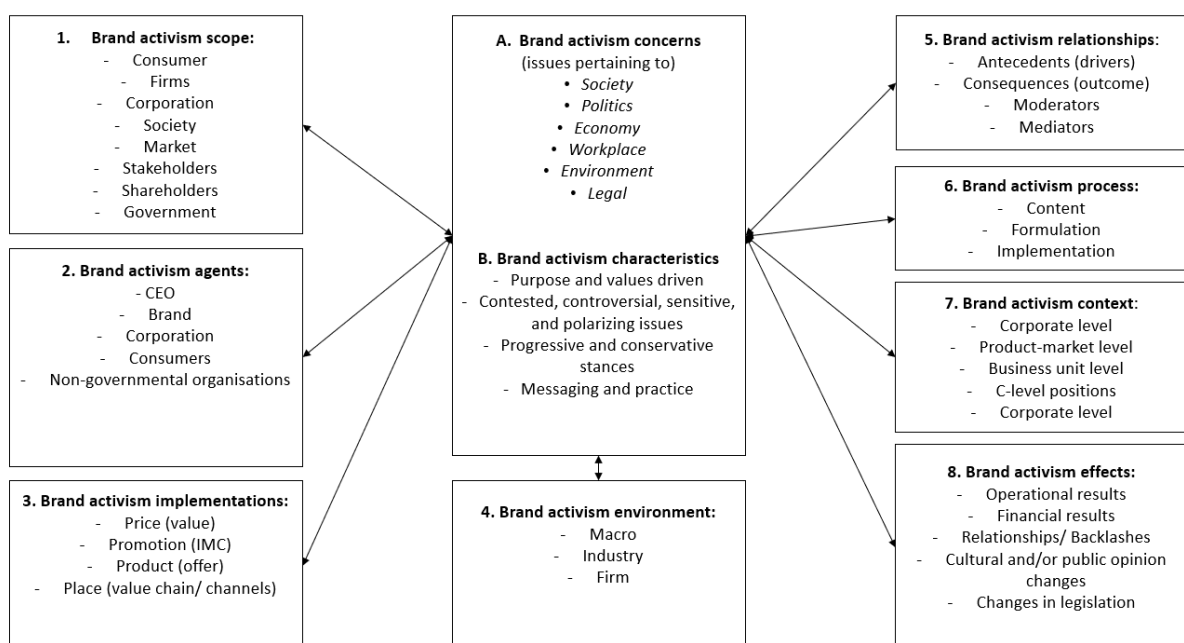
Figure 2.13: Brand Activism Theoretical Framework (Pimentel & Didonet, 2021)

These concerns and characteristics identify and expand possibilities to enhance the performance along the tipple bottom line. The scope, namely agents and audience, enable the distribution of brand

activism messages. Brand activism implementations address both tangible and intangible efforts that are not only communicated but also involved in practice. The environment of brand activism depicts how the macro-environment, industry-environment, and firm-environment influence brand activism implementation from the outside. The brand activism process presents the strategic aspect of brand activism from content development toward implementation. The brand activism effects demonstrate how brand activism implementation influences the company performance (Pimentel & Didonet, 2021). Pimentel and Didonet (2021) elaborated on a differentiation of corporate related forms of activism. This is demonstrated in Table 2.3.

Table 2.3: Activisms Summary (Source: Pimentel & Didonet, 2021)

Activism	Definition	Agents	Scope	Example
"Corporate-sponsored social activism" (McDonnell, 2016)	Publicly aligning companies with social activists to boykott the social practices of other companies, industries, or government	Corporations and Nongovernmental organisations	Society and Consumers	Partnering or actively taking part in social activist actions.
"Commodity activism" (R. Mukherjee & Banet-Weiser, 2012)	Delusive and deceptive practices to mislead the customer with strategies aimed at achieving higher profits	Corporations	Consumers and the Firm	Misleading engagement with unethical companies, greenwashing or pinkwashing, woke washing, etc.
"Corporate Activism" (Corvellec & Stål, 2019; Walker & Rea, 2014)	Corporate efforts to "actively shape their institutional environment by influencing the nature of competition, existing legislation, or social standards" (Corvellec & Stål, 2019, p. 8).	Corporations	Government, Society, Markets, and Corporations	Lobbying to influence and change government policies in ways promoting the company's interest.
"Corporate sociopolitical activism" (Bhagwat et al., 2020)	"public demonstration (…) of support for or opposition to one side of a partisan sociopolitical issue (Bhagwat et al., 2020, p. 2)	Corporations	Consumers, markets, society, and Corporations	Press articles, and social media posts, including low levels of financial investment.

"CEO activism" (Chatterji & Toffel, 2019)	CEOs adressing issues that are not related to their company's core business	CEO	Stakeholders, Consumers, Markets, Society, and Corporations	CEOs public statements, press releases, social media posts.
"Brand activism" (Koch, 2020; Kotler & Sarkar, 2018; Vredenburg et al., 2020)	"business efforts to promote, impede, or direct (…) reform or stasis with the desire to promote or impede improvements in society" (Sarkar & Kotler, 2018, p. 463).	Corporations, CEOs, and/or brands	Consumers, Firm, Corporation, Society, Market, Stakeholders, Shareholders, Government	Any marketing mix decisions (product, pricing, distribution, and/or promotion).

Table 2.3 demonstrates that brand activism differentiates from other forms of activism by the definition, agents, and scope. Not only are corporations and CEOs involved, but the brand in the framework of a company's branding is also crucial. The scope is also expanded and directed at consumers, firms, corporations, society, market, stakeholders, shareholders, and government. Therefore, brand activism is a form of activism that is aimed at marketing decisions of a business and can be implemented strategically to achieve company goals.

In conclusion, brand activism is a phenomenon that can be categorized in six dimensions, namely social, legal, business, economic, political, and environmental activism. The approaches of brand activism definition include the value-orientation of the phenomenon and indicate that brand activism can be both progressive and regressive. A brand activism framework was developed to develop a holistic framework for the concept, from the scope until the effect of brand activism. Brand activism is differentiated from other forms of activism by its expanded scope and the agent group involved. In the following section the current research on brand activism in market research is briefly described.

2.3.1.3 Brand Activism in Market Research

There is an increasing interest of the phenomenon brand activism in market research (Whitler, 2021). Several surveys were conducted regarding the opinion and expectations regarding brand activism communication and execution of companies (Edelman, 2018; Komiya, 2020; Porter Novelli, 2020; Sprout Social, 2021). Edelman is usually known for producing a trust barometer and in 2018, did a special report about brand and social media. Komiya (2020) did research on brand activism in purchasing decisions. Porter Novelli surveyed 180 CEOs in the framework of an executive purpose study. Sprout Social surveyed 1500 US consumers on the brand activism phenomenon. Sprout Social found that 66% of customers expect brands to talk about important issues like political issues. Sprout Social also observed that political self-categorization plays a role in the expectation of brand activism

messages. Seventy-eight percent of liberal oriented customers want brands to take a stand. Customers that identify as conservative are indifferent when it comes to brand activism communication, as 52% of conservative customers want brands to take a clear position on socio-political issues. According to Sprout Social, most customers want brands to communicate their opinion and values on human rights (58%). Customers indicated that when a brand communicates social and political values that are aligned with their personal beliefs, they are more loyal to that specific brand (52%). This aligns with the findings of Edelman (2018). Edelman (2018) reports that 64% of customers make purchase decisions based on the alignment of a brands' values and their own personal beliefs. Komiya (2020) also found that 60% of customers want companies to share their standpoint on social issues. Porter Novelli (2020) reports about the issues in more detail. According to the Porter Novelli's (2020) study, the topics that are most important for customers are sexual harassment (97%), racial equality (93%), women's rights (89%), domestic job growth (86%), and privacy and security issues (84%). All the above-mentioned findings from market research indicate that it is beneficial for companies to implement brand activism, especially when it comes to marketing-related topics, like customer loyalty. Therefore, the potential of brand activism as a strategic marketing tool is reviewed in the next section.

2.3.1.4 Brand Activism as a Strategic Marketing Tool

A successful marketing strategy implies the creation and sustainability of a competitive advantage that is based on strategic decision-making (Varadarajan & Jayachandran, 1999). To enhance competitive advantage as well as improve financial performance, a company can accommodate a differentiation strategy. Therefore, strong iconic brands that trigger associations in customers' minds is essential (Palmatier & Crecelius, 2019). Brand activism can be deployed to develop a distinct brand identity and therefore the phenomenon can be strategically included in marketing planning. Existing literature reports that brand activism can set apart a brand from the market competition, increase brand exposure by third parties (influencers, bloggers), increase customer loyalty as the company's values are congruent with individual customer values, and foster consumers to become brand ambassadors (Eyada, 2020). Some scholars suggest that brand activism influences consumer responses. Brand activism implementation usually results in either positive or negative reactions (Kotler & Sarkar, 2018; Mukherjee & Althuizen, 2020). Furthermore, brand activism can have an impact on purchase decision-making as values, beliefs, and lifestyles are involved in brand activism communication. There is also an expected influence on consumer preferences, brand image perception, brand trust, higher willingness to pay, and eventually profit margins (Champlin, Griffin, Jams, & Sterbenk, 2019; Eyada, 2020; Kam & Deichert, 2020). To fully comprehend the possible effect of brand activism on customers, the components of brand activism as part of the conceptualization are reviewed in the next section.

2.3.1.5 Conceptualisation of Brand Activism

As introduced in the previous section, brand activism includes six dimensions. These six dimensions are the basis for the conceptualisation of brand activism. This section explains each dimensional construct and its development in more detail.

Social Brand Activism

One of the six dimensions of brand activism is the social dimension. Social activism in general promotes social values (Manfredi-Sánchez, 2019). Martin and Osberg (2007) for example describe social activism within a company as one of the pure forms of social engagement. This is demonstrated in Figure 2.14 and serves as an overview of how social activism is integrated in companies at the moment. Martin and Osberg (2007) claim that social activism is indirect. This does not apply for social brand activism. The two scholars argue that a new equilibrium is created and sustained by social activism. This applies to brand activism as well and is explained in more detail.
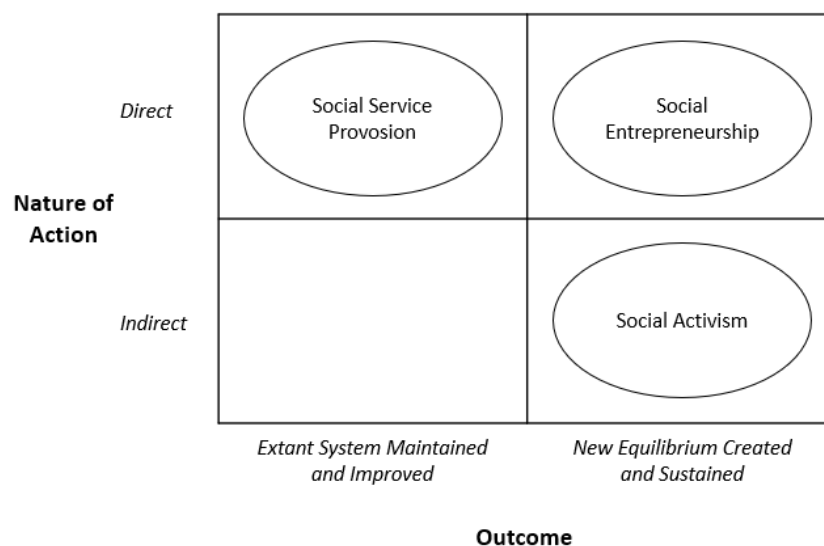
Figure 2.14: Pure Forms of Social Engagement (Martin & Osberg, 2007)

Social activism is one of the pure forms of social engagement, besides social service provision and social entrepreneurship. Characteristics for social activism are influencing others to reach and sustain a new equilibrium. Hybrid models, where social entrepreneurship and social activism are combined are also common (Martin & Osberg, 2007). Within the framework of his research, Manfredi-Sánchez (2019) defined a broad society category for brand activism, which includes demands of social movements, LGTBQ matters, feminism, equality, sexual harassment, employment rights and corruption. The focus of social activism is to support society by following a progressive line and

including social values. Trends in social activism are feminism as well as LGTBQ, as brands often adapt their standpoints according to social movements. There is a high relevance for social brand activism as customers make socially conscious purchase decisions (Peters & Barletta, 2005).

A researched concept in this field is prosocial consumption. The main idea of prosocial consumption is that marketers promote prosocial behaviour by activating positive emotions and eventually provoking prosocial behaviour, like purchasing goods that support a good cause (Cavanaugh, Bettman, & Luce, 2015). Cavanaugh et al. (2015) found that positive emotions do not universally result in a higher level of prosocial behaviour, but rather cause different types of prosocial behaviour. This is relevant for social brand activism, because not only can it affect consent or rejection of a company but might provoke different types of behaviour toward a company. Previous research revealed that the intention for prosocial consumption differs from the actual consumption behaviours (Carrington, Neville, & Whitwell, 2010; Hassan, Shiu, & Shaw, 2016). Although the intention-behaviour gap has been extensively researched in various contexts, researchers remain uncertain about the exact reasons why this gap exists. Ross and Kapitan (2018) elaborated on the connection of equity theory and prosocial consumption. Within this framework equity theory is a management-based theory that consumers who perceive that they have gained more from a purchase are more likely to consume prosocial than consumers who perceive they have given more than they have received. The findings of Ross and Kapitan's (2018) study revealed that entitled decision makers are more willing to exchange collective interest for self-interest, whereas benevolent decision makers are more willing to exchange self-interest for collective interest. In other words, benevolent decision makers support prosocial outcomes. Additionally, drivers for prosocial consumption are habit, constrained-choice, self-gratification, and peer influence (Davies & Gutsche, 2016). De Groot and Steg (2009) investigated the variables of the Norm Activation Model (NAM) of prosocial behaviour as moderator and mediator models (Figure 2.15). Predictors of prosocial behaviour within this model are personal norms, awareness of consequences and ascription of responsibility. There are two suggested models of NAM. One model conceptualizes NAM as a moderator model, which means that prosocial behaviour is moderated by awareness of consequences and ascription of responsibility. The other model defined NAM as a mediator model, which includes awareness of consequences as an antecedent of ascription of responsibility, where awareness of responsibility is an antecedent of personal norms, and personal norms influence behaviour (De Groot & Steg, 2009).
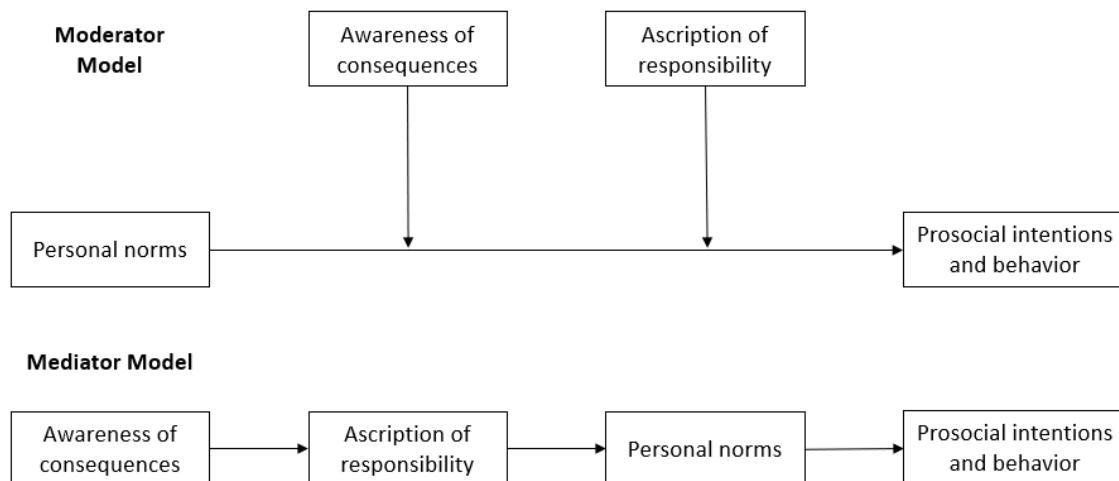
Figure 2.15: Norm Activation Model for Prosocial Behaviour (De Groot & Steg, 2009)

Both models argue that personal norms are key predictors of prosocial intentions and behaviour such as prosocial consumption. Thus, prosocial intentions vary in different settings, like cultural and social background. In terms of social brand activism, these settings and intentions have various consequences. Social brand activism can also provoke backlash and boycotting in cases when customers have different social and cultural believes. Millennials especially expect social responsiveness as well as high moral and ethical standards from brands (Shetty et al., 2019). In more detail, promoting social issues can be very risky for brands, as values and behaviour of a company must be aligned. Controversy can damage the trust and credibility toward a brand (Manfredi-Sánchez, 2019).

All the antecedents of social activism and prosocial behaviour considered, social brand activism deals with topics like equality, societal and community issues, which include gender, LGBT, race, age, education, healthcare, social security, privacy, and so on (Kotler & Sarkar, 2018). Questions a social activist company should ask are the following:

- Are we practicing equality?
- Are we promoting human rights?
- Are we secure the privacy interests of everybody?
- Are we providing access to public goods and services for every stakeholder (healthcare, education, safety…)?
- Are we promoting migration?

- Are we fighting against forced labour – like prison labour, human trafficking, bonded labour etc globally?

- Are we contributing to a better social environment for our society?

- Are we promoting a better life standard?

- Are we promoting public health policy everyone?

- Are we opposing polarisation and toxic agendas?

- Are we working with customer protection agencies?

- Does senior management incorporate high levels of personal propriety?

Source: Kotler & Sarkar (2018)

Legal activism

In existing literature, legal brand activism is barely researched. According to Kotler and Sarkar (2018) the UN Global Compact must be applied in business, namely respecting human rights and labour rights. In terms of human rights, companies should support internationally proclaimed human rights and make sure there are no abuses. In terms of labour, corporations must hold up the freedom of association and the right of collective bargaining. Furthermore, business must reject forced and compulsory labour, child labour, and oppose discrimination (Kotler & Sarkar, 2018). Since there is no existing concept in literature that serves as a basis for legal brand activism, the researcher suggests fairness theory as a possible concept that serves as a motivation for legal brand activism in a customer-centric view. Economic literature suggests that fairness motives affect the behaviour of people. An example of that are customers' feelings about short-run pricing decisions and the use of a firm's monopoly power (Fehr & Schmidt, 1999; Kahneman, Knetsch, & Thaler, 1986). The wage settings and remuneration of employees also affect customers' perception of fairness (Agell & Lundborg, 1995; Blinder & Choi, 1990; Campbell & Kamlani, 1997). Therefore, the researcher suggests that legal brand activism be defined as the perceived fairness of a company regarding legal issues, such as policies, law, tax and employment.

Legal activism addresses "laws and policies that impact companies, such as tax, citizenship, and employment laws" (Kotler & Sarkar, 2018).

Legal activist companies should deal with questions like the following:

- Are we supporting the law in force?

- Are we integrating labour laws?

- Are we dismissing corruption and negative influence?
- Are we encouraging workplace safety laws?
- Are we supporting legitimate monetary regulations that protect consumers rights?
- Are we working for fair laws and for community as a whole?

Source: Kotler & Sarkar (2018).

Workplace/Business Activism

Another form of activism that has barely been discussed in literature yet, is workplace activism, also called business activism. This form of brand activism deals with issues around the workplace such as pay, workers' rights and conditions along the supply chain (Kotler & Sarkar, 2018). Workplace activism is directed at similar topics as shareholder activism, with the difference that it is executed by the corporation, not individuals. Shareholder activism is defined as "actions taken by shareholders with the explicit intention of influencing corporations' policies and practices" (Goranova & Ryan, 2014:1232). Therefore, workplace activism could be defined as the action taken by the CEO or board of the corporation to change policies and practices regarding workplace issues, like conditions, pay, rights and the supply chain. Employees can also act as brand activists within their workplace. One example is a letter from a Google employee directed to Google CEO Sundar Pichai. Altogether 3000 employees signed the letter to demand significant changes in business operations, like cancelling the Project Maven as it contributes to business of war. The employees were concerned that the project does neglect the moral and ethical responsibility and that it puts Google's as well as their own reputation in danger (Kotler & Sarkar, 2018).

Workplace activism includes governance and deals with corporate organisation, CEO pay, worker pay, the formation of labour unions, SCM and related issues. A workplace activist company should ask the following questions:

- Are we paying our workers a living wage?
- Are we respecting employee rights like forming worker unions?
- Are we putting our people's needs at the core of our business?
- What is the ratio of the CEO's pay to the pay of our frontline workers?
- Are we protesting exploitation of our suppliers?
- Are we promoting equal pay?
- Are our employees represented well?

- Are we providing workshops for all workers and part-time employees?

- Are we ensuring safety at the workplace? Are all issues of employees dealt with transparently?

- Are we supporting a democratic work environment?

- Are we ensuring workers' rights?

- Are integrity doubts directed at in the work environment and are violations reported without safety issues?

Source: Kotler & Sarkar (2018)

Economic Activism

The reason for carrying out economic activism results from two main problems. One problem is institutions that are not capable or have no propensity to engage in new socio-economic demands. The other problem is the challenge to build strong and sustaining bonds of solidarity and cooperation amongst people (D'Alisa, Forno, & Maurano, 2015). Therefore, social movements are promoting social as well as economic sustainability, based on the goal to end poverty and guaranteeing human livelihood. Those movements can be a reason to form networks, such as new consumer-producer networks and cooperation to promote these goals. The idea of economic activism is thus to change an economic system and build an alternative based on values like the solidarity between individuals and the environment. Examples of economic activism are movements in the 1960s and 1970s that integrated entrepreneurialism, curiosity-driven research and the fight against corporate monopoly. The neo-liberal movements in the 1980s addressed deregulation, privatisation, and liberalisation. Nowadays economic activism is influenced by critical feminist economists and ecological aspects affecting economy (D'Alisa et al., 2015). The researcher defines economic brand activism as the scenario where a company uses its economic power in order to support a change in society regarding economic issues, like inequality, wealth, and employment.

Economic activism is about "wage and tax policies that impact income inequality and redistribution of wealth" (Kotler & Sarkar, 2018).

Questions regarding economic activism a company should ask are the following:

- Are we standing for policies that prohibit wage inequality?

- Are we promoting fair trade agreements?

- Are we supporting local SMEs and business owners?

- Are we fostering public demands like accessible and affordable infrastructure and housing?

- Are we taking part in public investments for education?

- Are we paying our fair amount of taxes?

- Are we prohibiting financial manipulation and tax shelters?

- Do our workers get enough wage to afford a living?

- Are we engaging in local community interests?

- Are we balancing our business interests and the economic wealth of society?

Kotler & Sarkar (2018)

Political Activism

The global political system is in transformation and the number of companies that take on political positions is increasing. The Black Lives Matter movement in 2020 provided the reason for international companies to speak out about their political position regarding systemic discrimination and racial equality by participating in the global campaign #blackouttuesday. In general, marketing and politics scholars identified a spill over from politics to companies and others in the private sector (Korschun, Martin, & Vadakkepatt, 2020). Marketing and politics became closely connected entities and are increasingly brought into the context of literature. Socio-political activism, for example, is a firm's outspoken support or opposition regarding a certain partisan issue (Bhagwat et al., 2020). The business researcher Moorman (2020) picked up this definition of socio-political activism and developed a definition for brand political activism. She defines "brand political activism" as public speech or actions focused on partisan issues made by or on behalf of a company using its corporate or individual brand name" (Moorman, 2020:388f). In more detail, the partisan nature of brand political activism is a company or its stakeholders, including customers, employees, partners and those related to the business to maintain a status quo on political issues and aim at seeking a changed world. Taking up a certain position as a firm might possibly also upset customers or other stakeholders. Moorman (2020) suggested six perspectives that could guide companies to set the focus when making the transformation towards becoming political actors. These facets include the brand authenticity view, the corporate citizen view, the cultural authority view, the calculative view, the brands as educators view, the political mission view and the employee engagement view.

The brand authenticity view thereby suggests that brands should not engage in political statements unless it is brand consistent and reaches target markets in an authentic manner. Often, leaders fear that such positions can have a negative impact on the image displayed toward customers or partners.

The focus is on what might be lost and preventing failure instead of focusing on growth and advancement (Moorman, 2020).

The corporate citizen view is based on the perception that companies carry an important responsibility to improve the world and therefore accept the role of the company as being a political actor. As stakeholder management has a higher priority than shareholder management in this view, only little guidance is provided to be effectively positioned as a political actor (Moorman, 2020).

The cultural authority view includes the assumption that brands own a position of power, which is a reason to be involved in related social-level debates. The issues are brand-relevant and help building a brand identity. Often, large iconic brands such as Apple and Nike are involved in this view and differentiate themselves from competitors by communicating a political position (Moorman, 2020).

The calculative view of brand political activism focuses on a risk and benefit consideration. The main reason to engage in political positions is instrumental, namely improving brand image and attracting customer segments. When the company predicts a positive effect by brand political activism, it will engage in a political position. The calculative view consequently implicates an infrequent implementation of brand political activism (Moorman, 2020).

The brands as educators view demands that companies move their customers in a certain direction that improves society. Product decisions can, for example, be made by brands, which are favourable for health or decreasing waste. This can be risky for a company as the change might not correspond with their individual interests. However, the more power a company owns, the more responsibility it should take (Moorman, 2020).

The political mission view is aimed at social change, which goes beyond CSR. Such brands are often founded with a political mission like Patagonia or large companies forming a political mission as their business strategy. Their products and services are created as tools to make a certain change in the world (Moorman, 2020).

The employee engagement view uses political brand activism as an opportunity to attract and retain motivated workers. Especially the generation of Millennials states that they want to have a meaningful company and participate in social debates. Companies thereby especially attract and engage employees who identify with the company, which can increase customer satisfaction as well (Moorman, 2020).

Korschun et al. (2020) developed a framework that depicts the circumstances created by environmental forces, which created the environment for three different actors to engage in. The actors are citizen stakeholders, companies and brands, and political entities and they demonstrate the centre of the model. The outcomes of the dialogues between actors are divided into five categories, as illustrated below.
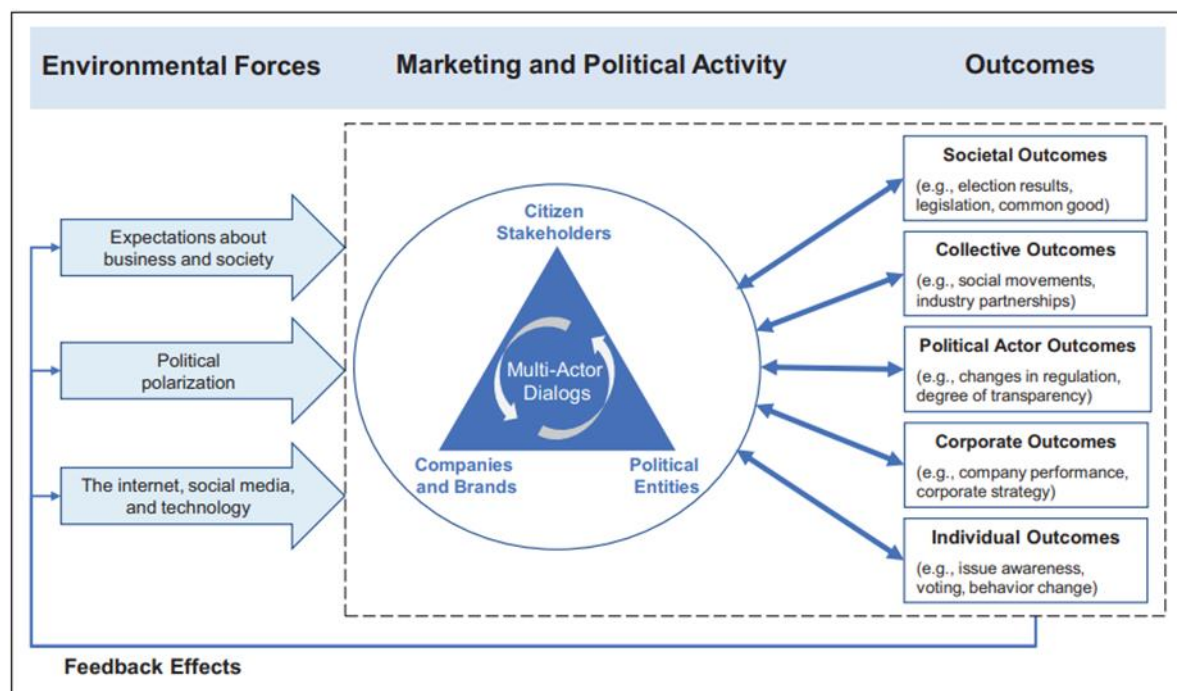
Figure 2.16: A Framework for Understanding Marketing and Political Activity (Korschun et al., 2020)

At the centre of the model are the actors: citizen stakeholders, companies and brands, and political entities. As the three actors are in a continuous dialogue, the triangle that connects those entities is called the multi-actor dialogs, which influence the outcomes. The environmental factors, which influence the multi-actor dialogs, are defined as expectations about business and society, political polarization and the internet, social media as well as technology. The outcomes within the model are categorized in societal outcomes, collective outcomes, political actor outcomes, corporate outcomes, and individual outcomes (Korschun et al., 2020).

Another issue identified as political activism is boycotting companies. Dolan (2002:171) suggests that "[the] irony is that eco-politics through consumer boycotts strengthens the significance of consumption practices – not only does it become the symbolic mediator of social and cultural relationships, but also political ones. The commodity, whether consumed or not, would become the

totem of the power ratio between consumer and producer, and the commodity would become the site of resolution of moral disputes and dilemmas".

Political activism is about lobbying, privatisation, voting, and policy. Political activist companies should ask the following:

- Are we living democracy?
- Are we supporting a transparent government that includes all stakeholders and offers ways to participate in the development of public policies?
- Are we encouraging our workers to participate in elections by releasing them temporarily to vote?
- Are we paying our legitimate amount of taxes?
- Are we open about our lobbying interests?
- Are our lobbying efforts congruent with stakeholder interests?
- Are we promoting fair trade?
- Are we fostering fair competition in our sector?
- Are we implementing privacy and data security?
- Are we promoting a transparent asylum and refugee policy?
- Are we avoiding to take unfair advantage?
- Are we dismissing corruption and engaging in actions to remove corruption society?

 Source: Kotler & Sarkar (2018)

Environmental activism

Environmental activism has been researched within various fields such as political science, sociology, and psychology. Types of behaviours that are related to environmental activism is the membership in environmental groups, political action, appearing as an environmentalist, having the function to influence policy and management decisions as well as performing environmental protection (Dono, Webb, & Richardson, 2010). The researchers Dono et al. (2010) found an indirect significant relationship between social identity and environmental activism. Environmental activism is also strongly related to the model of pro-environmental behaviour, which can be explained as an action that intentionally reduces negative impact on the environment (Kollmuss & Agyeman, 2010). "Pro-environmental behaviour is such behaviour which is generally (or according to knowledge of environmental science) judged in the context of the considered society as a protective way of environmental behaviour or a tribute to the healthy environment" (Krajhanzl, 2010:252). In terms of

consumption, one form of pro-environmental behaviour is pro-environmental consumption. Pro-environmental consumption is influenced by economic and cognitive factors such as income, estimated price premium and the level of information on environmentally friendly goods. Furthermore, consumption patterns of reference groups have a significant influence on pro-environmental behaviour, as purchase behaviour includes factors like social comparison, imitation and repetition. In general, social needs are a driver for pro-environmental behaviour as it is a way for a customer to create a certain social identity (Welsch & Kühling, 2009). Attitudes to environmental protection, subjective norms and environmental self-identity have a positive impact on customers' purchase intention when it comes to eco-friendly products. Pro-environmental consumption also reduces the inconvenience related to a purchase (Nguyen, Lobo, & Greenland, 2016). In general, some scholars argue the stronger the pro-environmental norms of a group are and the higher the level of identification within a group is, the more strongly a reference group can promote pro-environmental behaviour (Jans & Keizer, 2021). In more detail, Jans and Keizer (2021) focused on a bottom-up approach of pro-environmental initiatives, which means that the initiative is led by a regular group member who promotes pro-environmental behaviour. In contrast, Connolly & Prothero (2008) stated that the relevance of green consumption regarding self-identity is the rising level of individualisation. The two scholars explained that individuals have a sense of responsibility toward their environment and feel empowered to deal with environmental risks. Davies and Gutsche (2016) concluded that on the one hand consumers who believe in ethical issues want to find non-mainstream alternative products on the market, but on the other hand have a sense of belonging to socio-cultural or subversive movements. Therefore, Jans and Keizer's (2021) as well as Connolly and Prothero's (2008) theory can apply for customers to either use environmental consumption as a self-identity that is fostered by a group membership or environmental consumption as a self-identity that fulfils the need to be non-mainstream. Figure 2.17 shows Jans and Keizer's (2021) proposed model to measure the effect of the bottom-up and top-down initiative formation on self-reported pro-environmental behaviour.

Note. Standardized regression weights. Total effect between brackets.
***p < .001; **p < .01, *p < .05 *
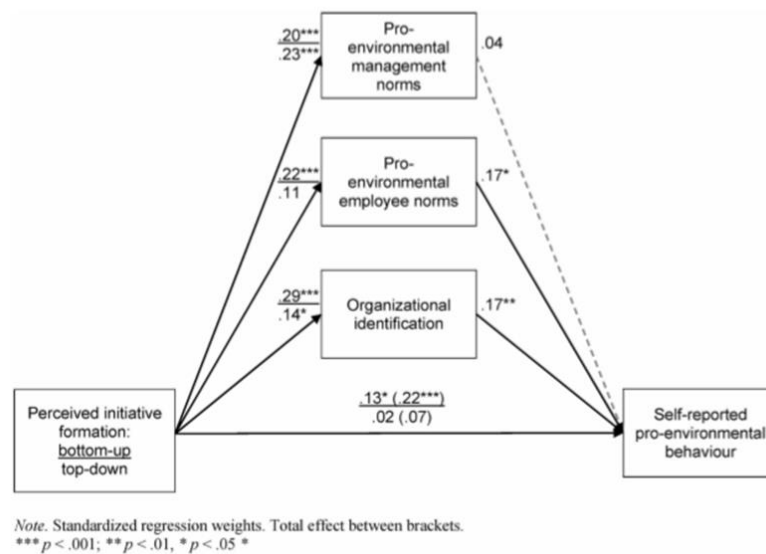
Figure 2.17: Bottom-Up Formation and Self-Reported Pro-Environmental Behaviour (Jans & Keizer, 2021)

Within the study of Jans and Keizer (2021) the employees who were not directly related to the initiative were asked about the perceived pro-environmental norms and the organisational identification in order to draw conclusions related to the self-reported pro-environmental behaviour. All three mediators, namely pro-environmental management norms, pro-environmental employee norms and organisational identification, were positively related to self-reported pro-environmental behaviour (Jans & Keizer, 2021). In other words, bottom-up pro-environmental initiatives contribute positively to building a pro-environmental social identity among employees. Environmental concern is considered as an indicator of pro-environmental consumption (Han, Lee, Trang, & Kim, 2018). Han et al. (2018) found a significant relationship between hedonic values and loyalty intention in the framework of green hotels. The relationship between utilitarian values and loyalty intention was not significant within the context.

Another study, focused on pro-environmental behaviour and loyalty formation was executed by Han and Hwang (2015). The two researchers focused on the connection of the four-stage loyalty model by Oliver (1999) and the norm activation model (NAM). The NAM is a widely accepted model to discover different types of pro-social behaviours, including pro-environmental intention and behaviour (Zhang, Wang, & Zhou, 2013). A norm-based loyalty model (Figure 2.18) was developed to elaborate on the relation of the four stages of loyalty and the NAM model.

Note 1. Oliver's (1977) original loyalty model comprises the bolded constructs and paths.
Note 2. The moderator interpretation of the norm activation model was incorporated into Oliver's (1977) loyalty model. The shaded constructs belong to the norm activation model.
Note 3. The dotted lines indicate the hypothesized moderating impact.
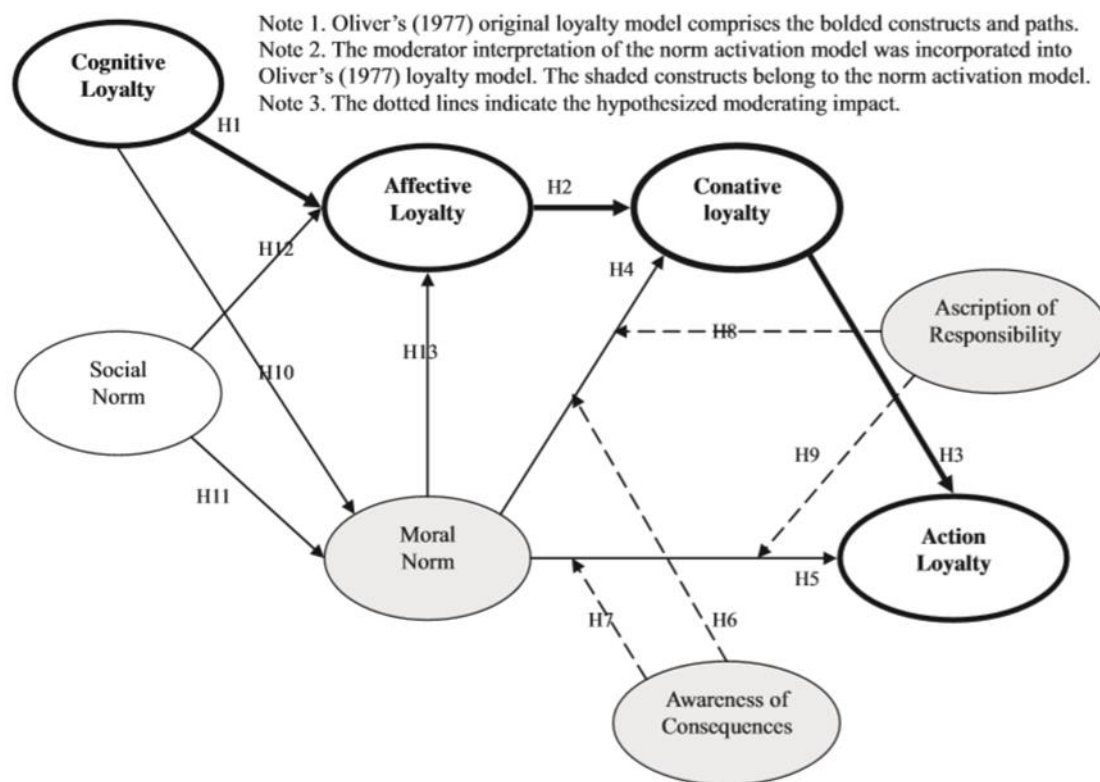
Fig. 2. The proposed norm-based loyalty model.

Figure 2.18: Norm-based Loyalty Model (Han & Hwang, 2015)

The scholars found that moral norm has a positive impact on conative and action loyalty in an environmentally responsible context. In more detail, the awareness of consequences moderates the relationship between moral norm and action as well as conative loyalty in an environmentally responsible context. Furthermore, the ascription of responsibility moderates the relationship between moral norm and action as well as conative loyalty in an environmentally responsible context (Han & Hwang, 2015).

Eventually, environmental activism is about "conservation, ecocide, land-use, air and water pollution, emission control, environmental laws and policies" (Kotler & Sarkar, 2018).

Within this framework companies should ask the following questions:

- Are we fighting against the destruction of our environment?
- Are we integrating sustainability into our agenda and future plans?
- Are we respecting the Rights of Nature?

- Are we supporting conservation and protection of our public lands?

- Are we committed to create a circular economy?

- Are we taking environmental research seriously and integrate findings?

- Are we aiming at eliminating environmental pollution?

- Are we getting our energy from sustainable resources?

- Are we the leaders in our industry to create environmental change?

- Are we boycotting the exploitation of resources?

- Are we engaging in public awareness and education?

Source: Kotler & Sarkar (2018)

2.3.1.6 Brand Activism combined

As demonstrated in the elaboration on the six different brand activism dimensions, brand activism is not directly related to the core product or service that a company offers (Craddock et al., 2018). Also take into account that brand activism is not values-driven like CSR, but it is purpose-driven engagement of a company, which requires that a company's behaviour should align with the public statements that are made (Kotler & Sarkar, 2018). Furthermore, a company actively contributes to shape opinions and foster movements towards justice and fairness in society. Through brand activism, companies position themselves as moral leaders and change agents (Barros et al., 2019; Kotler & Sarkar, 2018).

All in all, brand activism can help the company to shape the brand identity. Kotler and Sarkar (2018) add the dimension brand activism to Aaker's (1996) brand identity model, which includes the brand as a product, the brand as organization, the brand as person and the brand as symbol. The brand as an activist is a complementary perspective. Brand activism also provides consumers the possibility to create identity by evaluating whether the brand aligns with their own moral judgements. In more detail, brand activism triggers consumer-brand identification, which can result in favourable outcomes like higher profits, customer loyalty and building a tie to the customer that goes beyond physical product or service quality (Mukherjee & Althuizen, 2020; Shetty et al., 2019).

In addition to the definition of Kotler & Sarkar (2018), the marketing scholars Vredenburg et al. (2020) defined four key characteristics of brand activism and expanded the conceptualisation by developing a typology of brand activism. According to Vredenburg et al. (2020) the following four criteria represent brand activism:

1. "The brand is purpose- and values-driven" (Vredenburg et al., 2020:664). To implement authentic brand activism, the brand purpose must be the central element that directs brand activism messages and practice. Societal and environmental goals should take a higher priority than the pure economic interest of a brand. Brands can have a political mission and define themselves as educators for a better society and a source of cultural power to eventually foster a cultural change.

2. "It addresses a controversial, contested, or polarizing socio-political issue(s)" (Vredenburg et al., 2020:664). By addressing different socio-political issues, brands provoke agreements as well as disagreements and arouse emotions. They consequently attract certain customer groups more than others.

3. "The issue can be progressive or conservative in nature (issues are subjective and determined by political ideology, religion, and other ideologies/beliefs)" (Vredenburg et al., 2020:664). This evaluation of progressive or conservative brand activism is subjective and based on a certain political ideology.

4. "The firm contributes toward a socio-political issue(s) through messaging and brand practice" (Vredenburg et al., 2020:447). In other words, brand activism includes a tangible and an intangible component. The intangible component is messaging, which should be backed up by tangible elements like brand practices that are aligned to the brand purpose.

Furthermore, Vredenburg et al. (2020) elaborate on authentic brand activism. Brand activism is authentic when brands have a clear value and purpose communication as well as engaging in prosocial corporate practice regarding socio-political issues. Four components can create authenticity, namely purpose, values, messaging, and practice. When a company is authentic, consumers are more likely to believe that a brand's socio-political standpoint is relevant, truthful, and dependable (Vredenburg et al., 2020).

The typology of brand activism (Figure 2.19) depicts the degree of activist marketing messaging from high to low on the x-axis as well as the degree of prosocial corporate practice from high to low on the y-axis.

Prosocial corporate practice
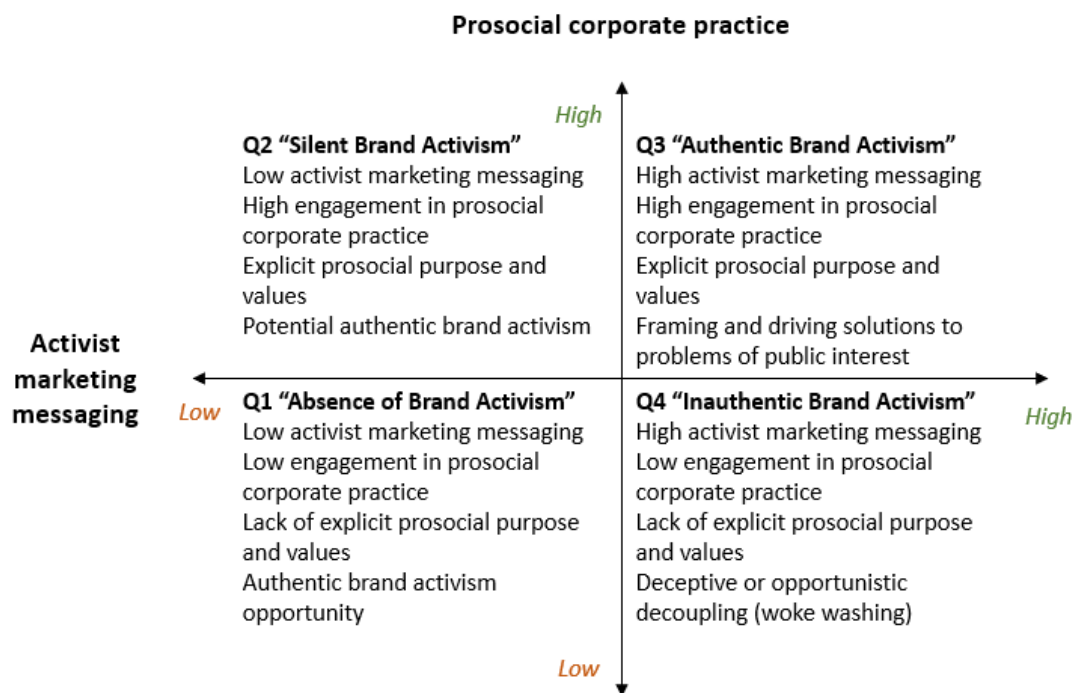
Figure 2.19: Typology of Brand Activism (Vredenburg et al., 2020)

The brands in the first quadrant on the bottom left are characterized by "Absence of Brand Activism". This category of brands does not include prosocial corporate practice or activist marketing messaging. There is no prosocial brand purpose and brands do not take consumer expectations into account. Usually, brands that have an absence of brand activism operate in the business-to-business sector. As prosocial brand purpose, values, corporate practice as well as related marketing messaging is key to growth for a brand and brands become more and more transparent to consumers, companies should adopt a proactive brand activism strategy (Vredenburg et al., 2020).

The second quadrant in the top left corner is called "Silent Brand Activism". The brands within this quadrant support prosocial causes, but operate quietly. Their brand activism mission is often long-term and most of the brands in this quadrant are small brands with less power. Those brands could benefit from active marketing messaging, which includes their prosocial purpose and values (Vredenburg et al., 2020).

When a brand is positioned in the third quadrant in the top right corner, it delivers "Authentic Brand Activism". This quadrant is reached when brand purpose, values, prosocial corporate practices and activist marketing messaging are aligned and are therefore authentic to the customer. Within this

typology, authentic brand activism is the best form of brand activism, as it involves truthful alignment and provides the greatest brand equity outcomes. An authentic and credible brand can increase consumer-based brand equity as consumers' information costs and the perceived risk choosing a brand decreases. The consumer-expected utility also increases (Vredenburg et al., 2020). Minimized risks in purchase decision-making and lowered costs of information are characteristics referred to as creating customer loyalty (Mascarenhas, Kesavan, & Bernacchi, 2006; Rundle-Thiele, 2005). Hence, authentic brand activism could have an impact on customer loyalty.

The fourth quadrant within this framework is called "Inauthentic Brand Activism". Companies that advertise activist marketing, but do not implement aligning brand purpose and values are positioned within this quadrant. Due to increased transparency, those companies are perceived as insincere, inauthentic and depictive. Inauthentic brand activism has negative implications for brand equity and provokes consumer distrust by unethical behaviour (Vredenburg et al., 2020).

Sibai, Mimoun and Boukis (2021) define three requirements for a brand to be considered a bran activist. Firstly, the brand should be a moral subject, which includes that the brand is perceived as values-and purpose-driven (Vredenburg et al., 2020) and should demonstrate presence of a "moral conscience" of the activist brand that incorporates the potential to influence others (Kotler & Sarkar, 2018). Secondly, brand activists reform dominant moral judgements by challenging existing judgements and promoting alternative judgements. Thirdly, the brand activist should promote social benefits "by working to make markets more conducive to justice, freedom, and happiness" (Sibai et al., 2021:2).

A related concept of brand activism is brand advocacy (Figure 2.20). The concept aims at the strategic implementation of brand activism. Thereby, companies are segmented in four categories. Brand purgatory describes companies that are wilfully ignorant of current issues and do not invest in any social, political, or related issues. Companies in the segment Swing and Miss are willing to invest in issues, but do not address the right issues for their business. Brands that own their position, use their impactful market position to address the right issues, but there is a lack of structural investments as the efforts are often not made internally. Brands in the category that are living their values do execute the issues fluently and consistently as well as integrating them within the internal business structure (Curry, 2020).
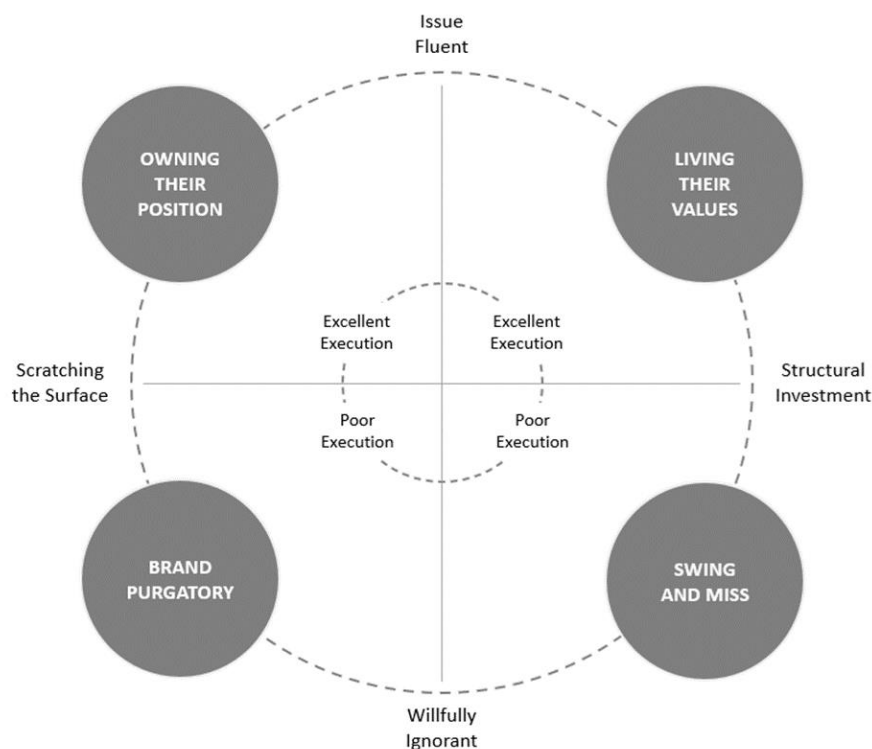
Figure 2.20: Brand Advocacy Map (Curry, 2020)

In general, brand activism addresses the biggest and most urgent problems in society, which include wealth disparity, the climate crisis, cyber dependency, and an aging population (Kotler & Sarkar, 2018). Brand activism is not exactly a new phenomenon, but the way in which companies address these issues has changed (Barros et al., 2019).

2.3.1.7 Summary – Brand Activism Conceptualisation

The first notion of the phenomenon brand activism evolved from CSR, especially CrM, and demonstrates a value-driven approach that includes marketing- as well as corporation-driven initiatives. It expands the CSR concept to address the needs of Millennials and Gen Z. The definition of brand activism includes marketing and corporate efforts aimed at promoting or impeding social truths like social, economic, environmental, and cultural issues. These efforts are primarily value-driven. For the aim of this thesis, brand activism is seen in a strategic marketing context, as it has an impact on the brand image, customer loyalty, brand trust, and provokes a favourable or unfavourable customer response. There are six conceptual dimensions of brand activism. Social activism deals with topics like equality, societal and community issues. Workplace activism includes governance and deals with the corporate organisation. Political activism is about lobbying, privatisation, and policy. Environmental activism deals with topics like conservation, land-use, air and water pollution, environmental laws,

and policies. Economic activism is about the impact on economic inequality, like wage and tax policies. Legal activism addresses laws and policies that influence corporations. There are four different typologies of brand activism, namely absence of brand activism, silent brand activism, authentic brand activism, and inauthentic brand activism. A comparable concept is brand advocacy, which demonstrates a similar strategic implementation.

2.3.2   Brand Activism Cases

According to literature, brand activism can be clustered in three topics. Brand activism is either regressive, neutral, or progressive (Craddock et al., 2018; Kotler & Sarkar, 2018). Regressive brand activism is related to "shameful" corporations, which are disliked or held responsible by the public opinion (Kotler & Sarkar, 2018). Progressive brand activism on the other hand can be a positive differentiation point for companies. There are a lot of cases of regressive as well as progressive brand activism, which are reviewed in the following paragraphs.

One example for regressive brand activism is the fusion of the German pharmaceutical and life science company Bayer with the American company Monsanto, which is the leader in genetically modified organisms and genetic-modifying technologies (Rebière & Mavoori, 2020). In 2018, the two companies merged, even though there was a lot of criticism of stakeholders due to following concerns. Firstly, their use of glyphosate and the attempt to declare glyphosate legal throughout the European Union is disputed as it is under suspicion of triggering cancer and contaminates the environment. In more detail, Monsanto is alleged as having corrupted scientists, as Monsanto employees have published papers signed by scientists with the goal to infiltrate regulatory agencies to discredit opposition to their products (Rebière & Mavoori, 2020). Secondly, the merger appears to form a monopoly in the chemical industry, as the powers of the German and American leaders in the seed and chemical industry are forcing small to medium-sized companies (SME) to leave the market (Kotler & Sarkar, 2018). This is a case of regressive social, political, legal, economic, and environmental brand activism. In terms of social activism and environmental activism, there are doubts in society about health impacts and the environmental pollution due to glyphosate, but Bayer and Monsanto deemphasize those concerns by publishing papers that support their products, thereby acting as regressive political and legal activists, as the companies are accused of corruption. The legal and economic activism dimensions are also affected, as monopolizing the industry affects competition law and threatens smaller competitions off the market. Even though Bayer and Monsanto gained a big market share, the reputation of the companies suffered and affected the public trust for future strategic initiatives (Rebière & Mavoori, 2020).

A poster child for progressive brand activism is Ben & Jerry's (Kotler& Sarkar, 2018). Ben & Jerry's calls itself a super-premium ice cream and sorbet company and since 2000 the brand has been part of the portfolio of the conglomerate Unilever. Even though the main business operation of Ben & Jerry's is offering ice cream and sorbet, the brand makes public statements about topics not directly related to the products. On their homepage the company addresses the topics justice, racial justice, democracy, climate justice, LGBT equality, GMO labelling, politics, peace building, fair-trade, refugees and the use of recombinant bovine growth hormone (rBGH) (Ben & Jerry's, 2020). Those issues are listed on the company's homepage under the topic "values". Each of the issues includes a section where the standpoint of Ben & Jerry's is explained, as well as related articles, naming Ben & Jerry's partners that are related to the issues, plus recommendations on how customers can take action, for example in the form of a petition. The company acts as a social brand activist as they claim for racial justice, LGBT equality and they make statements referring to refugees. Furthermore, they act as legal activists by asking for justice and democracy, which also makes them party to political activism, as they also make statements about politics and peace-making. Ben & Jerry's is also an economic and environmental activist, as the company deals with topics like fair trade, climate justice and the use of genetically modified products.

Kotler and Sarkar (2018) conducted a survey with 232 high-school students to screen the degree of activism of 25 brands among six industries. The most regressive brands were Koch industries, ExxonMobil and Shell. The most progressive brands were Patagonia, Ben & Jerry's and the Body Shop.

2.3.2.1 Summary – Brand Activism Cases

Brand activism is either regressive, neutral, or progressive. Regressive brand activism usually results in negative consumer responses, whereas progressive brand activism should result in positive customer responses. Two cases were reviewed. The merger of Bayer and Monsanto is an example of regressive brand activism, as environmental pollution, health risks, and corruption are related to the merger. Ben & Jerry's efforts in terms of the topics of justice, democracy, the environment, LGBT equality, and refugees demonstrate a case of progressive brand activism.

2.3.3   CSR and Brand Activism Strategic Differentiation

Brand activism serves as a normal development beyond CSR (Kotler & Sarkar, 2018; Pimentel & Didonet, 2021). Since there are critical differences between the two concepts, based on the theoretical discussion, Table 2.4 depicts a Brand Activism Strategic Implementation Framework that can serve as a tool for differentiation of the two concepts.

Table 2.4: Brand Activism Strategic Implementation Framework

	Corporate Social Responsibility	Brand Activism
Company:	carrying a responsibility	performing activism
Aim:	purpose-driven focus	values-driven focus
Tool:	brand positioning	brand identity
Dimensions:	Economic, Legal, Ethical, Philanthropic	Social, Business, Political, Legal, Economic, Environmental
Operations:	related to core-operations	not necessarily related to core-operations
Benefits:	improved sales and image reduced risk related to purchase decision	increased attention relevance: emotional connection
Risks:	accusation of greenwashing focus on strategic goals (profit)	risk related to purchase decision possibly upsetting customers

The table includes the categories of company, aim, tool, dimensions, operations, benefits, and risks and can serve as a tool for companies to understand core differences in order to implement brand activism. The Brand Activism Strategic Implementation Framework is explained in the following sections.

Responsibility vs activism – One difference is the distinctive nature of the concepts. CSR aims at fulfilling a responsibility, whereas brand activism aims at taking on the role of an activist and therefore performing a certain kind of change in society. The term activism is mostly related to political activism in literature. In a broader sense, activism is about collective action and social movements (Tarrow, 1998). According to Kotler and Sarkar (2018), the aim of activism is to "promote, impede, or direct social, political, economic, and/or environmental reform or stasis with the desire to promote or impede improvements in society" (Kotler & Sarkar 2018). The goal of CSR is "doing good" (Carroll, 1979; Kotler & Lee, 2005). Consequently, CSR is about contributing to an improvement in business and development whereas brand activism is about supporting a change in society by performing activism.

Purpose vs values – Another difference of the two concepts is the approach. CSR is based on a purpose-driven approach, whereas brand activism is motivated by a more values-driven approach. Kotler and Lee (2005) define CSR as a corporate and marketing driven approach with the goal to

increase sales and market share, strengthen brand positioning, enhance corporate image, attract and retain employees, lower operating costs and improve the financial appeal of the company. CSR is a tool to gain and retain legitimacy to operate in a market (Matten & Moon, 2020). In contrast, brand activism rather is values-driven. Brand activism is directed at promoting a social, economic, workplace, environmental, legal and political change (Craddock et al., 2018; Kotler & Sarkar 2018). Vredenburg et al. (2020) add that brand activism must be values-driven as well as purpose-driven, as an authentic brand activist must align its values with the brand purpose to deliver a credible image to customers. Therefore, the goal of brand activism is not only retaining legitimacy, but also creating authenticity (Vredenburg et al. 2020).

Brand positioning vs brand identity – Brand positioning is no longer enough to build a strong brand (Kotler & Sarkar 2018). CSR is a corporate initiative that strengthens brand positioning by supporting selected causes that improve the company image (Kotler & Lee 2005). Brand activism is directed at expectations of customers, especially in the target group of Millennials. Brand activism serves as one brand identity perspective. Aaker (1996) defines four brand identity perspectives to build a strong brand: brand as product, brand as organisation, brand as person and brand as symbol. Brand as activist can be added as a fifth dimension (Kotler & Sarkar 2018).

Responsibility dimensions vs activism dimensions – The dimensional structure of CSR and brand activism demonstrates another difference between the two concepts, therefore brand activism has the capacity to cover more recent and relevant issues in society. As reviewed in Chapter 2.2.3.1, Carroll (1991) developed a pyramid scheme for CSR, constituted by the dimensions of economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility. In a marketing context, Kotler and Lee (2005) define six social initiatives for doing good: cause promotion, cause-related marketing, corporate social marketing, corporate philanthropy, workforce volunteering and socially responsible business practices. Brand activism constitutes six dimensions, namely: social, business, political, legal, economic, and environmental activism (Kotler & Sarkar 2018). Subsequently, brand activism extends the concept of CSR with social, political, and environmental dimensions (Craddock et al., 2018).

Core-operations relation vs non-core operations relation – The relation of the initiative to the corporation demonstrates a difference. CSR is more related to the core operations of a company and brand activism is more focused on the values of a company and therefore is not necessarily related to core-operations (Craddock et al., 2018). CSR is mostly related to the products, services, or organisational processes. Cause-promotion, CrM, and corporate social marketing often include causes

related to the company's core operations (Kotler & Lee, 2005). Brand activism, in contrast, is not necessarily related to company operations (Moumade, 2021; Wettstein & Baur, 2016). Companies must take all these differences into consideration when applying a brand activism strategy. Risks and benefits must be evaluated in order to make predictions about the possible outcome of a brand activism strategy (Mirzaei, Wilkie, & Siuki, 2022).

Risks and benefits – It is important to identify both the risks and benefits of the concepts CSR and brand activism. The main benefit of CSR is the potential to directly increase sales, for example by cause-related marketing (CrM) campaigns and increase the brand image (Kotler & Lee 2005). Risks related to the concept CSR are the accusation of greenwashing and the mere focus on strategic goals of CSR (agency theory) (Balluchi, Lazzini, & Torelli, 2020). Benefits of the concept brand activism include creating an emotional connection to the customer by shaping a brand identity and this is therefore focused on the social identity of a customer (Kotler & Sarkar, 2018; Nalick, Josefy, Zardkoohi, & Bierman, 2016). Increased attention by making public statements can also be beneficial for brands. Risks related to brand activism are the accusation of 'woke-washing' and unknown risks related to purchase decision-making as a result of statements that upset parts of the potential customer group (Mirzaei et al., 2022; Vredenburg et al., 2020).

2.3.3.1 Summary – CSR and Brand Activism Strategic Differentiation

In summary, there are several components of brand activism that do not only make it an evolution of CSR but also differentiate the concept from CSR. Both concepts can be applied in strategic marketing, as CSR as well as brand activism create a competitive advantage that is based on strategic decision-making. This section highlighted the implications for strategic decision-making. The nature of the concept, purpose- and values-driven character, ability as tools for brand positioning and brand identity, variety of dimensions, operational relation, and risks and benefits were explained.

2.3.4   Summary of the Brand Activism Literature Review

This chapter, presenting the literature review, highlighted the conceptualisation of brand activism; the different types of brand activism were explained with two cases; and a strategic brand activism implementation framework to differentiate brand activism from CSR was given. In the first section, the development from CSR toward brand activism was elaborated, a brand activism definition was presented, brand activism was highlighted as a strategic marketing tool, and the different dimensions were explained as part of the brand activism conceptualisation. The second section explained the regressive and progressive forms of brand activism. The last section differentiated brand activism from CSR and evaluated risks and benefits. One competitive advantage reviewed within this chapter was

the influence on customer loyalty. As already stated, the main goal of this research is to measure the effect of brand activism on customer loyalty. Hence, the customer loyalty construct is reviewed in the next section of the literature review.

2.4 CUSTOMER LOYALTY

As introduced in the previous section, scholars proposed that brand activism has a positive influence on customer loyalty (Eyada, 2020; Kotler & Sarkar, 2018; Nalick et al., 2016). This suggestion has not been verified by quantitative measures yet. One aim of this research is to measure the relationship of brand activism and customer loyalty with a quantitative method. Therefore, the concept customer loyalty is explained to create a solid basis for the quantitative research stage. Customer loyalty is important for companies as it creates long-term success. In particular, it improves business revenue and has many advantages, such as lower costs due to decreased acquisition costs for new customers (Ruzzier, Ruzzier, & Hisrich, 2013). This literature review section includes four components. Firstly, related key concepts are delimited. Secondly, implications for customer loyalty are elaborated and the decline of customer loyalty is depicted. Thirdly, customer loyalty is delineated. Lastly, the approaches of customer loyalty conceptualisation are explained in detail.

2.4.1   Related Key Concepts of Customer Loyalty

When screening literature in the field of customer loyalty, it is apparent that different terms are used interchangeably with customer loyalty, such as brand loyalty. Customer loyalty is also based on other concepts in the field of marketing and categorized in sub-fields of marketing. Therefore, a differentiation of the customer loyalty term from related concepts is examined in this sub-section.

2.4.1.1 Branding

In general, customer loyalty is associated with a brand (Mascarenhas et al., 2006). "A brand is a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical" (Aaker, 1991:7). Brands can help a customer to create a social identity, to present themselves and obtain a good reputation. A brand is constituted by material as well as metaphorical forms (Bastos & Levy, 2012). It is an ongoing trend for corporations to differentiate their brand through associations, emotions and values that are symbolized by the whole corporation (Anisimova, 2007). For example, CSR can be an instrument in differentiation to build a strong brand, that is, if the customer segment likes to identify themselves as responsible customers

(Scharf, Fernandes, & Kormann, 2012). Branding serves as a basis for customer loyalty. According to literature, the allegiance of a consumer towards a brand contributes much to a company's marketing (Mao, 2010); thus, branding is a prerequisite for loyal customer behaviour.

2.4.1.2 Brand Equity

Brand Equity is a concept that has been discussed diversely in literature as well as in practice. Dominating paths to define Brand Equity are either focusing on the financial power of a brand, conceptualizing Brand Equity in a strategic sense, or combining both (Ströbel & Woratschek, 2013). One of the most cited concepts of Brand Equity was developed by David A. Aaker in 1991. Aaker (1991) claims that Brand Equity is an overarching concept, which includes brand loyalty. It is constructed of different brand assets and liabilities, which are related to a name and symbol of a brand. According to Aaker (1991) the brand assets and liabilities can be divided into five categories, namely brand loyalty, name awareness, perceived quality, brand associations in addition to perceived quality and other proprietary assets (patents, trademarks, etc.). Figure 2.21 demonstrates the brand equity model and includes brand loyalty as one of five components.
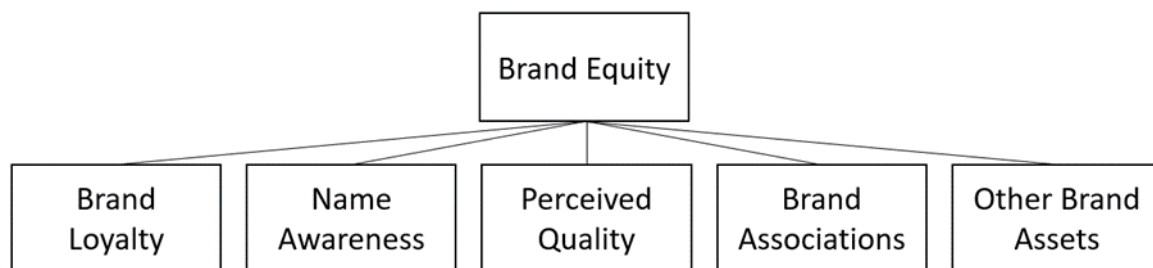
Figure 2.21: Brand Equity Model (Aaker, 1991)

Keller (1993) further developed the model of Brand Equity and defined Customer-Based Brand Equity. "Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand" (Keller, 1993:8). By differential effect, the comparison of the customer response to the focus brand and a no-name product or service is explained. Brand knowledge includes brand image and brand awareness. The components of customer responses are behaviour, preferences, and perceptions as a reaction to marketing efforts (Keller, 1993). In both, Aaker's (1991) and Keller's (1993), concepts, loyalty is a sub-concept of brand equity. Aaker (1991) defined brand loyalty as a part of brand equity; in Keller's (1993) definition, loyalty is a consumer response. Therefore, brand equity is an overarching term of customer or brand loyalty.

2.4.1.3 Brand Loyalty vs Customer Loyalty

In literature, the terms brand loyalty and customer loyalty are often used interchangeably. However, there are differences between the focal areas of the concepts. Whereas brand loyalty is about the affective, behavioural, and attitudinal outcomes of loyalty, customer loyalty is about the commitment to re-buy or re-patronize products despite situational influences or marketing efforts (Ishak & Ghani, 2010). In other words, brand loyalty is about the perception that customers have toward a brand and customer loyalty is related to the financial rewards in many sources. In general, there is no clear distinction and both concepts can be seen in a holistic framework. This research focuses on customer loyalty, but includes characteristics of brand loyalty to give the study a holistic basis and include all the relevant literature on customer loyalty and brand loyalty.

2.4.1.3.1 Summary – Related Key Concepts of Customer Loyalty

The purpose of this sub-section was to differentiate customer loyalty from related terms and categorize it in the field of marketing. Firstly, branding was explained as a required pre-condition for the creation of customer loyalty. Secondly, brand equity was elaborated on as an overarching construct that includes customer loyalty as a component. Thirdly, customer loyalty was differentiated from brand loyalty. To provide a holistic research framework, customer loyalty and brand loyalty literature was considered for this research. The next sub-section explains the implications for customer loyalty.

2.4.2 Implications for Customer Loyalty

In literature, the term customer loyalty is used interchangeably with consumer loyalty and brand loyalty. There are various definitions for customer loyalty, therefore it is necessary to look at the development of customer loyalty throughout the past century. Bennett and Rundle-Thiele (2005) demonstrate a loyalty life cycle, as seen in the figure below.

| Birth of brand loyalty 1870–1914 | Golden age of brand loyalty 1915–1929 | Latent brand loyalty 1930–1945 | Birth of multi-brand loyalty 1946–1970 | Decline in loyalty 1971–present |
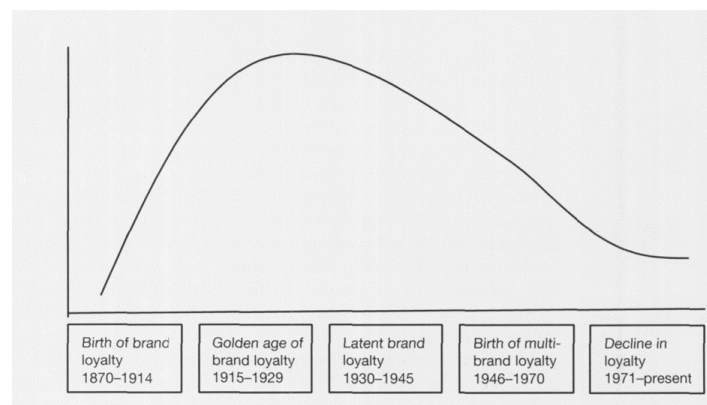
Figure 2.22: The Life Cycle of Brand Loyalty (Bennett & Rundle-Thiele, 2005)

The loyalty life cycle in Figure 2.22 shows the development of the levels of customer loyalty and therefore demonstrates implications for customer loyalty. After the birth of brand loyalty (1870 – 1914) and the golden age of brand loyalty (1915 – 1929), the level of loyalty towards companies started declining. Reasons for that, are the decreasing differentiation of brands and higher competition in the market. The market offers many alternatives; brand communities had developed, and a lower risk is associated with brand switching. Therefore, brand loyalty declined, consumers are more demanding, dissatisfaction increased, and low involvement brands showed a lower loyalty. However, brands that focus on image and self-identity have higher levels of loyalty (Rebekah Bennett & Rundel-Thiele, 2005). Table 2.5 shows the characteristics and implications for brand loyalty.

Table 2.5: Decline in Brand Loyalty (Bennett & Rundle-Thiele, 2005)

Characteristics:	Implications for brand loyalty:
- Multi-brand loyalty focus - Strong competition between an increasing range of brands and alternative brand choices - Very little levels of product differentiation - Generic brands enlarging market share - Major share of new products entering the market offer incremental changes rather than slight product modifications - Beginning of brand communities - Decreased risk in brand switching - Brands are partially purchased for the purpose of expressing self-identity, rather than the insurance of quality - Customers want to buy experiences not only a product - Rising expectations from the consumer side	- Customer loyalty in FMCG (fast moving consumer goods) industry has decreased - The incidence of lack of action - Customers with higher demands are dissatisfied easily - Functional low involvement brands may experience reduced loyalty - Brands that demonstrate image and self-identity may increase loyalty

The challenges and implications of customer loyalty pose challenges for companies, as they have to find new ways not only to offer good quality products and services, but also to direct at image and the self-identity of customers (Bennett & Rundle-Thiele, 2002).

In 2020, Fornell, Morgeson, Hult and VanAmburg (2020) reported contrary findings. They stated that Millennials are among the most loyal customers across generational cohorts. In more detail, the brands that opt to engage are rewarded with customer loyalty. This present research deals with the

customer loyalty of Millennials under the impact of brand activism. Therefore, the concept of customer loyalty is explained further in the next sub-section.

2.4.2.1.1   Summary - Implications for Customer Loyalty

This sub-section demonstrated the development of customer loyalty and the implications for customer loyalty. There had been a ubiquitous decline in customer loyalty since the middle of the past century. Reasons for the decline included intense competition, low levels of differentiation, and most recently, the increased expectations of customers. Within the past years, scholars suspected an increase of customer loyalty in the generation of Millennials.

2.4.3   Delineating Customer Loyalty

Customer loyalty is a cornerstone of marketing and therefore mostly found in marketing and business literature. There is a variety of definitions of customer loyalty in existing literature, including factors like commitment, customer retention, satisfaction, repeat purchasing frequency, same-brand purchasing and similar. Most of the commonly accepted definitions were established during the 1990s. One early definition of customer loyalty is "Customer loyalty is the feeling of attachment to or affection for a company's people, products, or services. These feelings manifest themselves in many forms of customer behaviour. The ultimate measure of loyalty, of course, is share of purchases in the category" (Jones & Sasser Jr., 1995:94). Another well-known definition, which focuses more on the outcome of customer loyalty, is that it is "… a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1999:34), a definition that includes both incentives for customer loyalty and outcomes of customer loyalty origins from Arnold and Reynolds (2000). The scholars conceptualize "customer loyalty as a combination of both commitment to the relationship and other overt loyalty behaviors… In line with this argument, recent studies have defined and measured loyalty using multiple items including repeat patronage, self-stated retention, price insensitivity, resistance to counterpersuasion, and the likelihood of spreading positive word-of-mouth" (Arnold & Reynolds, 2000:69).

There are four commonalities of customer loyalty. First of all, there is a perceived specialness of the relationship from a customer to a company. Secondly, there is a favourable treatment of products of loyalty. Thirdly, there is the will to maintain the relationship even if it means to sacrifice and lastly, there is a defense and reinforcement of the existing relationship (Aksoy et al., 2015).

Furthermore, there are six necessary and collectively sufficient conditions for customer loyalty. In more detail, customer loyalty is biased, triggers a behavioural response, is expressed over time, executed by some decision-making unit, evaluated with respect to one or more alternative brands within a set of such brands, and it is a function of psychological processes like decision-making or evaluation processes (Jacob Jacoby & Kyner, 1973).

To put the concept of customer loyalty in a marketing context, related key concepts are explained in the following part.

2.4.3.1.1   *Summary – Delineating Customer Loyalty*

Customer loyalty is an integral component of marketing literature. The definitions for customer loyalty vary. On the one hand, it is defined as a feeling of attachment. On the other hand, it is defined as a deeply held commitment that enables predictions of future consumer behaviour. There are commonalities for customer loyalty that include the specialness of relationship, favourable treatment, the will to maintain the relationship, and reinforcement of relationship. Conditions for customer loyalty are, for example, triggering a behavioural response and psychological processes of decision-making. To elaborate on this in more detail, approaches to conceptualize customer loyalty are explained in the following sub-section.

2.4.4   **Conceptualisations of Customer Loyalty**

In literature, the concept of customer loyalty changed over time. In the first notions of customer loyalty, the concept was uni-dimensional, and the conceptualisation was dependent on the individual researcher (Cunningham, 1956; Guest, 1944). Later on, researchers suggested that customer loyalty is a bi-dimensional concept and that it therefore includes an attitudinal loyalty component and a behavioural component (Baldinger & Rubinson, 1996; Day, 1976; J. Jacoby & Chestnut, 1978). These two approaches, namely the uni-dimensional approach and the bi-dimensional approach, are considered the traditional views of customer loyalty in literature (Rundle-Thiele, 2005). Furthermore, researchers discuss the fact that customer loyalty has more than two dimensions and develop multi-dimensional loyalty models (Sheth & Park, 1974). Oliver (1999) constructed a model to describe customer loyalty as a process including different stages. The following concepts integrated different stages and dimensions of loyalty (Dick & Basu, 1994). Another relevant approach for this study would be to conceptualize customer loyalty as a tool for customer segmentation (Christopher, 1991; Jones & Sasser Jr., 1995; Knox, 1998; Markey, Ott, & du Toit, 2007; Mascarenhas et al., 2006; Rowley, 2005). The following part highlights the traditional, multinational and stage model approach of customer loyalty in order to argue why an integrative framework is adapted; and it reviews the approaches of

customer loyalty segmentation to build a foundation to segment the customers from whom data was collected in the course of the thesis.

2.4.4.1 *Traditional Approaches of Customer Loyalty: The Link between Attitude and Behaviour*

Baldinger and Rubinson (1996) investigated in the relationship between the customer's attitude and behaviour regarding customer loyalty. Day (1976) had already proposed a model which included behavioural loyalty and attitudinal loyalty as well as composite loyalty, which encompassed both types of loyalty. Jacoby and Chestnut (1978) also suggested this bi-dimensional concept of loyalty and defined a composite form of loyalty. "The composite definition of loyalty considers that loyalty should always comprise favourable attitudes, intentions and repeat-purchase" (Rundle-Thiele, 2005:494).
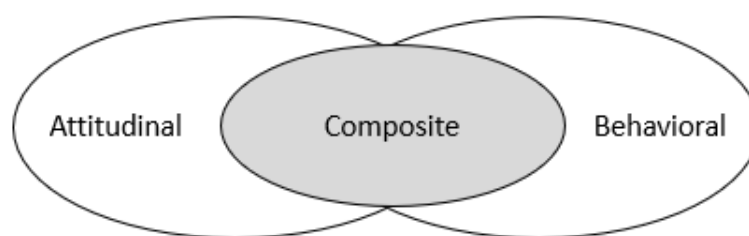
Figure 2.23: Composite Loyalty (Rundle-Thiele, 2005)

Three categories of loyals are therefore defined. High loyals have a probability of 50% and more to purchase a certain brand. Moderate loyals are characterized by a probability of 10% to 50% to purchase a brand. Low loyals or non-buyers are defined by a probability of 9% and less to buy a certain brand (Baldinger & Rubinson, 1996). The findings of the study proved that there was a lower year to year retention from high loyals than Baldinger and Rubinson (1996) previously expected. Attitudes toward a brand are also an incremental factor to transform low loyals to high loyals or retain high loyals. Furthermore, brands with a positive mix of attitudinal loyalty and behavioural loyalty increased the market share; brands with a lower level of attitudinal loyalty than behavioural loyalty decreased the market share. According to Baldinger and Rubinson (1996) in most of the cases the attitude toward a brand can predict the behaviour toward a brand.

In existing literature, the two-dimensional model is applied in different ways. Some scholars measured behavioural loyalty and attitudinal loyalty separately, or suggested that attitudinal loyalty is an antecedent of behavioural loyalty (Arnold & Reynolds, 2000; Bandyopadhyay & Martell, 2007; Carpenter, 2008). In general, a number of scholars used the two-dimensional concept of attitudinal

and behavioural loyalty in a more holistic view (Anisimova, 2007; Baldinger & Rubinson, 1996; R. Bennett & Rundle-Thiele, 2002; Bilgihan, Madanoglu, & Ricci, 2016; Chahal & Bala, 2010; Day, 1976; Gamma, 2016; J. Jacoby & Chestnut, 1978; Kumar & Shah, 2004; Leenheer, van Heerde, Bijmolt, & Smidts, 2007; Rundle-Thiele, 2005; Tarrow, 1998).

Within the two-dimensional concept, behavioural loyalty is directed at the actual purchase behaviour of a customer. In literature, characteristics for behavioural loyalty are profitability, repeat purchase, buying frequency and the variation in basket sizes. A common measure for behavioural loyalty is the share of the wallet. The share of the wallet measures the share of a product category bought from a certain company and integrates choice behaviour as well as transaction sizes during a defined period (Chahal & Bala, 2010; Kumar & Shah, 2004; Leenheer et al., 2007). In terms of measurement, behavioural loyalty is based on actual behaviour; non-incidental and data collection is feasible (Ishak & Ghani, 2010). Scholars claim, however, that behavioural loyalty should not be measured in isolation (Anisimova, 2007; Baldinger & Rubinson, 1996; Bilgihan et al., 2016; J. Jacoby & Chestnut, 1978; Kumar & Shah, 2004). In more detail, Kumar and Shah (2004) argued that behavioural loyalty cannot be a true measure of customer loyalty and that it demonstrates an unreliable predictor. Therefore attitudinal loyalty measures must be included.

Attitudinal loyalty focuses on the affective components of brand loyalty, with the emphasis on the strong cognitive elements to repurchase the same brand (Anisimova, 2007; Chahal & Bala, 2010). Jacoby and Chestnut developed the first commonly accepted definition of attitudinal loyalty in 1978 and focused on the psychological processes that included preferences and commitment toward a brand. Attitudes are thereby defined as evaluations of a certain entity processed by individuals, which include some level of favour and disfavour (Eagly, 1993). Commonly used components of attitudinal loyalty in literature are repeat purchase, preferences, commitment, retention, and allegiance (Bennett & Rundle-Thiele, 2002). Attitudinal loyalty represents a long-term consumer commitment, which includes positive word of mouth (WOM), likelihood of product usage and overall recommendation. It is described as the higher-order, long-term type of loyalty that is not inferred by merely observing repeat purchasing behaviour (Anisimova, 2007; Chahal & Bala, 2010; Kumar & Shah, 2004). Regarding the measurement of attitudinal loyalty, repeat purchase is separated from brand loyalty, it is less sensitive for short-run fluctuations, and it is easier to pick the right decision unit (Ishak & Ghani, 2010). Some scholars propose that attitudinal loyalty serves as a predictor of behavioural loyalty as it has an influence on action loyalty (Bandyopadhyay & Martell, 2007; Bilgihan et al., 2016). In the study about the relationship of brand quality, brand affect and brand trust on loyalty, Soedarto, Kurniawan, Timur, & Sunarsono (2019) could prove that attitudinal loyalty has a positive impact on behavioural loyalty.

Saini and Singh (2020) could also prove a positive relation from attitudinal loyalty toward behavioural loyalty. A significant impact of behavioural loyalty on attitudinal loyalty was not found in the study of Saini and Singh (2020). Within this framework, customer loyalty can be a causal effect of the ability to innovate brands as services as well as providing benefits to customers that give incentives to maintain a sustainable relationship to a brand (Soedarto et al., 2019).
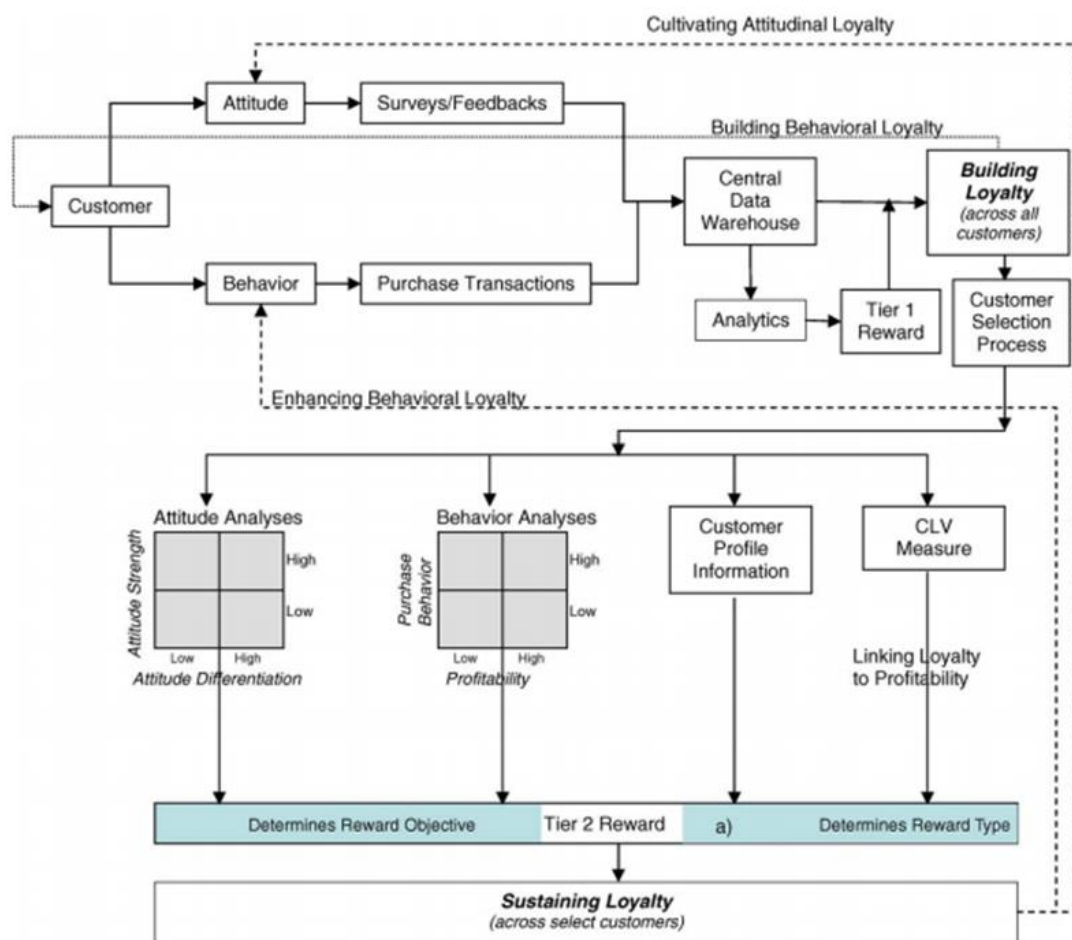
Fig. 1. Conceptual framework for building and sustaining *profitable* customer loyalty.

Figure 2.24: Sustaining Loyalty (Kumar & Shah, 2004)

An advanced mode of the two-dimensional customer loyalty model is proposed by Kumar and Shah (2004) in Figure 2.24. The three central objectives of the model are building behavioural loyalty, cultivating attitudinal loyalty and linking loyalty to profitability. The scholars include data warehouses to analyse data and target it to build loyalty. The data is gathered from two sources, namely attitudinal loyalty measured by surveys and feedback and behavioural loyalty measured by purchase transactions.

2.4.4.2 Multidimensional Approaches of Customer Loyalty

Sheth and Park (1974) developed one of the first conceptualisations of brand loyalty, which is often referred to in loyalty research. The model is multidimensional and focuses on behavioural loyalty.
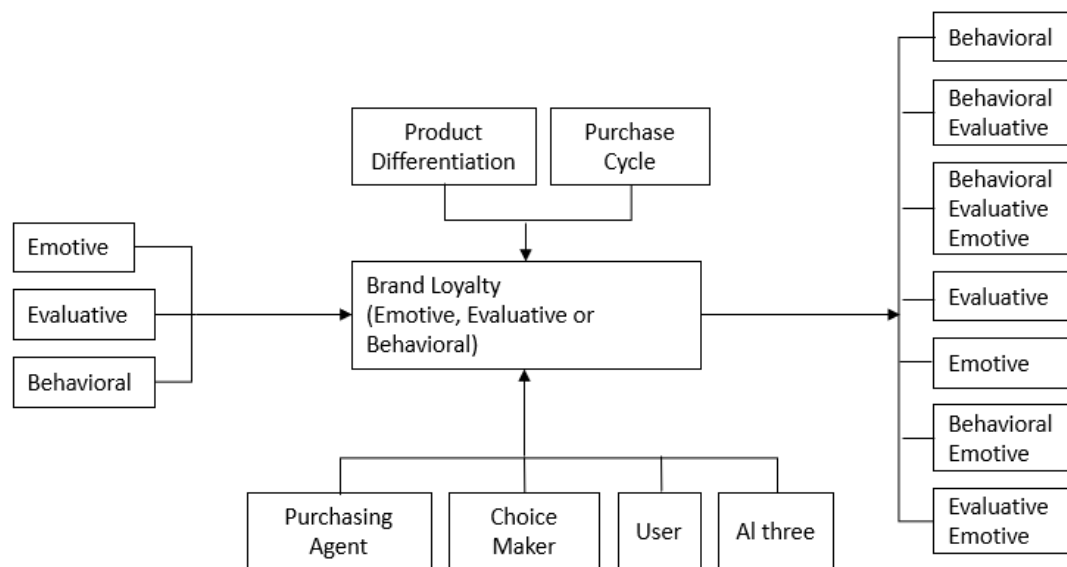
Figure 2.25: Multidimensional Brand Loyalty (Sheth & Park, 1974)

The concept suggests that emotive, evaluative, and behavioural factors have an impact on brand loyalty. However, not every one of the three dimensions is always present when brand loyalty prevails. The outcome of the model demonstrates seven different types of brand loyalty, namely behavioural brand loyalty, behavioural-evaluative brand loyalty, behavioural-evaluative-emotive brand loyalty, evaluative brand loyalty, emotive brand loyalty, behavioural-emotive brand loyalty and evaluative-emotive brand loyalty (Sheth & Park, 1974). Behavioural brand loyalty is only determined by the behavioural tendency dimension. It is characterized by repetitive and frequent purchasing behaviour with low involvement of the customer. Behavioural-evaluative brand loyalty is two dimensional. It is not only determined by repetitive behaviour, but a cognitive structure is the driver of this certain behaviour. An attitude-behaviour relationship is formed and evaluative aspects form the basis of customer's purchasing decisions. Another two-dimensional form of brand loyalty is behavioural-emotive brand loyalty. Behavioural-evaluative-emotive brand loyalty is the most complex type of loyalty within the multidimensional brand loyalty model. Day (1976) calls this type of loyalty intentional loyalty within the two-dimensional brand loyalty concept. It represents utilitarian, knowledge, ego-defensive and value-expressive attitudes, which are classified as functional aspects of attitude. There is a consistency relationship between behaviour, evaluation and emotions when it

comes to the formation of brand loyalty. Evaluative brand loyalty is the type of loyalty which is only based on previous evaluation of the brand and is based on the expectation that the brand will fulfil the same function in the future. These purchase situations often occur when the buyer is not the user of the product or consumption decisions, which are related to religion or political parties. Evaluative-emotive brand loyalty is more common than pure evaluative loyalty or emotive loyalty. A strong relationship between evaluations and emotions are proposed and usually apply for products or services that are not within reach for the customer. Expensive luxury brands are, for example, attached to a strong level of evaluative-emotive brand loyalty. The last type of loyalty within the multidimensional brand loyalty model is emotive brand loyalty. This type of loyalty occurs when a consumer has no previous experience or evaluation of a brand, but strong emotive tendencies apply. An example for emotive loyalty, is a non-drinker having a certain imagery of a beer brand (Sheth & Park, 1974).

2.4.4.3 Stages of Customer Loyalty

Oliver (1999) proposed a four-stage conceptualisation of customer loyalty. The model is based on a cognition-affect-conation pattern. The four-stage model is depicted in Figure 2.26.
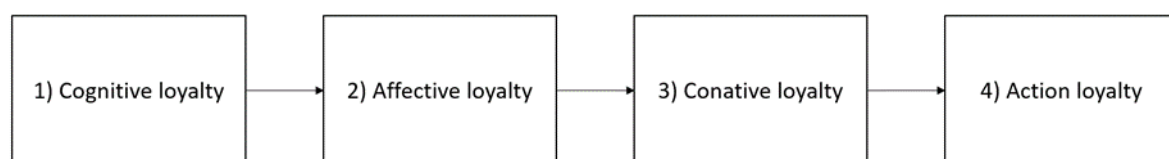
Figure 2.26: Stages of Customer Loyalty (Oliver, 1999)

The stages built up on each other and are classified as the cognitive loyalty stage, the affective loyalty stage, the conative loyalty stage and the action loyalty stage. The first stage, namely the cognitive loyalty stage, is about the customer's knowledge and experience-based information. The purchase transaction becomes a routine as the customer chooses the brand because of the information about the brand. Cognitive loyalty is present as long as the performance of the product is satisfactory. The second stage is affective loyalty. Affective loyalty appears when a customer likes or has an attitude toward a brand. Satisfying usage occasions determine the degree of affect. These first two stages cannot solely prevent brand switching. The third stage, conative loyalty, is about the behavioural intention of a purchase. There is a brand-specific commitment to repurchase the same brand. Finally, action loyalty appears when the motivated intention to repurchase the brand transforms into the readiness to act. The customer actively has the desire to overcome possible obstacles to buy the same

brand. The third and fourth stage can prevent the customer from brand switching as the stages represent an active decision to buy a certain brand instead of another brand (Oliver, 1999).

2.4.4.4 Integrative Model of Customer Loyalty

This research acknowledges various conceptualisations of customer loyalty and therefore considers an integrated approach. The integrative approach is suggested by various scholars, as it includes the two-dimensionality of customer loyalty as well as the different stages included in customer loyalty (Mustaffa, Rahman, & Nawai, 2020; Suhartanto, 2011). The graphical model of the integrative approach is depicted in Figure 2.27.
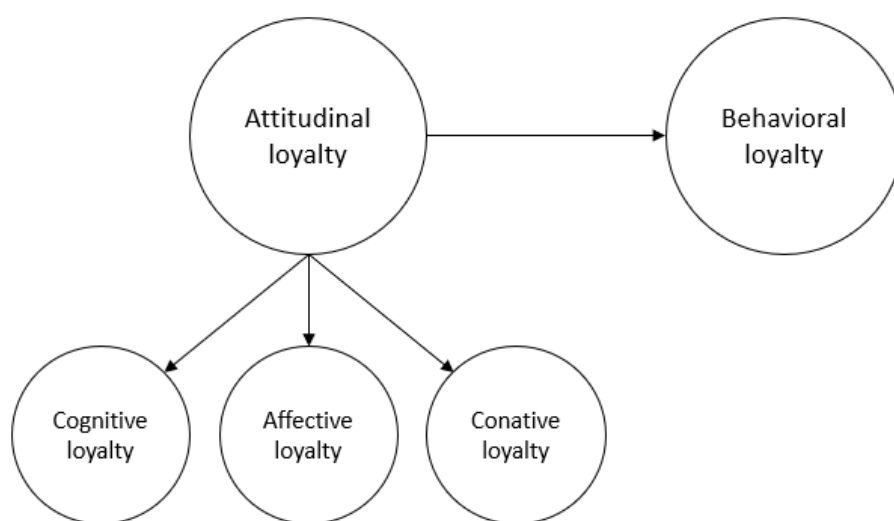
Figure 2.27: Proposed Model for Customer Loyalty (Mustaffa et al, 2020; Suhartanto, 2011)

The components of the tripartite structure of attitude is constituted by a cognitive component, an affective component and a conative component (Breckler, 1984; Eagly & Chaiken, 2007), therefore the tripartite structure of attitudinal loyalty suggests that the attitudinal loyalty includes cognitive loyalty, affective loyalty, and conative loyalty (Dapena-Baron, Gruen, & Guo, 2020; Mustaffa et al., 2020). The three types of loyalty also appear in the stage model of loyalty by Oliver (1999). The difference to Oliver's (1999) model is that the tripartite structure claims that cognitive, affective, and conative models determine the overall attitudinal loyalty, whereas Oliver (1999) described it as a pathway, whereby cognitive loyalty predicts affective loyalty and affective loyalty predicts conative loyalty. Various studies validate the tripartite structure. Scholars acknowledge, however, that the three components are inter-correlated. Despite this, their measures exhibit unique variance (Bagozzi, Tybout, & Craig, 1979; Ostrom, 1969). As mentioned in chapter 2.4.4.1, various scholars claim that

attitudinal loyalty predicts behavioural loyalty (Bandyopadhyay & Martell, 2007; Carpenter, 2008; Arnold & Reynolds, 2000). There is a general consent in literature that behavioural loyalty is uni-dimensional (Back & Parks, 2003; Han, Kwortnik, & Wang, 2008; Oliver, 1999).

Dick and Basu (1994) developed an integrated conceptual framework for customer loyalty. In general, Dick and Basu (1994) claimed that customer loyalty is described by the strength of the relationship between the relative attitude of a customer and the repeat patronage. This relationship is influenced by social norms and situational factors as well as cognitive, affective and conative attitudes, which contribute to loyalty.
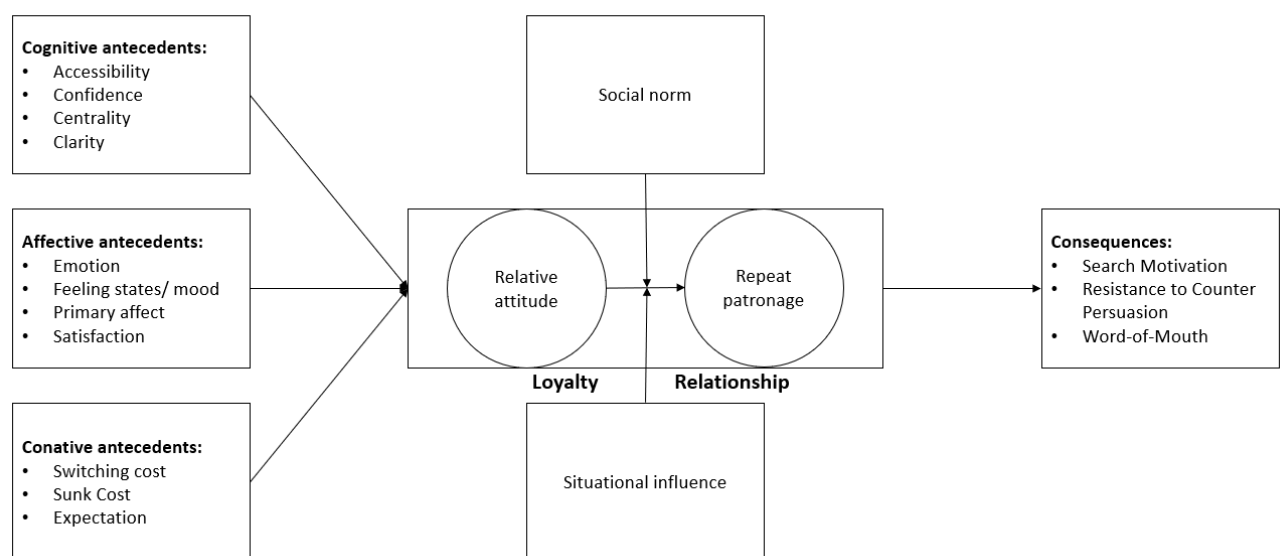
Figure 2.28: A Conceptual Framework for Customer Loyalty (Dick & Basu, 1994)

The centre of the model in Figure 2.28 demonstrates the relationship between relative attitude and repeat patronage, in other words the loyalty relationship. Dick and Basu (1994) claimed that cognitive antecedents, affective antecedents, and conative antecedents have an impact on the relative attitude towards a brand.

Cognitive antecedents include accessibility, confidence, centrality, and clarity. Accessibility is about the automatic association with a brand, in other words it describes how easily the customer can connect an attitude to a brand (Fazio, Sanbonmatsu, Powell, & Kardes, 1986). Confidence is about the certainty of an attitude towards a brand, so two individuals might assign the same associations to a brand, but the certainty about that association can be pronounced differently (Dick & Basu, 1994). Centrality is related to the importance within the belief and value system of and individual. Centrality

is also motivated by the suggestion that self-image is a vital driver of loyalty (Sirgy & Samli, 1985). When it comes to clarity, "An attitude is well-defined (clear) when an individual finds alternative attitudes toward the target objectionable and is undefined when many alternative positions are acceptable" (Dick & Basu, 1994:103).

Regarding affective antecedents, Dick & Basu (1994) proposed four types of affects, namely emotions, feeling states/mood, primary affect and satisfaction. Emotions are better predictors of behaviour than cognitive evaluations under two sets of circumstances. Either past behaviour is perceived as mandated and cognitive evaluation is restrained. Caused by past experiences, purchase behaviour becomes habitual, so cognitive evaluation is no longer included, but guided by emotional experiences (Allen, Machleit, & Kleine, 1992). Another type of affect is mood. Mood may affect loyalty as it affects accessibility and customers might review their information about a brand consistently. Customers in a good mood are expected to remember more positive items than customers in a bad mood (Dick & Basu, 1994). Primary affect describes a physiological reaction. It is related to sensory experience, like taste and smell and might evoke preferred customer experiences (Dick & Basu, 1994). The last affect within the framework is satisfaction. Satisfaction is the customer's response after evaluating expectations and perceived performance. Higher satisfaction might increase repeat patronage (Dick & Basu, 1994).

Within the customer loyalty framework of Dick and Basu (1994) switching costs, sunk costs and expectations are determinants of conative antecedents. Switching costs are onetime costs that customers must face when they change from one brand to another (Porter, 1980). Sunk costs can also affect the loyalty relationship as sunk costs are likely to increase repeat patronage. For example, when customers purchase subscriptions, they use the product or service more frequently as they want to maximize the utility (Dick & Basu, 1994). The last conative antecedent within the model comprises expectations. Expectations for example predict whether customers postpone or repurchase a brand, due to factors such as availability or the beliefs or attitude towards a brand (Dick & Basu, 1994).

Dick and Basu (1994) also described the relative attitude-behaviour relationship and categorize customer loyalty into four states, namely no loyalty, spurious loyalty, latent loyalty, and loyalty as depicted in Figure 2.29.

Repeat Patronage

	High	Low
High	Loyalty	Latent Loyalty
Low	Spurious Loyalty	No Loyalty

Relative Attitude

Figure 2.29: Relative Attitude-Behaviour Relationship (Dick & Basu, 1994)

Dick and Basu (1994) define the term relative attitude as follows: "Two dimensions, the degree of attitudinal strength (or extremity) and the degree of attitudinal differentiation, seem to underlie an individual's relative attitude toward an entity" (Dick & Basu, 1994: 101). The four conditions of loyalty indicate the following characteristics: No loyalty is defined by a low relative attitude paired with low repeat patronage. Spurious loyalty is marked by low relative attitude and high repeat patronage. Latent loyalty is characterized by high relative attitude with low repeat patronage. And loyalty is explained as high relative attitude combined with high repeat patronage (Dick & Basu, 1994; Rowley, 2005).

2.4.4.5 Customer Loyalty Segmentation

The ladder of customer loyalty

The ladder of customer loyalty by Christopher (1991) is based on the behavioural aspects of customer loyalty and helps organisations to categorize their customers regarding their degree of behavioural loyalty. The ladder comprises five steps: prospect, customer, client, supporter, and advocate (Figure 2.30). The higher a customer is ranked on Christopher's (1991) ladder, the higher the level of loyalty they demonstrate (Harridge-March & Quinton, 2009). A prospect is an individual who has not bought a brand or tried any products yet. A customer is an individual who buys a product or service for the first time and evaluates whether the experience matches with the previous expectations. A client is a customer who repeat purchases the product or service. A supporter is a customer who likes the

product or service and supports the brand passively. An advocate is the customer type who brings the most returns, as an advocate promotes the product or service and generates new prospects (Christopher, 1991).
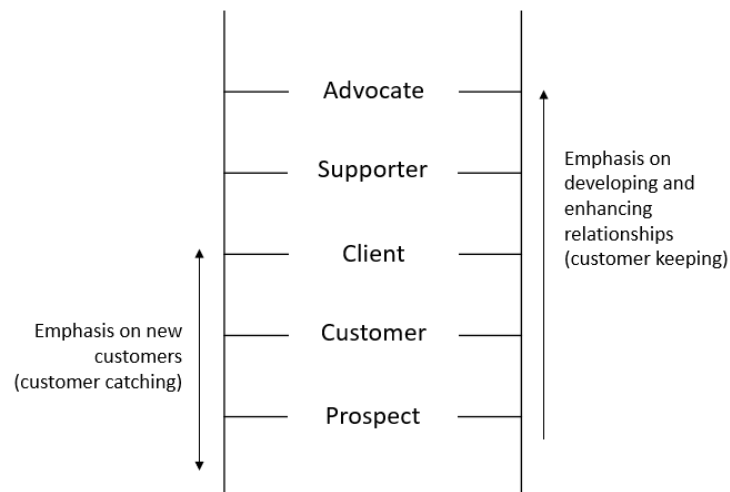
Figure 2.30: The Relationship Marketing Ladder of Customer Loyalty (Christopher, 1991)

Harridge-March and Quinton (2009) developed this model further, as the importance of social networks and virtual communities strongly influences relationship marketing and consumer behaviour nowadays. Social networks especially create social bonding and therefore have an impact when it comes to creating a sense of loyalty. In other words, the more a customer participates with a brand via a social network, the stronger the social bonding becomes and the less likely it becomes that customers would source their information elsewhere (Harridge-March & Quinton, 2009).
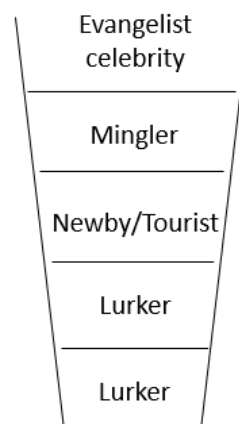
Figure 2.31: Social Network Contributor Ladder (Harridge-March & Quinton, 2009)

Within the framework depicted in Figure 2.31, lurkers are in the stage of familiarising themselves with the network and are trying to obtain information about the operating culture of a company (Harridge-March & Quinton, 2009; Nonnecke & Preece, 2000). Newbys or tourists are already in the stage of discussion and they post comments; there is, however, no further engagement or commitment with the social network yet (Harridge-March & Quinton, 2009). Minglers are the category of contributors who post in a social network, but not on a frequent or regular basis. "Devotees are considered to be enthusiastic members who contribute regularly and who have begun to develop social ties within the network. Insiders are thought to possess expert judgement about the topic, are proactive in starting discussion topics and exhibit strong social and emotional ties to the network" (Harridge-March & Quinton, 2009:177 f). Lead members or evangelists are members who influenced the social network by the most numerous posts (Harridge-March & Quinton, 2009; Pitta & Fowler, 2005).

This ladder in combination with the traditional customer loyalty ladder is useful for customer loyalty research in the framework of CSR and brand activism, as CSR is a highly discussed topic in social networks. Brand activism especially uses social networks as a strategic communication channel (Kotler & Sarkar, 2018; Saxton, Gomez, Ngoh, Lin, & Dietrich, 2017). The combination of segmentation into loyalty stages and social network contribution stages is therefore helpful to gain useful insights into customer loyalty.

Mascarenhas et al. (2006) set lasting customer loyalty experience in relation to the total customer experience. Therefore, certain implications apply, which can be set out as follows:

1. "1. Loyalty is not a one-step process, but a long ascending process consisting of many sequential steps.
2. Each rung of the ladder is partial or quasi loyalty (e.g., repetitive behaviour, brand interest).
3. Loyalty can move upwards or downwards, depending upon how the customer experiences the impact of the TCE variables at a given point in time.
4. Loyalty, therefore, is an interactive and interdependent process, a buyer-seller relational process generating relational equity.
5. Higher in the ladder, the stronger is customer loyalty.
6. Conversely, lower in the ladder, more vulnerable is customer loyalty.
7. Loyalty is an accumulative process, a step-by-step function.
8. Given the volatility of consumer preferences and lifestyles, an ascending loyalty is a slower process than a descending one" (Mascarenhas et al., 2006:401 f.)

The scholars also further developed the customer loyalty ladder and defined eight rungs (Figure 2.32). The first rung is random brand purchase. It describes a one-time buyer-seller contact and is directed at the awareness set of a customer, like the perceived product benefits. The customer's expectations are either fulfilled or not within this stage. The second rung is repeat brand purchase. Within this stage, the customer perceives that the brand is superior to a competitor's offer and wants to minimize the brand risk as previous experience with the brand exists. The buyer-seller relationship is growing, and customers are positively satisfied. The third rung is referral brand purchases. Within this step, customers recommend the brand to other potential customers and WOM increases. The fourth rung is frequent brand purchases. This is the stage where product risk is at a minimum and the customer is fully satisfied. The fifth rung is regular brand purchase. The customer perceives that the brand offers superior net benefits compared to other brands. The sixth rung demonstrates total category purchase. This is the stage of personalization as the customer perceives that the brand offers most superior net benefits. The seventh rung is lifetime family purchases and commitment. This stage is characterized by a highly differentiated brand value and is also called family branding as it creates unique customer and family values. The last rung is brand community purchase. This stage demonstrates a highly differentiated and social visible brand value. It is also called community bonding, as customer community bonding values are created (Mascarenhas et al., 2006).

| Brand community purchase |
| Lifetime familiy purchases and commitment |
| Total category purchase |
| Regular brand purchase |
| Frequent brand purchase |
| Referral brand purchases |
| Repeat brand purchases |
| Random brand purchase |

Figure 2.32: Customer Ladder of Loyalty (Mascarenhas, 2006)

Apostles, Mercenaries, Terrorists, and Hostages

In the article "Why satisfied customers defect", Jones and Sasser (1995) examine the degree of satisfaction and loyalty and categorize customers in four different groups. Within the model, Apostles

are loyals who are highly satisfied and feel like their expectations are met or even exceeded by the product or service. They are willing to share their positive experience with other potential customers (Jones & Sasser Jr., 1995; Ruzzier et al., 2013). Mercenaries are customers who are very costly for companies as they easily switch to competitors. Even though Mercenaries are satisfied with the product or service, they are focused on the lowest price. According to this switching behaviour, the satisfaction-loyalty ruled is defied when it comes to customers that are Mercenaries. Another disadvantage is that this type of customer is expensive to acquire but difficult to hold (Jones & Sasser Jr., 1995; Ruzzier et al., 2013). A further type of customer is Hostages. Those customers are not satisfied with the product or service but remain loyal, as there is a lack of purchase opportunities for them. Hostages often appear in a monopolistic environment. Those customers are not easy to serve as they complain a lot and as soon as there is another purchase alternative, Hostages switch the brand (Jones & Sasser Jr., 1995; Ruzzier et al., 2013). The last kind of customer in this framework is called Terrorists. This customer group is certainly not loyal and very dissatisfied with the product or service. Terrorists are focused on sharing their bad experience with other potential customers and are often more committed to talk about their opinion than Apostles (Jones & Sasser Jr., 1995; Ruzzier et al., 2013).

Diamond of loyalty

Knox (1998) also developed a segmentation of customers based on loyalty. In this case, the principles of loyalty management are that most customers buy on a portfolio basis, all customers are not created equal and loyalty basically is retention with attitude (Knox, 1998).
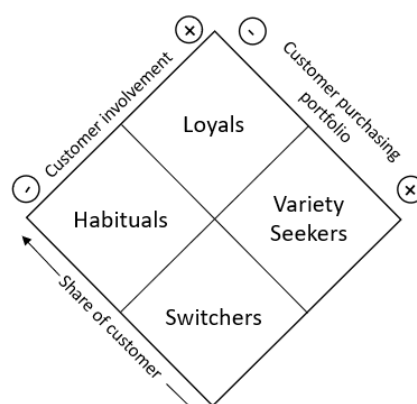
Figure 2.33: Diamond of Loyalty – Customer Purchasing Styles (Know, 1998)

As demonstrated in Figure 2.33 the loyalty segmentation is separated into four different purchasing styles, which are called loyals, habituals, variety seekers, and switchers. Loyals usually show a high level of involvement in their behaviour, have a high affinity towards a brand and would even delay the purchase decision in case the purchase process is disrupted. Habituals are mostly indifferent in the purchase decision and the purchase is part of a routine. Habitual customers buy a product predominantly because it is available, not because of the affinity to the brand. In case a product is out of stock, habituals easily switch the brand. Variety seekers have a very broad purchasing portfolio. They spend a lot of time searching for the right product or service as they need it for different occasions or a varying frequency due to their individual agendas. Switchers also have a wide purchasing portfolio. However, their motivation is to find the best deal, as they are very price-sensitive and act for opportunistic reasons (Knox, 1998).

The four C's of customer loyalty

The four C's of customer loyalty are based on the opinion that segmenting loyals can assist in understanding the loyalty nexus and provide information for marketing strategy. The model expands on the conceptual loyalty framework of Dick & Basu (1994). Rowley (2005) categorizes loyals into four groups. The first group is called captive loyals. In terms of behaviour, captive customers purchase a brand because the alternatives on the market are limited and they have no other choice. Their attitude is neutral to the brand, and they have an experience with the brand which is not associated with negative aspects. Captive customers are triggered to brand switching as soon as there is a new market entry that offers them alternative possibilities, changes in personal financial circumstances and alternative offerings in times of major decisions. The second category is convenience-seekers. Characteristic behaviour for convenience-seekers is purchasing routine, low involvement, and regular repeat purchases of the same brand. There is no certain attitude towards a brand and convenience might be a reason to choose a certain brand. Convenience-seekers are likely to switch a brand when another brand promotes specials offers, when changed circumstances lead to other perceptions of convenience or a crisis point needs to be managed. The third category in the model of Rowley (2005) is the contented loyal. There is an existing engagement with the brand and the customer evaluates the brands merits. The attitude towards the brand is usually positive; brand switching only occurs when there is better value elsewhere, if a service or product failure occurs with the brand or less product development is invested than with other brands. The last category of loyals within the four C's of customer loyalty framework is committed loyals. Committed loyals are not likely to consider other brands and are involved adding value to a brand. The attitude towards the brand is positive and the customers engage in positive word-of-mouth exchanges with other potential customers. Factors

that lead them to brand switching are repeated product or service failure, inadequate service or a completely new product from another brand that offers them added value (Rowley, 2005).

Table 2.6: Loyalty Categories (Rowley, 2005)

Loyalty Category	Behaviour, Attitude & Switching Motivations
Captive	Carrying on buying or using a product or service due to lack of alternatives. Neutral attitude toward brand including an experience of the brand which is not negative. Different range of offerings when it comes to important decisions.
Convenience-Seeker	Includes routine and low involvement purchase decisions. Expressed by recurring repeat purchases that are connected to the brand. No certain attitude toward brand, only some brands are associated with convenience. Open to promotions from other brands like special offers that are related to convenience. For example, changes in circumstances like the opening of a new shop.
Contented	Evaluates product offers by means of advantages, so previous and existing experience with the brand is a chance to build a solid customer relationship with the brand. A positive attitude toward brand, which may be shared with peers, if their opinion on a brand is requested. Better value (deal) from other brands. Service delivery or product failure. Product development not keeping up with competitors.
Committed	Hardly considers other brands. Is willing to co-create with the brand, for example by demonstrating a supportive customer-to-customer interaction. Supports the brand with positive word-of-mouth exchanges with other consumers or potential customers. Recurring or drastic service delivery or product failure. Insufficient recovery arrangements for the failure. A incrementally new product from a competitor that adds value for the customer.

Customer grid segmentation

In a survey conducted by Bain & Company, 81% of executives agreed on the point that customer segmentation is a crucial tool for growing profits (Markey et al., 2007). According to the study, successful companies have three strategic guidelines in common. Firstly, those companies expand

their appeal by specialising on their focus. Secondly, they stabilize the relationship with the right customers by staying close to what they do best. Thirdly, successful firms foster innovation by observing patiently (Markey et al., 2007). To conceptualize this segmentation, American Express used design targets as depicted in Figure 2.34 below.
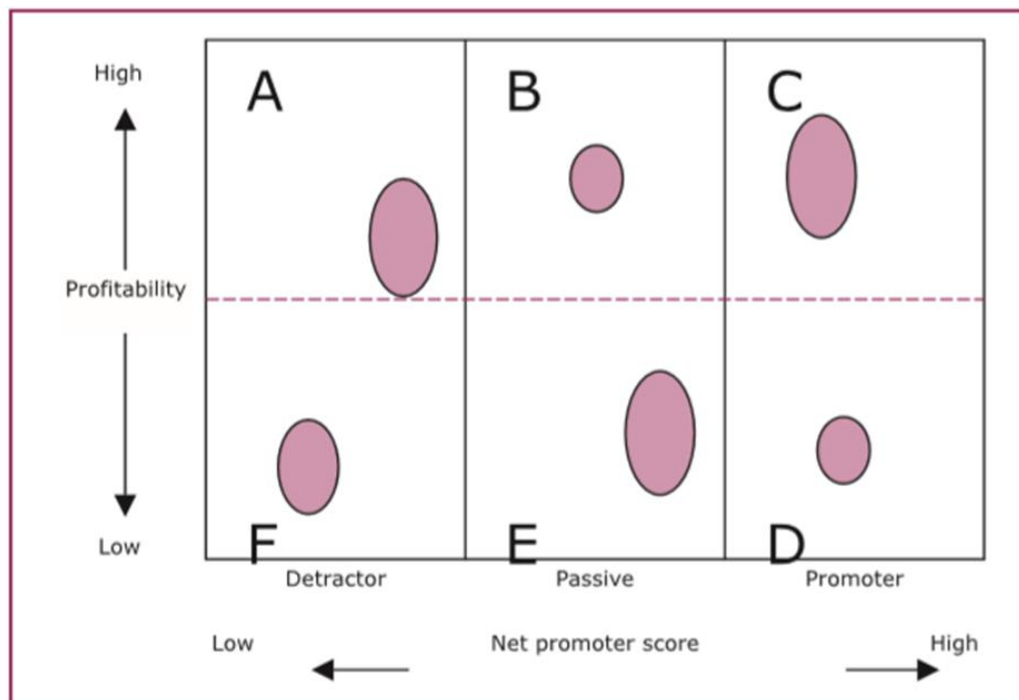
Figure 2.34: Customer Segmentation Grid, Design Target (Markey et al., 2007)

The model demonstrated in Figure 2.34 is based on the profitability of a customer and the net promoter score (NPS) of the customer. The NPS is a key performance indicator to find out how many customers would recommend a brand. It is a ratio of promoters and detractors (Reichheld, 2003). Customers who are highly profitable and strongly promote the product or service are likely to be very loyal customers who can be exactly targeted with the product or service offer. Those customers are represented in the upper right corner of the model (C). Customers who have a low level of profitability and criticize the product or service do not tend to be loyal and switch to another alternative on the market if possible. Those customers represent the bottom left corner in the model (F). Customers in this space are not likely to react to a new product offer of the initially purchased brand (Markey et al., 2007). In the case of American Express, the company used the grid to filter one certain customer segment, namely very loyal customers with a high spending power. The goal of the strategy was to increase the spending of the selected group of loyals and therefore American Express designed offers that especially fulfilled their needs. The strategic grid segmentation is depicted in Figure 2.35.
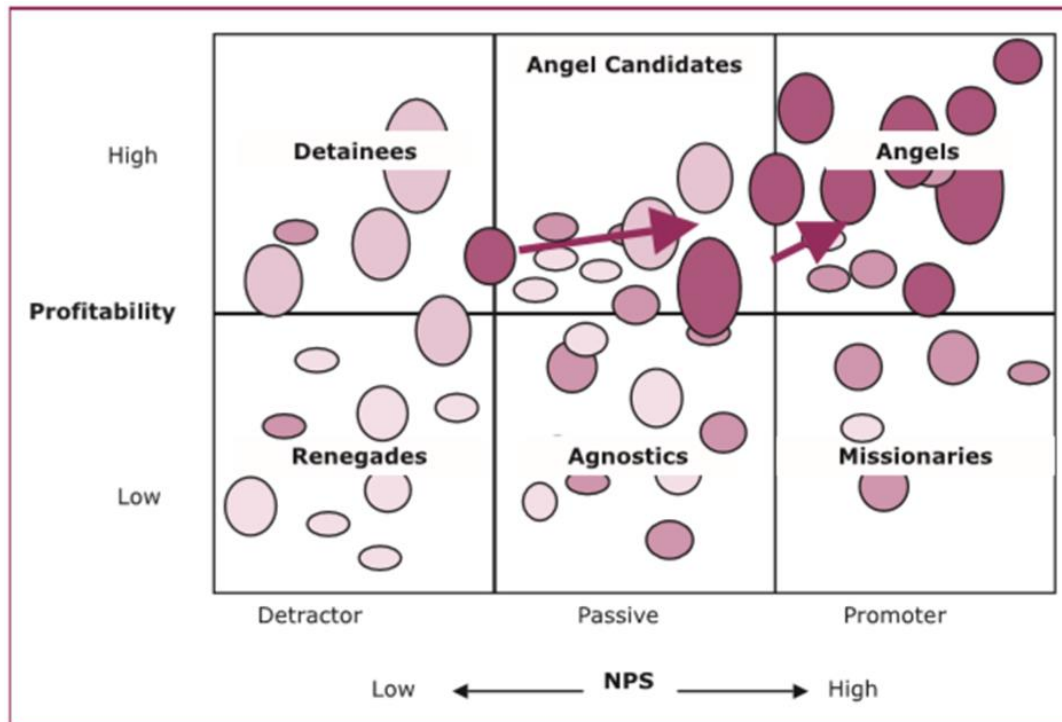
Figure 2.35: Customer Grid Segmentation Applied (Markey et al., 2007)

In more detail, customers can be divided in the segment of Detainees, Angel Candidates, Angels, Renegades, Agnostics and Missionaries. The circles in Figure 2.35 represent the size and profitability of a customer group. The larger the circle, the more profitable the customer group is. The darker the colour, the more profitable the customer group is (Markey et al., 2007).

Summary – conceptualisations of customer loyalty

This sub-section of the customer loyalty literature review discussed five major ways to conceptualize customer loyalty. Firstly, traditional approaches like the divide into attitudinal and behavioural loyalty were discussed. Then, multidimensional approaches were explained, dominated by Sheth's and Park's (1974) approach. Furthermore, the stages of customer loyalty were elaborated. In combination, integrative approaches of customer loyalty were discussed. The integrative approach serves as a foundation for the study. Lastly, different ways for customer segmentation in relation to customer loyalty were presented.

2.4.5 Summary of the Customer Loyalty Literature Review

This chapter elaborated on the foundations of the customer loyalty construct in literature. Firstly, related key concepts of customer loyalty were elaborated and distinguished. Secondly, implications for customer loyalty were explained. Thirdly, customer loyalty was delineated by highlighting different approaches of customer loyalty definition. Lastly, customer loyalty segmentation was presented by

reviewing five approaches to divide customers into loyalty segments. In summary, customer loyalty is crucial for business success as it is a differentiator directed at long-term relationships with the customer, and therefore creates long-term profitability. A customer segmentation makes sense to create a basis for strategic decision-making when it comes to incentives to enhance customer loyalty. This research proposed that brand activism is one strategic way to increase customer loyalty. The same has been researched within existing literature on CSR and customer loyalty. As brand activism is a natural evolution of CSR, the evidence of the influence of CSR and customer loyalty is reviewed in the next chapter.

2.5 CSR AND CUSTOMER LOYALTY COMBINED

The main goal of this research is to measure the impact of brand activism on customer loyalty. CSR, brand activism and different customer loyalty approaches were reviewed in the previous part of this literature review. However, no relationship of the CSR/brand activism concept with the customer loyalty concept has been reviewed yet. This is important in order to create a solid body for the development of the measurement model. This sub-section elaborates on why the impact of CSR on customer loyalty is reviewed and highlights different approaches in existing literature. Firstly, the steps of the literature search are explained and executed. Secondly, 13 studies are reviewed in more detail. Lastly, the combined CSR and customer loyalty literature review is summarised.

2.5.1   Structural Literature Research Approach

To review the literature of the effect of brand activism and customer loyalty efficiently, the following steps were executed to create a systematic literature review:

1) Literature of brand activism and customer loyalty was searched;
2) Literature of CSR and customer loyalty was searched;
3) Literature found was compared in terms of the research goal/outcome;
4) Appropriate studies were reviewed in detail.

The first step of the literature search included a systematic search for literature on the relationship of brand activism and customer loyalty. The databases included a Stellenbosch University Library search and Google scholar. The codes searched in each database were "brand activism" AND "customer loyalty" as well as "brand activism" AND "brand loyalty". Within the Stellenbosch University Library search two options were selected for the code in the advanced search option. One was that the code was included in the title. The second was included in any field. The outcomes are demonstrated in Table 2.7.

Table 2.7: Literature Search Brand Activism and Customer Loyalty

Code	Stellenbosch University Library	Stellenbosch University Library	Google scholar
	# of results title	# of results any field	# of results
"brand activism" AND "customer loyalty"	0	13	88
"brand activism" AND "brand loyalty"	0	33	205

Most of the literature regarding brand activism and customer loyalty was qualitative. It must also be mentioned that most of the literature did not share the same research goal to quantitatively measure the impact of brand activism on customer loyalty. Therefore, the same screening was conducted with CSR and customer loyalty.

The second stage of literature search included the codes "CSR" AND "customer loyalty", "Corporate Social Responsibility" AND "customer loyalty" as well as "CSR" AND "brand loyalty" and "Corporate Social Responsibility" AND "brand loyalty". The outcomes are demonstrated in Table 2.8.

Table 2.8: Literature Search CSR and Customer Loyalty

Code	Stellenbosch University Library	Stellenbosch University Library	Google scholar
	# of results title	# of results any field	# of results
"CSR"AND "customer loyalty"	16	5 459	15 900
"Corporate Social Responsibility" AND "customer loyalty"	0	22	523
"CSR"AND "brand loyalty"	10	3 043	9 870

| "Corporate Social Responsibility" AND "brand loyalty" | 15 | 4 179 | 13 200 |

The literature on CSR and customer loyalty offers more insights on the relationships between the concepts. A large number of quantitative studies were also found in the literature search. Therefore, studies on CSR and customer loyalty were considered for a more detailed review. This review serves as a basis for the development of a quantitative measurement model of brand activism and customer loyalty.

Thirteen quantitative studies were comparable in terms of the research question, the approach, the goal and the research environment (sample). These studies are now reviewed in detail.

2.5.2   Elaborating Comparable Research Studies on the Effect of CSR on Customer Loyalty

In general, the relationship between CSR and customer loyalty has been investigated in different industries. Some scholars claim that there is evidence that there is a positive relation between CSR and customer loyalty (Chung, Yu, Choi, & Shin, 2015; Mandhachitara & Poolthong, 2011; Martínez & del Bosque, 2013; Moon, Lee, & Oh, 2015; Pérez & Rodríguez del Bosque, 2015; Salmones, Crespo, & Bosque, 2005; Yusof, Manan, Karim, & Kassim, 2015). There is, however, an ongoing debate about the definition, variables, and mediating effects when it comes to research about the impact of CSR on customer loyalty (Martinez & Del Bosque, 2013). Table 2.9 gives an overview about the reviewed studies, the applied mediating variables, and the outcome of each study. The criteria, why these 13 studies were reviewed in more detail were that CSR in relation to customer loyalty was measured and mediating variables were used to evaluate the effect of CSR on customer loyalty, and the studies were conducted in the 20th century, evaluating a modern perspective of CSR.

Table 2.9: Overview CSR Impact on Customer Loyalty

Authors	Mediating variables	Outcome
Salmones, Crespo & Bosque (2005)	Economic responsibility, Ethical-legal responsibility, philanthropic responsibility, overall valuation of service	Positive relationships: CSR on overall valuation of service, overall valuation of service on loyalty No significant relationship: CSR on loyalty
Mandhachitara & Poolthong (2011)	perceived service quality, repeat patronage intention, attitudinal loyalty	Positive relationship: quality & attitudinal loyalty, no significant relationship repeat patronage

Raman, Lim & Nair (2012)	C-C identification (CCI), brand equity (BE), company identity attraction (CIA)	Overall positive relationships
Martínez & del Bosque (2013)	customer trust, C-C identification, customer satisfaction	Overall positive relationships
Ailawadi, Neslin, Luan & Taylor (2014)	Attitude, community support, environmental friendliness, employee fairness, local products	Overall positive relationships
Senooane (2014)	Customer trust, brand image	Overall positive relationships
Pérez & Rodríguez del Bosque, (2015)	C-C identification, emotions, satisfaction	Positive relationships: CCI & satisfaction No significant relationship emotions
Chung, Yu, Choi & Shin (2015)	attitudes, consumer-company identification, purchase intentions, satisfaction, loyalty	Overall positive relationships
Moon, Lee & Oh (2015)	Social self-concept connection	Overall positive relationships
Yusof, Manan, Karim & Kassim (2015)	Customer-centric, green environment, ethics, philanthropic	Overall positive relationships
Inoue, Funk & McDonald (2017)	Involvement, commitment	Overall positive relationships
(Rivera et al., 2019)	Brand awareness, attitude, satisfaction	Overall positive relationships, No significant relationships: CSR and attitude, attitude and loyalty
Contini, Annunziata, Rizzi & Frey (2020)	Impact on local communities, managers nationality, environmental impact, communication transparency	Overall positive relationships

Salmones et al. (2005) conducted research in the service sector and measured the relationship between CSR and loyalty and the valuation of services amongst mobile telephone users. The authors claim that loyalty cannot only be defined by behavioural measures, but must be conceptualized as an attitudinal construct, which includes a factor like word-of-mouth. This can also mean the "commitment to a brand, defined as trust, esteem or the consumer's desire to maintain the relationship or to acquire the same brand" (Salmones et al., 2005: 373). In the framework of the study, the scholars used the variables economic responsibility, ethical-legal responsibility, and philanthropic responsibility. The outcome was a positive correlation between the overall valuation of the service and loyalty and a positive relation between CSR and overall valuation of service. A significant direct effect of CSR on loyalty could not be proved (Salmones et al., 2005).

Another investigation of the relation between CSR and customer loyalty in the banking services industry was conducted by Mandhachitara and Poolthong (2011). The scholars define customer loyalty in two dimensions, namely attitudinal intentions and behavioural intentions towards the product or service and add repeat purchasing behaviour. Subsequently, the variables used to measure relations are perceived service quality, repeat patronage intention and attitudinal loyalty. The two researchers found that there is a positive relation between CSR and perceived service quality as well as attitudinal loyalty but could not verify a positive relation between CSR and repeat patronage intentions (Mandhachitara & Poolthong, 2011).

Furthermore, Raman et al. (2012) supported the importance of CSR from a strategic viewpoint, as CSR efforts are an important measure in company ratings besides financial performance. The authors claimed that companies could benefit from CSR activities in the form of reduced liabilities as well as insurance costs and an improved brand image. The scholars defined customer loyalty in terms of repetitive buying patterns and promotion of the product. The variables Raman et al. (2012) defined to determine customer loyalty were consumer company identification (CCI), company identity attraction (CIA) and brand equity (BE). The research samples included customers of a large-scale electronic manufacturing company. The scholars found the existence of a positive relationship between CSR and brand equity, CSR and company identity attraction and CSR and consumer company identification (Raman et al., 2012).

Martínez and del Bosque (2013) also found that CSR is a strategic tool for companies in the hospitality sector. Advantages of the implementation of CSR are increased customer loyalty and competitive advantages. According to Martínez and del Bosque (2013), customer loyalty is characterised by the willingness of the customer to buy more, pay more, and recommend more and therefore businesses in the hospitality industry need to sustain loyal customers. The scholars claimed that customer loyalty is related to a social identification process. Hence, the variables in Martínez and del Bosque's (2013) research, which determine the loyalty of a customer, are customer trust (TRU), customer identification with the company (C-C identification, CCI) and customer satisfaction (SAT).
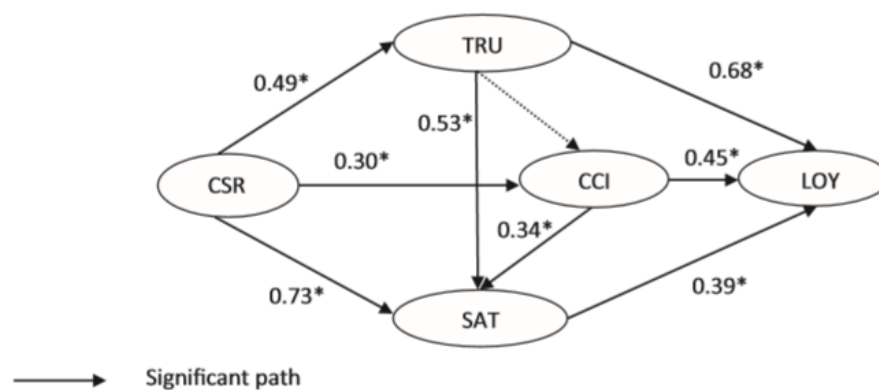
Figure 2.36: CSR and Customer Loyalty Conceptual Model (Martínez and del Bosque, 2013)

Figure 2.36 shows the pathways from CSR to customer loyalty in their conceptual model. Martínez and del Bosque (2013) consequently claimed that CSR associations had a positive influence on the three mediating variables and eventually, CSR associations would positively affect customer loyalty (Martínez & del Bosque, 2013).

Ailawadi, Neslin, Luan and Taylor (2014) investigated the effect of retailer CSR on behavioural loyalty based on benefit segmentation. The four CSR activities used within the study were environmental friendliness, community support, selling locally produced products and treating employees fairly. The structural model applied in this thesis is graphically depicted in Figure 2.37.
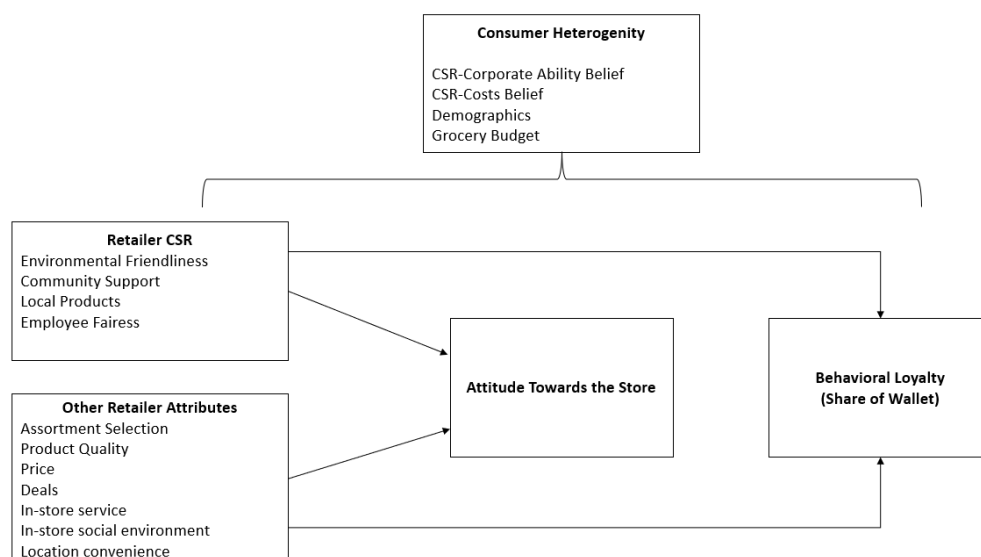
Figure 2.37: The Impact of Corporate Social Responsibility on Behavioural Loyalty (Ailawadi et al., 2013)

The study could prove that the effects of CSR activities generally have a positive influence on attitudes and attitudes are a positive indicator to enhance the share of the wallet (SOW), which was the indicator for behavioural loyalty within the model. Furthermore, Ailawadi et al., (2014) suggested distinguishing between attitudes and behaviour in CSR research.

Another study to identify the relationship of CSR and loyalty was conducted by Senooane (2014) in South Africa. The research focused on an Ubuntu context when it comes to the impact of CSR on brand loyalty. The Ubuntu concept was developed in Africa and derived from proverbial expressions in various African languages. The main idea of Ubuntu is to comprise the core elements of a human being. The focus is on the relation and moral obligations to each other (Senooane, 2014). Ubuntu was described by the late Emeritus Archbishop Desmond Tutu as follows: "A person [or an organisation] with Ubuntu is welcoming, hospitable, warm and generous, willing to share. Such people [or organisations] are open and available to others, willing to be vulnerable, affirming of others, do not feel threatened that others are able and good, for they have a proper self-assurance that comes from knowing that they belong in a greater whole. They know that they are diminished when others are humiliated, diminished when others are oppressed, diminished when others are treated as if they were less than who they are. The quality of Ubuntu gives people [or organisations] resilience, enabling them to survive" (Odiaka & Oriogu, 2017:1) The study proposed a model including customer trust and brand image as indicators of customer loyalty.
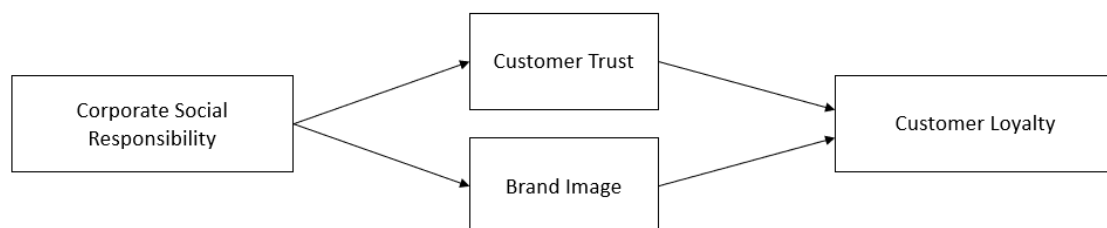
Figure 2.38: Conceptual Model Customer Trust, Brand Image and Customer Loyalty (Senooane, 2014)

Senooane (2014) surveyed 246 participants with the knowledge of at least five CSR activities of the telecommunication company Vodacom. Altogether 89.4% of the participants responded that Ubuntu is a principle that should be applicable to business. The majority of respondents also stated that the philanthropic CSR dimension is the most important dimension for South Africa and the economic

dimension is the second most important dimension in South Africa. This supports the argument of Visser (2006) to redefine Carroll's (1991) CSR pyramid for an African context. In conclusion, the study supports the positive effect from CSR on customer loyalty, as 72.2% responded to repurchase the brand, 59.8% stated they are committed to the brand, 74.4% would recommend the brand to others and 99.1% would not consider switching to another brand, based on the proposed loyalty model (Senooane, 2014). Senooane (2014) therefore argued that CSR had a positive influence on customer loyalty.

The scholars Pérez and del Bosque (2015) also promoted the standpoint that CSR has positive benefits for companies in terms of consumer behaviour. In contrast to previous scholars, the researchers explained customer satisfaction and loyalty in two paths. One path deals with the generated beliefs and emotions of a customer at the institutional level and the other path is about the "thoughts, attitudes, emotions and feelings generated by the company's services" (Pérez & del Bosque, 2015: 571). Based on this, the authors conceptualised purchase as a multi-stage process. The study also included C-C identification as a variable, but emotions on a company level and service level were added as a variable, which determined satisfaction. In their concept, satisfaction is the main variable which influences the loyalty of a customer. The research was conducted in the banking services sector. The findings indicated that CSR positively affects C-C identification, as well as emotions evoked by the company and customer satisfaction. No positive relation between CSR image and emotions evoked by the service was found (Pérez & del Bosque, 2015).

The investigation of Chung et al. (2015) supported the viewpoint that CSR has an "important impact on consumers' attitudes, purchase intentions, consumer-company identification, loyalty and satisfaction" (Chung et al., 2015: 543). Chung et al. (2015) claimed that customer loyalty is about building a loyal customer base, which increases the profitability over the customer lifetime. The scholars measured the relation between CSR and customer satisfaction as well as loyalty based on CSR factors, which were defined as philanthropic, ethical, legal, and economic responsibility as well as environmental contribution and consumer protection. The study found that CSR has a positive relation to customer loyalty and customer satisfaction is positively related to customer loyalty (Chung et al., 2015).

Another approach to identify the relationship between CSR and brand loyalty was constructed by Moon et al. (2015). The authors made use of the same approach as Pérez and del Bosque (2015) and explained brand loyalty by a consumer-brand relationship in two paths, namely the product level, which entails associations that influence the customer trust and the connection between the

consumer; and the firm, which is depicted as the following route: "corporate associations – corporate identity attractiveness – consumer-corporate identification – corporate loyalty – brand loyalty" (Moon et al., 2015: 523). Within the study the authors measured the relationship between corporate brand loyalty and corporate competence associations, CSR associations, personal self-concept connection and social self-concept connection. The basis of the research entailed cultural influences, particularly individualist and collectivist cultures. The researchers proved that CSR associations have a positive influence on social self-concept connection and social self-concept connection is positively correlated with corporate brand loyalty. It can therefore be gathered that CSR associations have a positive influence on corporate brand loyalty (Moon et al., 2015).

Yusof et al. (2015) conducted research in the banking industry and support the statement that customer loyalty results in increased profit for retailers and customer buy a higher quantity from retailers. To measure the relation between CSR and customer loyalty, four CSR initiatives, defined as customer centric, green environment, ethics and philanthropic, are explained. The authors proved that all variables had a significant positive relation to customer loyalty. In more detail, the variable customer centric, which is characterised by the focus to satisfy goals of the customer, has the strongest positive relationship to customer loyalty (Yusof et al., 2015).

Inoue, Funk and McDonald (2017) focused on the predictability of behavioural loyalty as a result of CSR activities. The mediating factors between CSR and behavioural loyalty were involvement and commitment. Within a study of 634 customers of an Australian football team, a positive mediating effect of involvement regarding CSR and behavioural loyalty could be found. In terms of commitment the relationship was tested negative. Therefore, Inoue et al. (2017) claimed that the impact of CSR initiatives is no robust predictor of behavioural loyalty and is contingent upon specific psychological states.

Rivera et al. (2019) observed the impact of CSR associations on brand loyalty in the sportswear industry. In the framework of the research, brand loyalty was identified by attitudinal loyalty, purchase intent, expenditure level and word-of-mouth. The relation of CSR and brand loyalty was measured based on the variables brand awareness, brand attitude and satisfaction. The authors found that CSR has a direct influence on brand awareness and satisfaction, but no direct impact on brand attitude could be found. The study also proved that CSR associations positively influence brand loyalty (Rivera et al., 2019).

Contini et al. (2020) conducted research regarding the relationship of CSR and consumers' loyalty in the framework of the BRICS countries. The study especially focused on how different CSR activities

were valued by customers when accessing loyalty. Thereby, CSR was categorised in three domains, namely, the social domain (SD), the environmental domain (ED) and communication domain (CD). The findings of the study demonstrated that the most important CSR activities for participants from South Africa included the impact on local communities (ILC). The communication transparency of the CSR activities was also important for participants from South Africa. Additionally, the environmental impact (EI) was significant, but not as relevant as ILC and EI. All in all, the study could prove a positive relationship of the social domain and the level of customer loyalty, the environmental domain and the level of customer loyalty and the communication domain and the level of customer loyalty within the BRICS countries (Contini et al., 2020).

2.5.3 Summary of the Combined CSR and Customer Loyalty Literature Review

This sub-section of the literature review demonstrated that the literature on the impact of brand activism on business goals such as increasing customer loyalty is very rare. The existence of quantitative research on the phenomenon brand activism is also very limited, as qualitative research is prevalent. This points out a gap in the research field of marketing. To create a robust basis for the development of a measurement model, literature on the impact of CSR on customer loyalty was reviewed. All of the 13 reviewed quantitative studies could prove (at least) a partial positive relation of CSR and customer loyalty, including mediating variables. One study (Salmones et al., 2005) did not support a positive direct relationship of CSR and customer loyalty. Another study (Mandhachitara & Poolthong, 2011) could not support a positive relationship of CSR on one component of behavioural customer loyalty, namely repeat patronage. Pérez & Rodríguez del Bosque (2015) did not find a significant positive relationship on one of the proposed predictors of customer loyalty, namely emotions. Finally, Rivera et al. (2019) discovered that CSR is not significantly related to attitudes, and attitudes are not significantly related to customer loyalty. Despite the listed cases, where no significant positive relation was discovered, all other studies reported an overall positive relationship of CSR and customer loyalty. Therefore, the basis of this research was that CSR has a significant positive impact on customer loyalty. To develop a similar measurement model for brand activism and customer loyalty, a framework is developed in Chapter 3: The selected mediating variables deriving from the reviewed literature are brand trust, customer-company identification, and brand image. The dependent variable is customer loyalty. In the following section, the variables are reviewed and antecedents for customer loyalty are listed (Table 2.10).

2.6 VARIABLES AND MEASURES

One stage of this research was to review antecedents of customer loyalty to understand the concept of customer loyalty better and get a clearer picture of the possible mediating variables in the relationship between brand activism and customer loyalty.

Table 2.10: Antecedents of Customer Loyalty

Antecedents	Literature/References
Brand Trust	Alok & Srivastava (2013); Ball et al; (2004); Chaudhuri & Holbrook (2001b); Chiou & Droge (2006); Gilliland & Bello (2002); Garbarino & Johnson (1999); Kim, Morris & Swait (2008); Lim & Razzaque (1997); Pan, Sheng & Xie (2012); Sirdeshmukh et al. (2002); Yieh, Chiao & Chiu (2007)
Customer Satisfaction	Alok & Srivastava (2013); Anderson & Mittal (2000); Dick & Basu (1994); Ganesan (1994); Jones & Reynolds (2006); Ladhari, Ladhari, & Morales (2011); Magi (2003); Mittal & Kamakura (2001); Mittal & Lassar (1998); Morgan & Hunt (1994); Noyan & Simsek (2014); Pan et al. (2012); Seiders, Voss, Grewal & Godfrey (2005); Yieh et al. (2007)
Service/ Product Quality	Alok & Srivastava (2013); Baker & Crompton (2000); Cronin, Brady & Hult (2000); Crosby et al. (1990); Noyan & Simsek (2014); Pan et al. (2012); Sirohi, Mclaughlin & Wittink (1998); Wong & Sohal (2003); Yieh et al. (2007); Zeithaml, Berry & Parasuraman (1996)
Price/ Discount Perceptions	Chang & Wildt (1994); Grewal, Monroe, & Krishnan (1998); Noyan & Simsek (2014); Singh & Sirdeshmukh (2000); Varki & Colgate (2001); Voss, Parasuraman & Grewal (1998); Yieh et al. (2007)
Commitment	Alok & Srivastava (2013); Kim, Morris, et al. (2008); Pan et al. (2012)
Customer-company identification	Chung et al; (2015); Deng & Xu (2017); Martinez & Del Bosque (2013); Raman et al. (2012)
Brand Reputation/Image	Alok & Srivastava (2013); Chung et al. (2015); Gürlek, Düzgün, & Uygur (2017); Jung, Kim, & Kim (2020); Martínez et al. (2014); Pan et al. (2012)
Switching Cost, Fairness	Alok & Srivastava (2013); Pan et al. (2012)

The following variables were selected as mediating variables for the relationship of brand activism and customer loyalty.

2.6.1   Brand Trust

In a marketing context, brand trust is a crucial factor to establish long-term relationships between a customer and a company and therefore contributes to the long-term success of a company (Garbarino & Lee, 2003; Martinez & Del Bosque, 2013; Morgan & Hunt, 1994). In existing marketing literature, the terms brand trust, consumer trust and customer trust are used interchangeably. To present a

holistic concept of the trust-concept, different literature is reviewed and summarised with the term brand trust within this thesis. Brand trust is considered a mediator between corporate activities and customer loyalty (Ahn, Shamim, & Park, 2021; Ball, Coelho, & Machas, 2004; Chaudhuri & Holbrook, 2001; Garbarino & Lee, 2003; Kim et al., 2008; Martinez & Del Bosque, 2013). In order to create customer loyalty, a brand must gain the trust of a customer first (Reichheld & Schefter, 2000). Martinez & Del Bosque (2013) observed that brand trust shows a positive influence on customer loyalty and CSR associations positively influence brand trust, therefore brand trust serves as a mediator in the relationship of CSR and customer loyalty. Ahn et al. (2021) also confirmed a positive influence of CSR reputation on brand trust. The relationship of brand trust and loyalty was, however, not significant. There are several definitions of the concept brand trust in literature. One approach is to define brand trust as the belief of a customer that a brand can be relied on to act in a manner that is beneficial for a customer (Crosby, Evans & Cowles, 1990). Another widely accepted definition is the "willingness of the average consumer to rely on the ability of the brand to perform its stated function" (Chaudhuri and Holbrook 2001:82). It is rather processed on a perceptual level than on a behavioural level within the customer decision-making process and serves as a key determinant of customer purchase intention (Ahn et al., 2021; Garbarino & Lee, 2003). Brand trust is also described a multidimensional construct in literature (Garbarino & Lee, 2003). A broadly confirmed concept of brand trust is the two-dimensional approach. It includes two components, namely benevolence trust and competence trust (Sirdeshmukh, Singh, & Sabol, 2002). Benevolence trust includes the genuine concern of a company towards a customer, it focuses on customer interests rather than on company interests, and exceeds the goal of only maximizing profits. It demonstrates the reliance, care and honesty of a company to a customer (Garbarino & Lee, 2003; Martinez & Del Bosque, 2013; Sirdeshmukh et al., 2002). Competence trust involves the belief that a company owns the ability and skills to carry out the promised performance. In general, it is the perception of a customer that a company is competent (Garbarino & Lee, 2003; Martinez & Del Bosque, 2013; Sirdeshmukh et al., 2002). Various scales to measure brand trust have been applied in literature (Garbarino & Lee, 2003; Martinez & Del Bosque, 2013; Sirdeshmukh et al., 2002). To meet the scope of this thesis, a brand trust scale including three items is applied. For this research, a focus on benevolence trust makes sense, as brand activism tackles the beliefs of the authenticity of a brand. To give a more holistic framework, an item depicting competence trust is included as well. The items derive from Garbarino and Lee (2003). Especially the quality of information, recommendations, WOM, perceived risk, welfare intentions, credibility, emotional comfort, and innovativeness are antecedents that are closely related to the concept Brand Activism, as they are directed at the self-identity of customers.

2.6.2 Consumer Company Identification

Owing to factors such as globalisation and the public expectation of CSR, the management of brand identity has grown (Balmer & Dinnie, 1999; Hildebrand, von der Fernandes, Veloso, & Slongo, 2010). The terms consumer-company identification, customer-company identification, customer-brand identification, and customer identification with the company are used interchangeably in literature. For the purposes of this thesis, the term consumer-company identification (CCI) is used. The literature regarding CCI is summarised and the mediating effect between Brand Activism and customer loyalty is elaborated upon. Existing literature on CSR and customer loyalty suggested a mediating role of CCI (Chung et al., 2015; Deng & Xu, 2017; Martinez & Del Bosque, 2013; Raman et al., 2012). Martinez and Del Bosque (2013) proved that CSR had a significantly positive influence on CCI and CCI had a significantly positive influence on customer loyalty, therefore CCI was confirmed as a mediating variable in the structural model. Raman et al. (2012) also tested a model to observe the relationship between CSR and customer loyalty with CCI as a mediating variable. This thesis also confirmed the positive relationship between CSR and CCI as well as CCI and customer loyalty. Deng & Xu (2017) also confirmed the mediating effect of CCI in the relationship of CSR and customer loyalty, as the variables were positively related. CCI is deemed as the primary psychological substrate of social identity theory. Social identity theory states that beyond a personal identity, people create a social identity and thereby categorise themselves in a contextual manner (Brewer, 1991). Literature on social identity theory suggested that a customer's identification with a company results in strong consumer-company relationships, therefore CCI enables a deep, committed, and meaningful relationship with customers (Bhattacharya & Sen, 2003). CCI is defined as a cognitive state of self-categorisation between the consumer and the company. In other words, it is the overlap between the customer's perception of the own identity and the company's identity (Pérez & Rodríguez del Bosque, 2015). The concept CCI is characterised by three conditions, namely the feeling of solidarity, sharing characteristics with the company and sharing characteristics with other customers of the company (Hildebrand et al., 2010). CCI is active, selective, and volitional. It can therefore cause favourable as well as unfavourable behaviours of customers (Bhattacharya & Sen, 2003). One favourable outcome of CCI is customer loyalty.

2.6.3 Brand Image

Brand Image is recognised as one of the most essential concepts in business literature (Keller, 1993; Martínez et al., 2014). In literature, the terms corporate image and brand image are used interchangeably. For this thesis, the description brand image is used. Several studies suggest a mediating effect of brand image in the relationship between CSR and customer loyalty (Chung et al.,

2015; Gürlek, Düzgün, & Uygur, 2017; Jung, Kim, & Kim, 2020; Martínez et al., 2014). Chung et al. (2015) found a positive relationship between CSR regarding customer satisfaction and loyalty and identified brand image as a mediating variable. Jung et al. (2020) also proved a significantly positive relationship between perceived sustainable marketing actions and customer loyalty mediated by brand image. Gürlek et al. (2017) confirmed that CSR creates customer loyalty, partially through corporate image. Brand image is defined as a consumer's perception about a brand based on the associations held in the memory of the consumer (Keller, 1993). It incorporates a symbolic meaning for the customer, associated with specific attributes (Cretu & Brodie, 2007; Jung et al., 2020). Thereby, the favourability, strength and uniqueness of brand associations play a role in brand knowledge, brand equity and high involvement decisions. There are three types of brand associations, namely attributes, benefits and attitudes (Keller, 1993). According to Aaker (1996) positive brand image strengthens brand positioning, increases brand performance and protects a brand. Furthermore, brand image creates a credible appeal, differentiation and a competitive advantage (Chung et al., 2015). Two main attributes of brand image are the financial attribute and the emotional attribute. The financial attribute deals with financial performance, whereby the emotional attribute deals with social accountability and is directed at fulfilling the customer's social and psychological needs (Chung et al., 2015). Another effect of brand image is the influence within the purchase decision-making process of a customer (Martínez et al., 2014).

2.6.4 Customer Loyalty

The dependent variable in this study is customer loyalty. Therefore, the integrative framework of customer loyalty is applied as depicted in Figure 2.39, which includes cognitive loyalty, affective loyalty, conative loyalty, and behavioural loyalty.
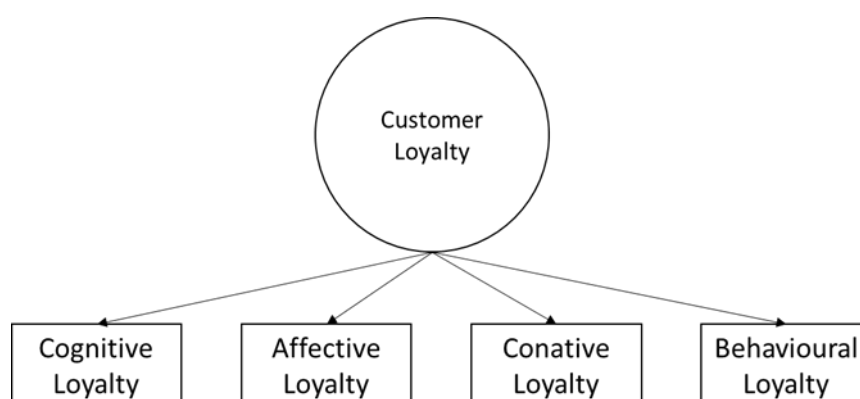
Figure 2.39: Customer Loyalty Conceptualisation

Cognitive Loyalty: Cognitive Loyalty is the first stage in the applied loyalty model. It is based on the cognition dimension of attitude. Cognition includes the customer's knowledge and belief about phenomena (Hawkins & Mothersbaugh, 2013). Therefore, cognitive loyalty is based on the belief and knowledge a customer holds about the brand which the customer considers as preferable. Cognitive loyalty refers to the brand which embodies the primary option for the customer. Within the information-processing model, cognition is attained through persuasive communication (Bagozzi et al., 1979). Within this stage of loyalty, important information for the customer are price and product features as well as prior knowledge and experience-based information (Oliver, 1999).

Affective Loyalty: Affective loyalty is the second phase of Oliver's (1999) model. It is grounded on the affect concept of attitude and describes the favourable attitude or liking of a customer based on satisfied usage. It is also deemed the pleasure dimension of loyalty as the brand creates pleasurable fulfilment for the customer (Oliver, 1999). Whereas cognitive loyalty derives from the information-processing model, affective loyalty is based on classical conditioning of learning theory. Learning theory suggests that a neutral stimulus should frequently be connected with an unconditional stimulus to trigger certain behaviour (Bagozzi et al., 1979). Within this stage of customer loyalty, the customer decides whether the brand is favourable or unfavourable. Affective loyalty remains subject to switching behaviour and is not necessarily a predictor of behavioural loyalty (Bagozzi et al., 1979).

Conative Loyalty: Conative loyalty is the brand-specific commitment to repurchase (Oliver, 1999); thus, conation is a consumer's tendency to act towards an object, in other words it is the intention to buy (Assael, 2007). This stage is also called behavioural intention or loyalty intention. Conative loyalty is described as the deeply held conviction to buy (Oliver, 1999). The commitment derives from operant conditioning, which means there is either reward or punishment for response behaviour (Bagozzi et al., 1979). Commitment is, however, a desire that is anticipated but remains an unrealised action (Oliver, 1999).

Behavioural Loyalty: Behavioural loyalty is the conversion of the intention to purchase and the willingness to overcome obstacles. It demonstrates the repurchasing pattern toward a specific brand. Behavioural loyalty is sustained by commitment and driven by the action control paradigm, which motives the customer to overcome obstacles (Oliver, 1999).

To propose pathways regarding how the independent, mediating, and dependent variables are connected in order to answer the research questions, the conceptual framework development sub-

section (3.2) and research methodology Chapter 4 give more insight about the antecedents of customer loyalty within the relationship of brand activism and customer loyalty.

2.7 SUMMARY OF THE LITERATURE REVIEW CHAPTER

This literature review chapter reported on five theoretical contexts that inform the research study. The first section included a literature review of CSR. The term CSR was delineated, related key concepts were explained, different CSR conceptualisations were reviewed, and the concept CSR was elaborated on in the framework of the evolution in South Africa. Then, the brand activism phenomenon was reviewed. Brand activism was conceptualised, cases were introduced, and brand activism was strategically differentiated from CSR. The third section of the literature review was about customer loyalty. Related key concepts of customer loyalty were delimited, implications for customer loyalty were explained, the term customer loyalty was delineated, and conceptualisations of customer loyalty were introduced. The fourth section of the literature review included a combined context of CSR and customer loyalty by reviewing existing literature on the relationship. The literature search approach was explained, and comparable research studies were reviewed. Most of the reviewed literature reported a positive relationship between CSR and customer loyalty. Finally, the last part of the literature review highlighted the selected variables for the study, namely brand trust, CCI, brand image, and the antecedents of customer loyalty. To make sense of the applied measurement model in the methodology chapter, the next chapter develops a framework for this research.

CHAPTER 3: FRAMEWORK DEVELOPMENT

3.1 INTRODUCTION

As discovered in the literature review, there is a gap in quantitative research regarding the brand activism phenomenon. This research has various goals, such as establishing a solid brand activism framework and measuring the impact on customer loyalty. The quantitative research study took place in South Africa; in more detail, the automotive industry. This was motivated by the developed framework presented in this chapter. To create a solid body for the research study, a contextual framework, a conceptual framework, and an industry framework were developed.

3.2 CONTEXTUAL FRAMEWORK

To categorise this research in the field of marketing, a holistic contextual framework was developed. This includes the researcher's intention of how brand activism in combination with customer loyalty research is positioned in a real-world and theoretical context. This research study followed a positivist approach, which states that there is an observable reality, and the aim of this research approach was to make generalisations based on the observations (Saunders et al., 2016). The positivist approach is explained in more detail in the following methodology chapter. Current issues in the world are observed and conclusions for the field on marketing and consumer behaviour are drawn. Figure 3.1 demonstrates these issues and sets the topics into a macro-view marketing context and a micro-view marketing context.
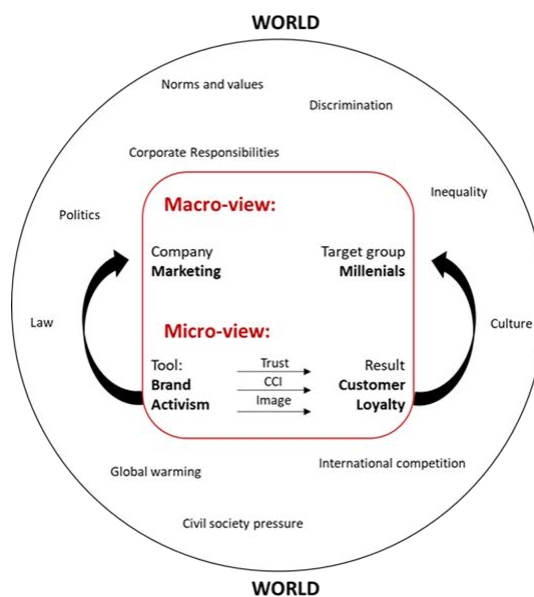
Figure 3.1: Contextual Research Framework

The model is structured from the outside flowing to the inside. The outer circle includes societal topics like inequality, discrimination and civil society pressure that inform the business environment, which is demonstrated by the red core of the model. The business environment includes a macro-view that deals with a company's marketing department in order to aim at a certain target group in this research, which is the generation of Millennials. This was narrowed down in the micro-view, that determined brand activism as a possible strategic tool to influence customer loyalty by changing trust, company-identification, and brand image. Therefore brand activism is a tool that includes observations from the real world to address societal issues and give back a change to the real world. Wrapped up, brand activism and customer loyalty are positioned in the field of marketing and incorporate the power to make a difference to real-world issues. Simultaneously, real-world issues have an influence on a company's marketing, in more detail, brand activism applications and levels of customer loyalty.

Furthermore, the framework of the brand activism concept includes differences to other existing societal, marketing-related concepts. To position brand activism in the field of marketing, components are identified. The main components of the marketing-oriented brand activism framework are:

- Activist nature;
- Values-driven approach;
- Brand identity application; and
- Rather issue-related than operations-related.

Furthermore, the internal components of brand activism must be clear, therefore specific topics included in the six dimensions were defined for this research purpose. Table 11 demonstrates the topics and issues included within the dimensions that were considered for this research.

Table 3.1: Brand Activism Topics and Issues

Dimension	Topics
Social Brand Activism	Gender – LGBT – Race – Age – Education – Healthcare – Social Security – Privacy – Consumer Protection – Cultural Engagement – Female Empowerment – Socio-Economic Support – Youth Development
Legal Brand Activism	Laws and policies – Tax – Citizenship – Employment laws – Whistleblowing – Company culture – Integrity – Human Right– Labor Relations – Compliance
Workplace Brand Activism	Corporate organisation – CEO pay – Employee compensation – Worker union relations – Management of supply chain –

	Governance – Skills development – Diversity Management – Volunteer programs
Economic Brand Activism	Income and tax policies – Financial inequality – Redistribution of wealth – Industry Transformation – Management Control – Localization –Economic Empowerment
Political Brand Activism	Lobbying – Privatisation – Voting – Rights – Policy – Support/Boycott of Regimes – Political Unrest – Political history – Affirmative action
Environmental Brand Activism	Conservation – Environmental protection – Land-use – Environmental pollution (water, air) – Emission control & strategy – Environmental laws and policies – Innovation – Climate neutrality – Mission statements (climate, resources, air quality, compliance)

Besides the holistic framework, the marketing-oriented characteristics, and the topics and issues included in brand activism, the brand activism phenomenon indicates consequences for consumer behaviour in general. These consequences include the following:

- Legitimacy and authenticity perception;
- Risks related to purchase decision-making;
- Targeting customer behaviour and targeting customer attitude; and
- Risk of greenwashing and risk of woke-washing.

In terms of legitimacy and authenticity, brand activism is directed at creating authenticity (Vredenburg et al., 2020). Literature suggested that CSR is directed at creating legitimacy within a marketing framework (Balluchi et al., 2020). However, an authentic brand identity can only be achieved by implementing a legitimate brand purpose. Therefore both the concepts legitimacy and authenticity as well as CSR and brand activism are not necessarily separated, but interacting constructs.

Furthermore, risks related to the purchase decision-making process can appear when implementing brand activism. It is proven that there is the potential to reduce risk-making purchase decisions by knowing the purchase is connected to a donation as the trust in the company to do "good" business increases (D. Kim et al., 2008). Within the brand activism concept, there are two new developments that influence the risk associated with purchase decision-making. Firstly, the implementation does not have to be positive or progressive; it can be negative or regressive as well. Secondly, it is not necessarily related to core-operations of a company, consequently it is unclear what "good business" means in this context. There are two main risks by entering a contested field that is not directly related

to the business. Firstly, loyal customers can be offended by communicating opposing values than their own personal values. Secondly, the self-identification of their customers can be affected. Brand activism can therefore trigger a higher risk related to the purchase. The cognitive and affective customer reactions of brand activism have not been sufficiently researched yet (Moumade, 2021).

In terms of decision-making, there is another incremental difference of brand activism and other established concepts. The main goal of CSR and CrM implementation regarding customers, is a change in behaviour. Usually, a CrM campaign motivates a customer to buy more, or more frequently. This results in an increase of the sales figures of a company (Kotler & Lee, 2005). In opposition, the main goal of brand activism strategy is usually a change in attitude. As values are implemented in brand activism efforts, the brand identity is affected and ideally, a change in society is provoked (Kotler & Sarkar, 2018).

Both strategies, CSR and brand activism, can trigger criticism regarding the strategic marketing implementation. CSR is often confronted with green-washing, whereas brand activism can be confronted with woke-washing (Vredenburg et al., 2020). Woke-washing means the perception of customers when a socio-political issue is not congruent with a brand's purpose, values and company practice (Vredenburg et al., 2020).

Considering all the consequences of brand activism from a customer perspective, the phenomenon implies strengths, weaknesses, opportunities, and threats. Table 3.2 depicts a SWOT analysis of brand activism implementation.

Table 3.2: Brand Activism SWOT Analysis

Strengths	Weaknesses
• Transformative nature • Values & society-driven • Millennial & Gen Z focus	• Unclarity of customer reaction • Value-definition & alignment
Opportunities	Threats
• Directed at customer-identification • Creating emotional bond • Transformation of brand identity • Increasing customer loyalty	• Accusation of woke-washing • Possible loss of established customer base • Identification of fast-changing customer expectations

Table 3.2 demonstrated that the transformative character, value-orientation, and direction at Gen Z and Millennials can be major strengths of the brand activism concept. Those are strengths, because

millennial and Gen Z customers have expectations that incorporate a change in society hat is based on values and driving societal change as a multinational company (Kotler & Sarkar, 2018). Weaknesses of the phenomenon include the unclarity of the customer response and the missing value-alignment with customer values. The unclarity of customer reaction is a problem as this is a burden for companies to implement it effectively and also, value alignment can be a weakness as values should be sustainable and not constantly changed and adapted to trends. Further opportunities are the direction at customer-identification, the emotional bond, the possible transformation of the brand identity, and the potential to increase customer loyalty. Those are opportunities as company goals can be targeted with brand activism. Threats include the accusation of woke-washing, losing fragments of the existing customer base, and fast-changing customer expectations. These threats exist, because the green-washing accusation is related to CSR and when it comes to values, it might be the case that consumers contradict even more to the transformed company behaviour. To expand on the framework development, the next section includes a development of the conceptual framework.

3.3 CONCEPTUAL FRAMEWORK

Not only is a contextual framework crucial to develop a solid basis for a measurement model of brand activism and customer loyalty, but the conceptual model must also be clear. The conceptual model is based on the literature review. Other comparable studies reviewed in Chapter 2.5.2 are especially, considered to develop a conceptual model for the relation of brand activism and customer loyalty. Figures 2.36 and 2.38 form the foundation for the development of a conceptual model. The final conceptual model for this present research study is depicted in Figure 3.2.
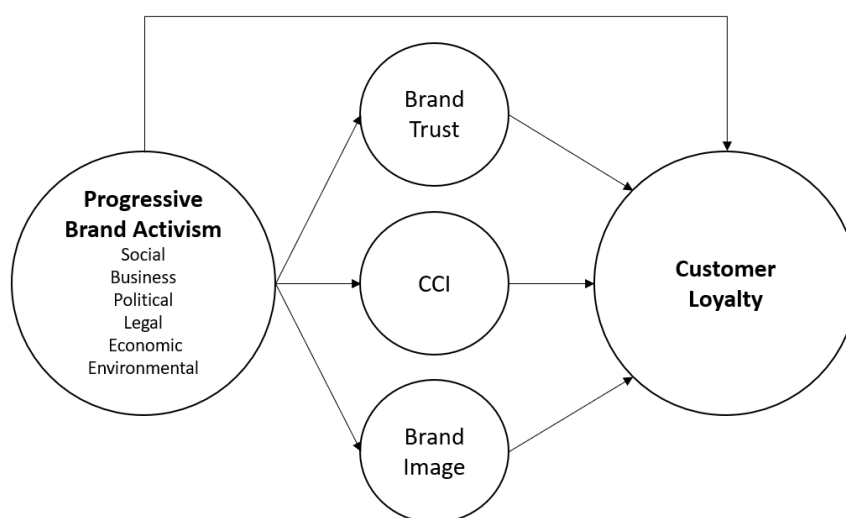
Figure 3.2: Proposed Conceptual Model

The concepts that were considered for the overall conceptual model are brand activism, brand trust, customer-company identification (CCI), and brand image. It is suggested that progressive brand activism had an influence on brand trust, CCI, and brand image. These three concepts are known as predictors of customer loyalty. It is therefore suggested that brand trust, CCI, and brand image have an impact on customer loyalty. Furthermore, a direct relationship between brand activism and customer loyalty is proposed. The choice of constructs and mediating variables is further elaborated within the methodology chapter of this thesis. The focus of this framework chapter continues with creating a solid industry framework for the study.

3.4 INDUSTRY FRAMEWORK

The main research project within this thesis analyses the brand activism outcome of Volkswagen South Africa, which is an automotive company. Therefore, the current transformation in the industry is highlighted and current trends are depicted. The automotive industry in South Africa is also evaluated. Lastly, Volkswagen's CSI strategy is explained and connected to the brand activism phenomenon.

3.4.1   Transformation in the Automotive Industry

In terms of the history of sustainability in the automotive industry, Figure 3.3 gives insights about the highlights that had an impact on the implementation of sustainability standards within the auto sector.
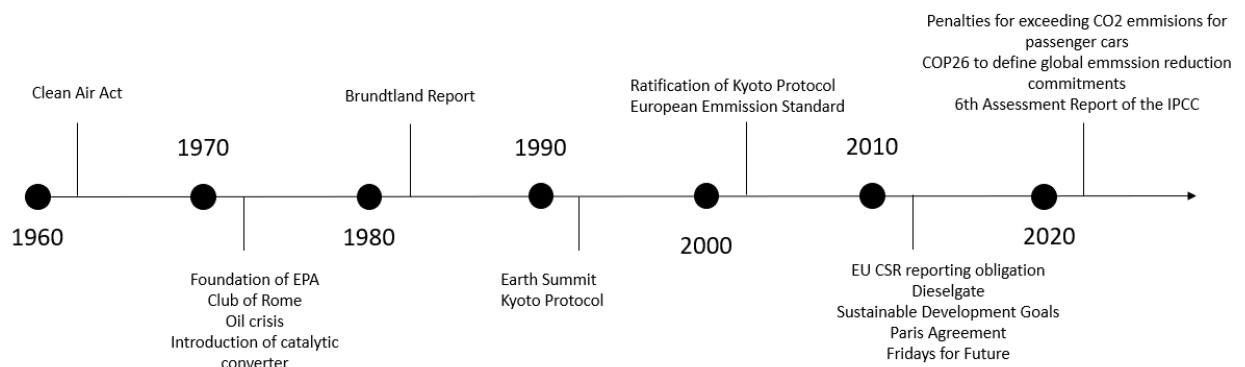
Figure 3.3: Timeline Implementation of Sustainability Standards (Wolff, Brönner, Held & Lienkamp, 2020)

Within the past ten years it was notable that the focus was placed on the emissions of vehicles and therefore political as well as legal consequences were drawn to limit CO2 emissions in the mobility sector. But not only that has changed the car industry. The automobile industry is experiencing a global transformation, as customer demand have changed from seeing automotive companies as car

manufacturers to the assumption that of automotive businesses serve as mobility providers (Deloitte, 2021). Industry transformation is defined as an era of rapid and wholesale changes in the industry sector which pose threats and opportunities to companies, and which require new strategy tools (Porter & Rivkin, 2000). According to PwC (2019) the transformation of customer expectations in the auto industry came from the four mega-trends that are changing the automotive sector currently. These megatrends are climate change, demographic change, urbanization, and technological change (PwC, 2019). Car manufacturers react to this by implementing an "eascy" strategy, which is an acronym for electrified, autonomous, shared, connected, and yearly updated. Moreover, KPMG (2021) defined further trends in the automotive industry until 2030. Figure 3.4 shows the worldwide key trends in the automotive industry until 2030, as predicted by KPMG (2021).

Figure 3.4: Automotive Key Trends (KPMG, 2021)

In terms of this research, it is notable that a number of these trends are related to political, legal, environmental, and economic drivers. Battery electric mobility (56%), fuel cell electric mobility (56%) and hybrid electric mobility (52%) are solutions of the industry to contribute to the reduction of emission and therefore air pollution. These are investments directed at environmental issues. The automotive industry especially entered into public focus with Dieselgate and the question was raised to what extent sustainability had been implemented in the sector (Wolff et al., 2020). Another trend

that is vital for this research is the market growth in emerging markets (50%). Investing in emerging markets and expanding the market growth are connected to economic issues. The economic issues in South Africa related to the automotive industry are discussed in more detail in the next part.

3.4.2 The Automotive Industry in South Africa

The market investigated in the framework of the study will be the automotive industry in South Africa, the largest automotive industry on the continent. The automotive industry in South Africa is constituted by 22 companies that are involved in the production of cars and commercial vehicles. Seven brands dominate the market, namely BMW, Ford, Isuzu, Mercedes-Benz, Nissan, Toyota, and Volkswagen (NAAMSA, 2022). The current trend within the automotive industry in South Africa is localisation. Localisation means that an increasing number of parts and components are produced in South Africa rather than imported from other countries. This results in economic growth as well as a chance for BEE participants to get employed along the whole supply chain (BusinessTech, 2021) .The South African Automotive Master Plan predicts that the number of produced cars is escalating from 600,000 cars a year (2021) to 1.4 million cars a year in 2035. Now, South Africa contributes 0,7% to the world's vehicle manufacturing. In terms of the South African Market, the automotive industry makes 4,9% of the GDP (NAAMSA, 2021). 110,000 people are employed in the South African automotive market and approximately 1.5 million people are indirectly impacted (BusinessTech, 2021). One of the leading automotive companies in South Africa is Volkswagen, therefore, this research engages in Volkswagen South Africa's strategy as part of the transformation within the sector.

3.4.3 Volkswagen's Strategy

In 1947, Volkswagen built the first factory in South Africa and in 1948 the first vehicle was produced. In 1973, Volkswagen was the market leader in the South African automotive market for the first time. Volkswagen is the largest German investor in South Africa with more than 4,000 employees and is the largest private sector investor and employer in the Eastern Cape. Volkswagen identifies its brand with the role of being the people's car, by democratizing mobility for the South African people (Volkswagen-South-Africa, 2022). In 2020, the Volkswagen Passenger brand had a market share of 21.6% in South Africa. The Volkswagen Group was the second best-selling brand in the period between 2018 and 2020 (NAAMSA, 2021). Volkswagen is studied within this research as it is not only a top-selling brand, but also a brand that engages a great deal in CSI (Corporate Social Investment) initiatives. Volkswagen's vision statement is "to make this world a mobile, sustainable place with access to all the citizens." Their new group strategy is "NEW AUTO – Mobility for Generations to Come". Volkswagen wants to become the leading, global software-driven mobility provider

(Volkswagen, 2021). Based on the market indicators and motivation to use Volkswagen as a brand in this research, discussions with Volkswagen were held to investigate whether all the brand activism dimensions were utilised in their brand engagement activities. A Brand Manager at Volkswagen South Africa (Symons, 2021), a Marketing Manager (Ms Lindi Hilliar) and a representative of Corporate and Government Affairs (Ms Nobuntu Lange) at Volkswagen South Africa acted on behalf of the company to indicate the various brand activism activities and treatments, namely videos and information that they utilise and could be included as part of the experimental treatment of this study. All the aforementioned videos and information are available in the public domain, such as on the Volkswagen South Africa Website and YouTube channel and no formal approval by Volkswagen was required. Appendix A illustrates the six brand activism dimensions, together with the treatments, namely information and videos that is used in this research.

3.4.3.1 Volkswagen's CSI Initiatives

For the purposes of this research, the 6 treatments were approved by three Volkswagen South Africa employees from the departments of marketing and corporate and governance affairs. In the course of the approval, three projects of Volkswagen South Africa were looked at in detail and applied to the contextual framework. The three projects are the "Blue Bike Project", the "Lionesses Den" and the "Children Bursary Fund". The Blue Bike Project was marketed under the banner of "Volkswagen for Good". Within this project, Volkswagen South Africa collaborated with Qhubeka and World Vision as part of the Bicycle Education Empowerment Programme (BEEP) to provide 1,100 bicycles to 20 rural schools in the Eastern Cape and KwaZulu Natal (Symons, 2021). In addition, Volkswagen has introduced the Lionnesses Den, whereby they partnered with the Lionnesses of Africa to support female entrepreneurs by supporting them with capital to invest in their start-ups/companies (Hilliar, 2021). Volkswagen's goal with this campaign is to support 1 million entrepreneurs across Africa. The children of VW bursary fund gives talented children of VW South Africa shop floor employees the possibility to receive quality education. The programme is thus also directed at South Africa's lack of national skills by increasing the number of black learners who acquire a university pass in Maths, Science and English (Lange, 2021). In the following part, these projects are evaluated as proposed in the contextual framework. The operating model is depicted first, then the company values, brand identity, core-business relation, and customer behaviour are explained.

3.4.3.2 Volkswagen's best operating model

In order to strategically implement projects, Volkswagen South Africa follows an operating model. In practice, Volkswagen South Africa applies the following key principles (Lange, 2021):

1)   Targeted and strategic approach;

2)   Meaning, impact and legacy;

3)   Aspirational and inspirational; and

4)   Meaningful collaborations.

Following these key principles, a model to balance company goals through the projects was developed by Volkswagen South Africa. According to the corporate and governance affairs department of Volkswagen South Africa, Figure 3.5 presents the best operating model:
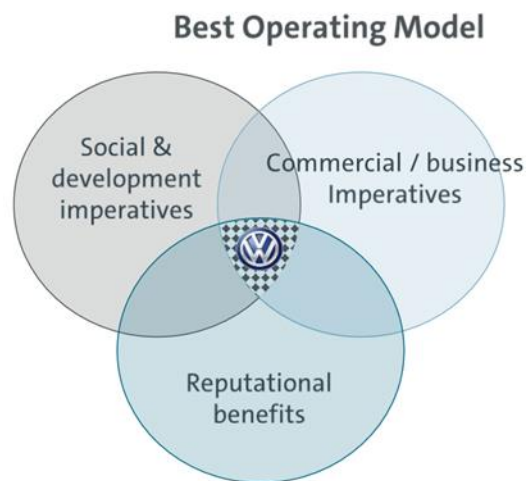
Figure 3.5: Volkswagen CSI Best Operating Model (Lange, 2021)

The model implements a tripartite structure, that is, it includes social and development imperatives, commercial and business imperatives, and reputational benefits. If these three goals are equally achieved by the project, it is the best-case scenario. However, company values must be clear in order to be directed at the imperatives and benefits. Table 13 shows how this operating model can be transformed to be directed at brand activism. The content is explained in more detail in the next sections.

Table 3.3: Volkswagen Strategy Implications

Company values	Brand Identity
Volkswagen for Good	Ethical, socially responsible + good reputation
Move people forward	Peoples brand
	Inclusive/Feminism

Running a profitable business goes hand in hand with supporting communities/surroundings	Company that cares for community
Business Relation People at heart of company behaviour Committed to making a sustainable difference to community Awareness of minorities in business environment Progress in every single level of community	**Customer Behaviour** Positive WOM – social media 402 entries of female entrepreneurs ROI = 8:1

In addition to the strategy implications, it is important to highlight the company values Volkswagen communicates.

3.4.3.3 Volkswagen's company values

In terms of company values, the Volkswagen Group agrees on the following essentials (Volkswagen-Group, 2021):

1)   Responsibility;

2)   Honesty;

3)   Bravery;

4)   Diversity;

5)   Pride;

6)   Solidarity; and

7)   Reliability.

These seven values are also incorporated within Volkswagen's value statement. The value statement of Volkswagen is:

"We take on responsibility for the environment and society. We are honest and speak up when something is wrong. We break new ground. We live diversity. We are proud of the work we do. We not me. We keep our word" (Volkswagen-Group, 2021).

Furthermore, Volkswagen claims that their company values are incorporated by their global vision "moving people forward". The international VW slogan changed in 2016 from "Das Auto" to "Moving people forward", as VW claims that running a profitable business goes hand in hand with investing in community developments and surrounding areas of their business (Hilliar, 2021; Lange, 2021). The social initiatives of Volkswagen South Africa are therefore also lined up strategically to achieve the global vision to move people forward.

3.4.3.4 *Volkswagen's brand identity*

Since 2019, Volkswagen has a new brand design. Volkswagen claims it to be one of "the world's largest rebranding campaigns" (Volkswagen, 2019). The rebranding is the logical consequence of the strategic new-orientation of Volkswagen. The main principles of the Volkswagen brand are

1)   People first;

2)   Digital first;

3)   New attitude;

4)   Brand differentiation;

5)   Total brand experience; and

6)   Global brand governance.

In the context of brand activism, especially the new attitude, brand differentiation and global brand governance are of interest. In terms of the new attitude, Volkswagen claims to be human, open, inviting, transparent, responsible, and authentic. The brand differentiation of Volkswagen aims at clearly making differences compared to competitors through the new brand design. The global brand governance is aimed at a uniform presentation of the brand and products around the whole world (Volkswagen, 2019).

Looking at the analysed brand activism examples, the brand identity is shaped by creating an ethical, socially responsible brand that has a good reputation by tackling topics like youth development, education, and feminism. Thereby, Volkswagen SA wants to present the "People's brand" and include minorities like black university applicants, female entrepreneurs and to take care of the community that is directly and indirectly part of Volkswagen's business environment (Hilliar, 2021; Lange, 2021; Symons, 2021) .

3.4.3.5 Volkswagen's business relation to initiatives

In terms of business relation, the three discussed projects are not directly related to Volkswagen's core operations, namely producing, and selling vehicles. However, Volkswagen claims that following their mission to be the "People's brand", people are at heart of every business operation. Despite the core business, Volkswagen South Africa is committed to making a sustainable difference in society by building awareness about minorities that are not directly related to their business environment. Even though female entrepreneurs and youth development and education do not affect Volkswagen's operations, they believe it is their duty to put people in the community first (Hilliar, 2021; Lange, 2021; Symons, 2021).

3.4.3.6 Volkswagen's measured customer behaviour

The customer reactions to the three projects were positive overall. Even though Volkswagen does not implement measurement scales to track the customer behaviour of all the projects, there were positive reactions and comments on social media. For the Lionesses Den, measurement was implemented and Volkswagen South Africa counted 402 entries of female entrepreneurs to the project as well as a marketing return on investment of 8:1. The return on investment (ROI) is a commonly used tool to compare capital projects by dividing the net return by the investment (Ambler & Roberts, 2008):

$$ROI = \frac{Return\ (Benefit)}{Investment\ (Cost)}$$

This also applies for marketing measurement, thereby the marketing cost is subtracted from the sales growth and then divided by the marketing cost:

$$Marketing\ ROI = \frac{Sales\ Growth - Marketing\ Cost}{Marketing\ Cost}$$

A typical marketing ROI is considered a ratio of 5:1. An exceptional marketing ROI is considered a ratio of 10:1 (Marketing-Evolution, 2022). Therefore, the ROI of the Lionnesses Den Project is an above-average successful project in terms of marketing goals.

3.5 SUMMARY OF THE FRAMEWORK CHAPTER

This chapter served as a bridge from the literature review to the methodology of this thesis by building a solid framework in terms of the research context, the research concept, and the observed industry. The contextual framework narrowed the researcher's vision down from a real-world environment toward a macro-view and micro-view of the marketing research field. The marketing-oriented components of brand activism were listed, the topics included in the applied brand activism

framework were named, the customer-oriented consequences were elaborated, and a SWOT analysis was presented. The conceptual framework briefly explained and depicted the conceptual model constituted by the constructs brand activism, customer trust, CCI, brand image, and customer loyalty. The industry framework offered an overview of the transformation of the whole automotive industry, an overview of the automotive sector in South Africa, and highlighted Volkswagen's strategy. To provide a robust basis for the study, three Volkswagen South Africa employees offered guidance to construct the experimental treatments to design the research study. Taking these three frameworks as a basis, the methodology of the research study is elaborated in the following chapter.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter introduces the research methodology applied in the study. The goal is to develop a deeper understanding of the methods used to establish and discover the relationship of brand activism and customer loyalty. A model to test the relationship between the two concepts is applied throughout the chapter. This section of the thesis starts with the introduction of the definition of the research problem and research questions, covers philosophical underpinnings, the research design, the hypothesis development, the sampling and data collection and finally, the data analysis and reporting.

4.2 PROBLEM DEFINITION, RESEARCH QUESTION AND AIMS

Within the past 15 years, companies made a lot of effort to engage in CSR (Scherer & Palazzo, 2011). However, the outcomes of social engagement of businesses must be measured. As CSR can have various advantages in terms of marketing strategy, companies must observe whether CSR activities have a positive impact on customer loyalty, as loyal customers can increase the profits and market share of a company (Chaudhuri & Holbrook, 2001). Especially Millennials set higher expectations when it comes to the sustainability of companies (Kotler & Sarkar, 2018), therefore, companies must engage as brand activists that have the vision to make an impact on the business environment by taking a standpoint regarding issues and problems in society. These issues can be addressed by activities in social, business, political, legal, economic, or environmental frameworks, otherwise, stakeholders may experience the company as a regressive brand. Regressive brands are differentiated from progressive brands by a value gap, as regressive brands take action that contradict the common good, whereas the actions of progressive brands promote the common good (Kotler & Sarkar, 2018). As already introduced in the literature review, the relationship between CSR activities and customer loyalty has been researched by various scholars (Contini et al., 2020; Inoue et al., 2017; Martínez & del Bosque, 2013; Moon et al., 2015; Pérez & Rodríguez del Bosque, 2015; Rivera et al., 2019). The literature on brand activism and customer loyalty is, however, limited.

One problem for companies is that there is the claim that CSR does not transform company practices sufficiently due to changed expectations of the generation of millennials (Scherer et al 2016). Also, an increasing number of multinational companies agrees on the viewpoint that shareholder value should no longer be the only driver for business operations, because business is strongly influenced by the sceptical perspective of stakeholders (Gelles & Yaffe-Belany, 2019). Therefore, MNC's are implementing brand activism to address this sceptical view of stakeholders (Kotler & Sarkar, 2018).

Scholars suggest that this has an impact on customer behaviour. However, it is unclear what effect brand activism has on customers, how strong the effect is, and which type of customers it affects (Moorman, 2020; Moumade, 2020; Vredenburg et al., 2020). The theoretical problem of this situation is that there is no existing research on the quantitative effect of brand activism on customers. The problem for business is, that there is no guideline to measure the effect of brand activism on customers.

This research investigates both CSR and brand activism. In more detail, the research purpose of this thesis can be stated as including four goals:

This thesis has three goals. The in-depth literature review hereby provides a basis for achieving the goals as the phenomenon of brand activism as an evolution of CSR was identified. The main goals are to observe the effect of progressive brand activism on customer loyalty (1), to detect the differences between the six brand activism dimensions and their effect on customer loyalty (2), and to identify the most important brand activism applications for Millennials in South Africa (3).

An evolution of CSR toward brand activism in terms of consumer behaviour is thus explored, the relation of brand activism and customer loyalty is quantitatively measured, and the results will be compared. The ultimate goal is therefore to answer the following question in the framework of brand activism and customer loyalty:

RQ1: What is the effect of progressive brand activism on customer loyalty in the millennial target group in South Africa?

Moreover, the expectations of Millennials towards companies must be observed. It is an important indicator for companies to pinpoint which issues matter the most to their customers, therefore companies must know which matters they should focus on in their business strategy. It is helpful to be aware which of the issues, namely social, business, political, legal, economic, or environmental problems, matter the most to Millennials. The second question this research shall answer is:

SQ1: If a company practices progressive legal, workplace, political, social, economic, or environmental brand activism, what is the effect of each of the dimensions on customer loyalty?

To find out, whether there is a significant difference between the brand activism dimensions, the second sub-question is:

SQ2: What dimensions out of legal, workplace, political, social, economic, or environmental brand activism do Millennials care about the most?

In conclusion, the aims of this research are to identify brand activism as an evolution of CSR, to conceptualise brand activism, and to discover the impact of brand activism on consumer behaviour. The focus of this research is to measure the impact of the brand activism dimensions on customer loyalty and to identify differences in the effect. Furthermore, one aim is to find out in how far the measured impact of the brand activism dimensions and the perception of importance of the brand activism dimensions differ from each other. Finally, the aim of this research is to make generalisations for business implementation based on the findings.

To efficiently achieve these research goals, the philosophical underpinnings for this thesis are elaborated in the next section.

4.3 PHILOSOPHICAL UNDERPINNINGS

In general, research philosophy refers to the beliefs and assumptions that are made in terms of the development of knowledge. Within the research process, epistemological assumptions, ontological assumptions and axiological assumptions are made. Epistemological assumptions refer to the assumptions about human knowledge and are directed at the nature of reality. Ontological assumptions are related to the realities that are encountered by doing research and aim at assuring how we know what we know and what is considered as acceptable knowledge. Axiological assumptions look at the extent to which the researchers' own values influence the research process and asks how researchers should deal with the values (Guba & Lincoln, 1994; Saunders et al., 2016).
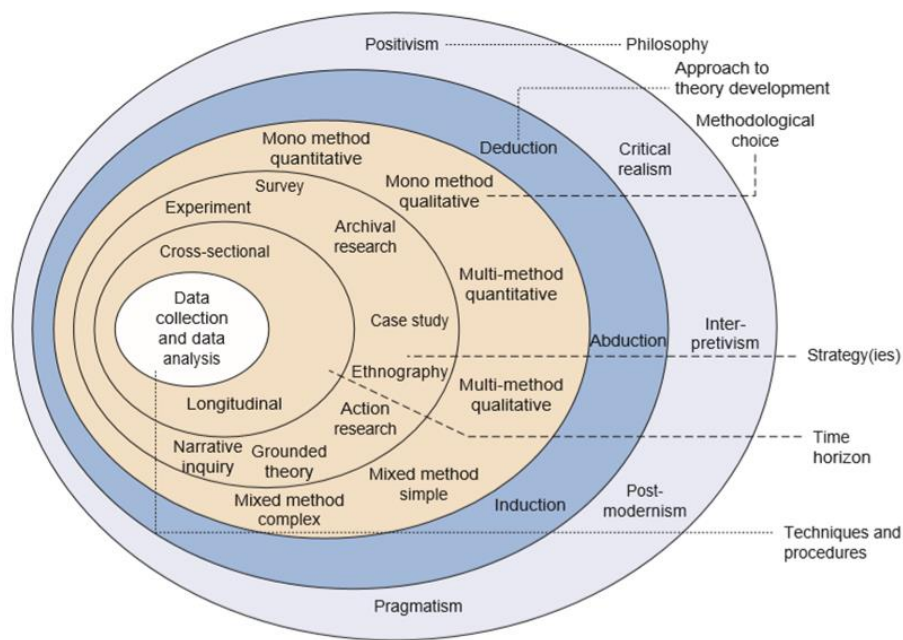
Figure 4.1: The Research Onion (Saunders et al., 2016)

The research onion by Saunders et al. (2016) in Figure 4.1 depicts the research process including philosophy, theory development, methodological choice, strategy, time horizon as well as techniques and procedures. This thesis uses the framework going from the outside of the onion, starting at the choice of philosophy to the inside, ending at data collection and analysis.

There are five main philosophies in business management, namely positivism, critical realism, interpretivism, postmodernism and pragmatism.

Positivism assumes that there is an observable social reality and aims at formulating generalisations that derive from the observation of the social reality. It yields at pure data and facts that are not influenced by human interpretation (Saunders et al., 2016). Critical Realism focuses on what the researcher sees and experiences. This theory describes reality as "external and independent, but not directly accessible through our observation" (Saunders et al., 2016:139). Interpretivism states that humans are different from physical phenomena and therefore focused on new interpretations and understandings of social contexts (Saunders et al., 2016). Main characteristics of Postmodernism are the focus on language and power relations. This theory states that "sense of order is provisional and foundationless" (Saunders et al., 2016: 141). The last philosophy is Pragmatism. Within the philosophy of pragmatism concepts must be followed by actions to contribute to practical solutions. The focus is on practical outcomes rather than abstract distinctions (Saunders et al., 2016).

The philosophy underlying this research is positivism. The researcher is working with an observable social reality and tries to derive generalisations. This being so, the underlying theories, namely brand activism and customer loyalty are also used to develop hypotheses. These hypotheses are tested, and the result is a theoretical model that can be used by other researchers to do similar research. The research is conducted value-free, and the methodology is constructed to facilitate replication. To elaborate on this research process in more detail, the quantitative method applied is explained in the following part.

4.4 RESEARCH DESIGN

4.4.1   Quantitative Method

In literature, quantitative research is associated with positivism. This thesis follows the course of literature and applies a structured data collection technique. In order to choose a valid research method, the research question and data available should determine the method (Reiss, 2011). A mono method quantitative study was therefore performed in the form of an experimental study. The figure below, adapted by Saunders et al. (2016), depicts the decision tree that explains the way from the methodological choice towards the mono method, towards a quantitative study.
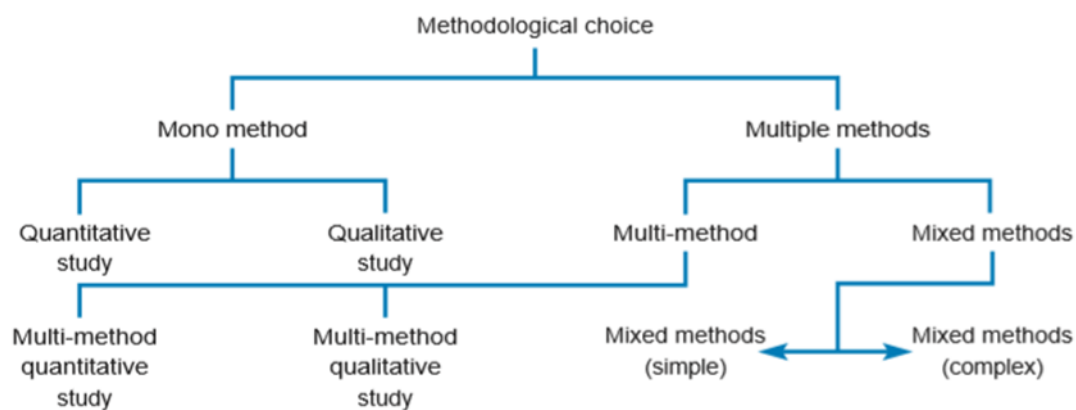
Figure 5.2 Methodological choice

Figure 4.2: Methodological Choice (Saunders et al., 2016)

The research has an explanatory character. Explanatory research tries to establish causal relationships and looks for answers to why or how something works. In this research study, a relationship between the concepts brand activism and customer loyalty should be established and therefore investigates

the influence of the effect of brand activism on the variables trust, CCI and satisfaction in relation to the variable of customer loyalty. To meet the explanatory character in the form of a research design, the applied experimental research design is now elaborated on.

4.4.2   Experimental Research Design

The explanatory study will be conducted in the form of a classic experimental research design. Experiments have their roots in natural sciences but are also applied in psychological science (Saunders et al., 2016). Only limited use of experimental research is found in international business literature. Especially in marketing research, descriptive models are used to document patterns, trends, practices, and puzzles (Reiss, 2011). There is, however, evidence that experiments can deliver meaningful causal relationships in the framework of international business research (Zellmer-Bruhn, Caligiuri, & Thomas, 2016). Most of the application of experimental research in business studies is assigned to literature in marketing and advertising, consumer behaviour, sales, communication, and related categories (Zellmer-Bruhn et al., 2016).

In general, the logic of experiments is to find data that has exogenous variation in variables that would originally be endogenous. In other words, the purpose is to observe the change of a dependent variable (DV) by changing an independent variable (IV). One variable is therefore manipulated to see the possible differences in the dependent variable (Reiss, 2011; Saunders et al., 2016; Schneider, 2011). Experiments are consequently a straightforward test of causal relationships that work well for complex causes. It is deemed as the most powerful research design, because of the ability to measure causal relationships straightforward (Schneider, 2011). A characteristic of experiments is that they deliver great external validity, which means that findings are usually generalisable and apply for other settings. However, it is a challenge to hold all factors that matter within an experiment (Reiss, 2011).

There are two types of experiments. True experiments cover all principles of experimental design, defined by experimental variables, dependent variables, controlled variables, and uncontrolled variables (Maylor, 2005). Quasi-experiments follow the general experimental design, but some principles are lacking (Maylor, 2005). In those cases, the independent variable might be controlled by the experimenter, produced by an exogenous event, or vary exogenously across tested groups (Zellmer-Bruhn et al., 2016).

Experiments usually aim at making predictions. These predictions are formulated as hypotheses. Usually, two types of hypotheses are formulated: The null hypothesis and the alternative hypothesis. The null hypothesis states that there is not any significant difference in the relation between the

variables. The alternative hypothesis states the opposite by predicting there is a significant relationship between the variables (Saunders et al., 2016).

To understand the relationship of the variables, it is important to highlight the different types of variables. The independent variable (IV) is the variable that is changed or manipulated to measure a change of the dependent variable (DV). The dependent variable measures the observed outcome of the change of the IV or other variables. Mediating variables (MV) aim at explaining the relationship between the IV and DV and are therefore located between the IV and DV (Saunders et al., 2016).
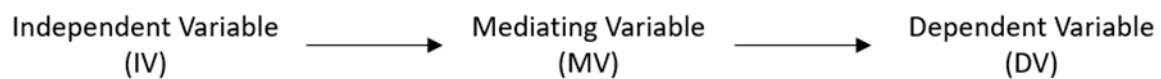
Figure 4.3: Structure: Independent, Mediating, and Depending Variable

The present study is conducted in the form of an experimental research design. This design is applied, because it can provide relevant information on the research questions (Hair, 2007). An experimental design is chosen as the causal relationship between brand activism and customer loyalty can be observed efficiently and the research questions regarding the effects and importance of Brand Activism dimensions can be sufficiently answered. The variables as well as the set-up of the experiment are thus stated in Table 4.1.

Table 4.1: Independent, Mediating, and Dependent Variables

Independent Variables (DV)	Mediating Variables (MV)	Dependent Variable (DV)
Social Brand Activism Legal Brand Activism Workplace Brand Activism Economic Brand Activism Political Brand Activism Environmental Brand Activism	Brand Trust Customer-Corporate Identification (CCI) Brand Image	Customer Loyalty

As the effect of Brand Activism is measured separately for every dimension, the independent, manipulated variables (IV) are Social Brand Activism, Legal Brand Activism, Workplace Brand Activism, Economic Brand Activism, Political Brand Activism and Environmental Brand Activism (Craddock et al., 2018; Kotler & Sarkar, 2018). As reviewed and adopted from the literature regarding CSR and customer loyalty in Chapter 2.5.2, the variables brand trust, CCI and brand image demonstrate the mediating variables (MV) between the two concepts (Chung et al., 2015; Martinez & Del Bosque,

2013; Pérez & Rodríguez del Bosque, 2015; Raman et al., 2012; Senooane, 2014). As the causal relationship from brand activism towards customer loyalty is measured, customer loyalty is the dependent variable (DV) in the model (Chung et al., 2015; Martinez & Del Bosque, 2013; Pérez & Rodríguez del Bosque, 2015; Raman et al., 2012; Senooane, 2014).

The classic experimental design is characterised by the procedure that some participants receive a treatment (manipulation) and some participants do not receive the treatment; thus, the participants are randomly allocated to the groups with or without treatment, neither participant nor researcher is allowed to decide who is assigned to the groups (Greeno, 2001). Commonly, a pre-test-post-test control group experimental design is applied in natural sciences. Within this design, the dependent variable is measured in the treatment group as well as the control group before and after the treatment was given (Greeno, 2001; McKee, 2019). However, this research did not measure the dependent variable before the treatment. Not applying a pre-test within the experiment is called post-test-only control group design. This can be applied, if the randomisation of the treatment and control groups is already efficient for reaching the research goal, as was the case with this research. If the different groups had already been equal in the beginning, because they were randomised, a pre-test would not be necessary. A pre-test is often used as well to assign participants in groups for the next step of measurement (Gribbons & Herman, 1997; McKee, 2019). This was not expedient within this study, therefore an experimental design as depicted in Figure 4.4 was applied.
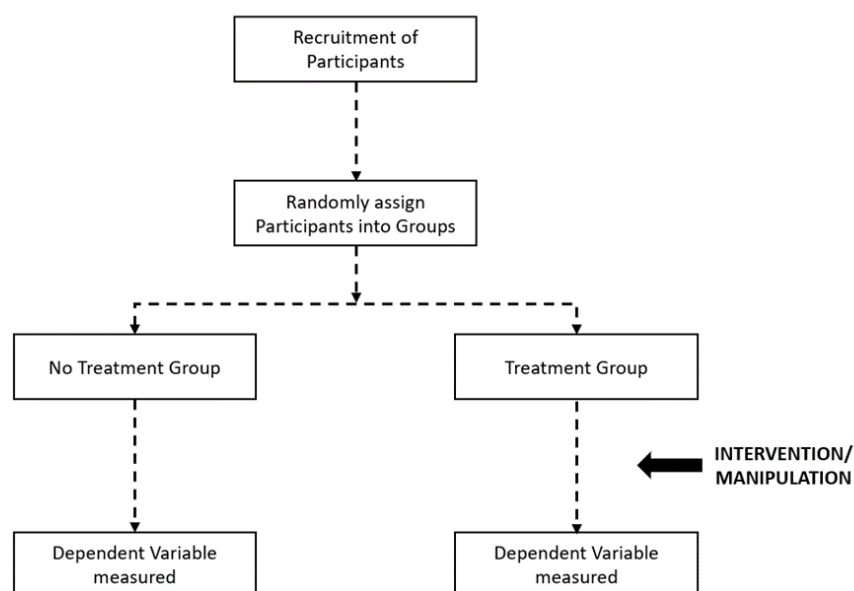
Figure 4.4: Classic Experimental Design

To guarantee an equivalence of the participants, a completely randomised design was applied, whereby participants in the age group between 20 years and 42 years were selected from a relatively large group, with 50 participants per treatment group and control group. As already indicated, the participants were randomly assigned, which means that the allocation of the 50 participants to a group was not intentionally selected, but randomly assigned.

The design is denoted by CR-p. CR stands for completely randomised, p indicates the number of levels of the treatment (Kirk, 2014). Following from that, this research adapted a CR-6 design. The individual treatments level is denoted by a1, a2, a3, a4, a5 and a6. Table 4.2 assigns the treatment group to the treatment level, namely the Brand Activism types. Group 1 received treatment level a1 (Social Brand Activism), Group 2 received treatment level a2 (Legal Brand Activism), Group 3 received treatment level a3 (Workplace Brand Activism), Group 4 received treatment level a4 (Economic Brand Activism), Group 5 received treatment level a5 (Political Brand Activism), Group 6 received treatment level a6 (Environmental Brand Activism).

The CR-p was appropriate for this study, as the study design fulfilled the following conditions (Kirk, 2014):

• It met the general assumptions of variance analysis;

• It included more than p ≥2 treatment levels; and

• One experimental unit was designated to only one treatment level.
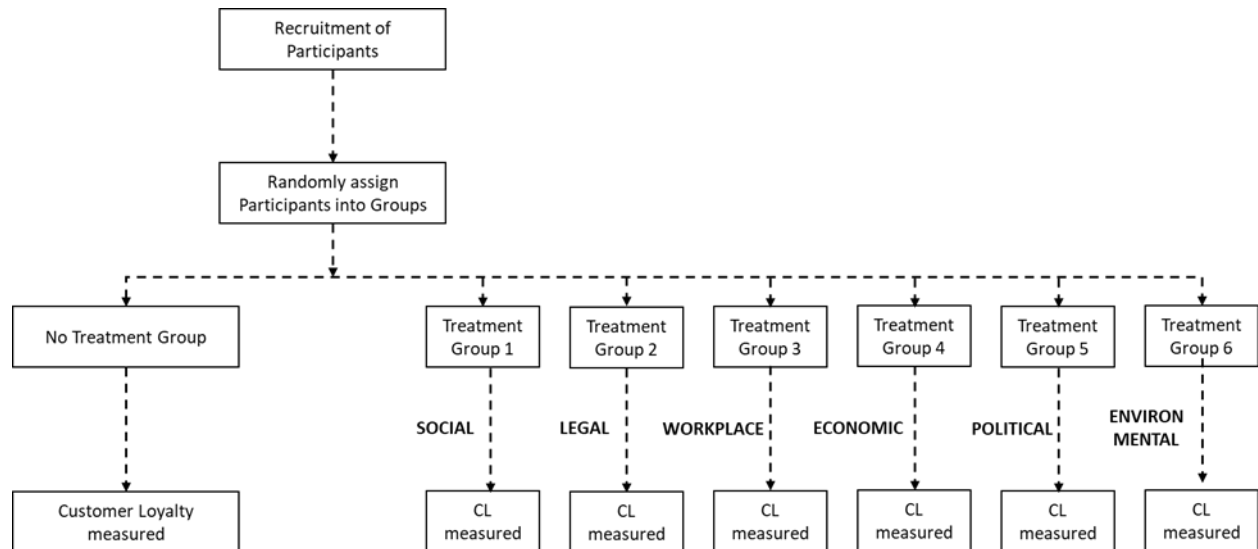
Figure 4.5: Experimental Design – Groups

Table 4.2 below summarises the treatment groups, the definition of the dimension, the treatment level including the topics displayed within the experiment and the sample size for each group.

Table 4.2: Experimental Design – Content

Treatment Groups	Definition	Treatment Level	Sample Size
Group 1: Social Brand Activism	Gender equality, LGBT, race, age, societal topics like education, healthcare, security, customer protection	a1 Cultural Engagement, Female Empowerment, Socio-Economic Support, Education/Youth Development	50 participants
Group 2: Legal Brand Activism	Company laws and policies (tax, citizenship, employment laws)	a2 Whistleblowing, Transparent Group Culture, Integrity, Corporate Guidelines (Human Rights, Labour Relations, etc.)	50 participants
Group 3: Workplace Brand Activism	Governance, corporate organization, CEO pay, employee compensation, labour unions, SCM	a3 Skills development, Diversity Management, Employee volunteer program	50 participants
Group 4:		a4	50 participants

Economic Brand Activism	monetary policies, income inequality, redistribution of wealth	Volkswagen SA Transformation, B-BBEE Trust, Management Control, Drive local – support local, Fighting for the people	
Group 5: Political Brand Activism	lobbying, privatisation, voting, voting rights, and policy	a5 Apartheid Statement, B-BBEE, Management, Control & Supplier Day (B-BBEE)	50 participants
Group 6: Environmental Brand Activism	conservation, environment, pollution, emission control, environmental regulations	a6 Go to zero strategy, Mission statements (climate, resources, air quality, compliance), Battery charging, Way to climate neutrality	50 participants
Control Group	**Definition**	**Treatments**	**Sample Size**
No Brand Activism	None	None	50 participants

The Null hypothesis for this experiment could be expressed in two ways:

Either: $H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4 = \mu_5 = \mu_6$

Or: $H_0: \alpha_j = 0 \; fo \; all \; j$

Therefore the alternative hypothesis was:

$H_a: \mu_1 \neq \mu_2 \neq \mu_3 \neq \mu_4 \neq \mu_5 \neq \mu_6$

To make sense how the pathways between the variables were connected and to give a basis for the comparison of the different Brand Activism dimensions, the structural model is explained in the following part.

4.4.3   Structural Model

Structural Equation Modelling (SEM) is used to model relations between latent variables (Hoyle & Ebrary, 2012). Characteristics of latent variables are that they are hypothetical and cannot directly be observed (Sturgis, 2021). The intent of SEM is to identify causal effects between variables and this is also known as a possibility to do pathway analysis. It is appropriate for research questions that are complex and include multi-faceted constructs. It is useful to specify relationships and it emphasises the focus on mediated as well as direct effects between variables (Hoyle & Ebrary, 2012; Sturgis,

2021). SEM is not a statistical test but rather a collection of statistical techniques. A set of relationships can be observed between one or more dependent and independent variables including continuous as well as discrete variables (Tabachnick & Fidell, 2014). In terms of variance analysis, ANOVA (Analysis of Variance) can accommodate multiple dependent variables; it is, however, limited how relations are specified and a variable can only be dependent or independent, not both. The advantage of SEM is that it can accommodate both statistical situations, namely specify a variable as dependent and independent (Hoyle & Ebrary, 2012). SEM is commonly used for hypothesis testing, especially in behavioural sciences. There is an increasing interest of marketing researchers in the variance-based SEM, also known as partial least squares (PLS) since the beginning of the 20th century (Reinartz, Haenlein, & Henseler, 2009). SEM is thus not only used for hypothesis testing but can be used for confirmatory factor analysis (CFA). CFA deals with behavioural observations such as measures and indicators; thus, a factor is an unobserved variable that has an influence on more than one observed measure. Purposes of CFA include psychometric evaluation, detection of method effects, construct validation and the evaluation of measurement of invariance (Hoyle & Ebrary, 2012).

In general, SEM is not an exploratory factor analysis, but a confirmatory technique (Tabachnick & Fidell, 2014). In terms of this research study, SEM is used for the purposes of a CFA and to evaluate the path analysis. In terms of CFA, SEM provides evidence of the reliability and validity of the concept. In other words, it checks whether the relations of brand activism, customer trust, CCI, brand image, and customer loyalty are valid and reliable. In terms of the path analysis, it provides quantitative insights about the direct as well as indirect relationship of brand activism and customer loyalty. SEM is efficient in this context because the applied model is complex, includes factors and includes variables that can be dependent and independent at once. A cause-effect relationship is observed as well. Furthermore, a CFA is necessary as method effects are detected and the construct is validated with the application of SEM.

The following figures depict a simplified structure of the structural equation models applied. The following forms demonstrate a certain type of variable or relationship (Sturgis, 2021):

Measured latent variable:
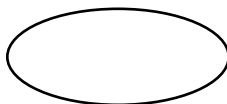
Observed/manifest variable:
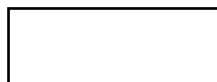
Directional path (causality): ⟶

The first structural equation model describes the relationship of the construct brand activism towards customer loyalty. In this context, brand activism is the factor as it is an unobservable variable that influences more than one observed measure, such as brand trust, customer-company identification, and brand image. Customer loyalty is a latent variable within this model. Customer loyalty is measured by the observed variables, namely cognitive, affective, conative, and behavioural loyalty. This model visualises that brand trust, customer-company identification and brand image can be both variables, that is, dependent and independent variables. Within this study, the three variables showed a mediating effect. This means that the pathway of brand activism towards customer loyalty (β_1) is mediated by the three variables and a sum of $(\beta_2 * \beta_3) + (\beta_4 * \beta_5) + (\beta_6 * \beta_7)$ demonstrate the overall effect β_1. This SEM was replicated for each brand activism dimension, to develop a basis for comparison. The structural equation models are depicted in Figure 4.6 to Figure 4.12.
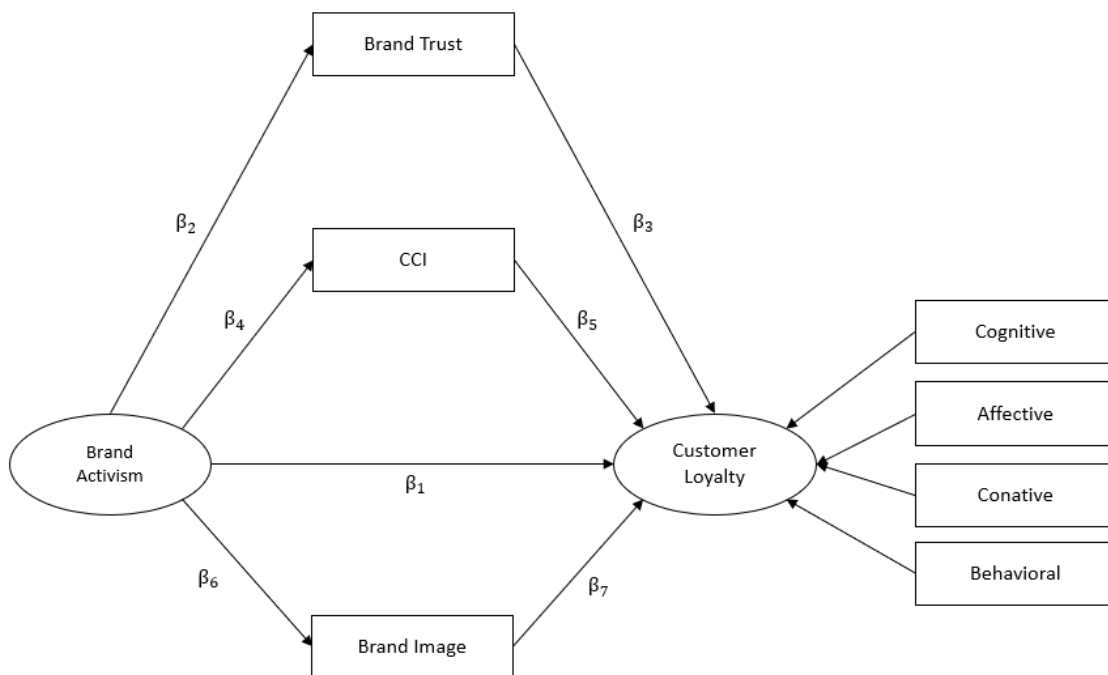
Figure 4.6: SEM – Brand Activism and Customer Loyalty
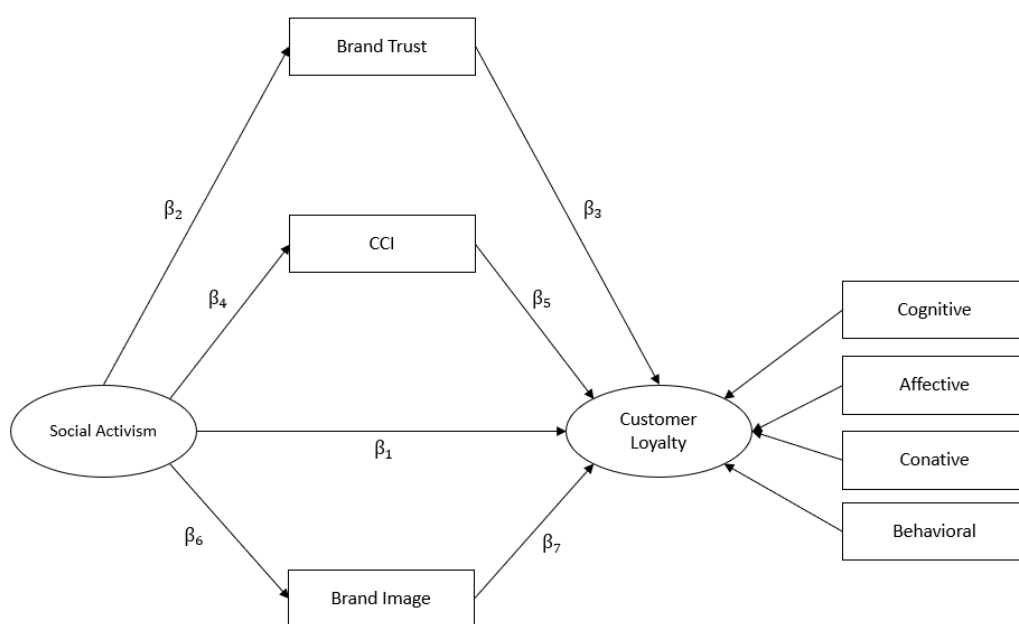
Figure 4.7: SEM – Social Activism and Customer Loyalty
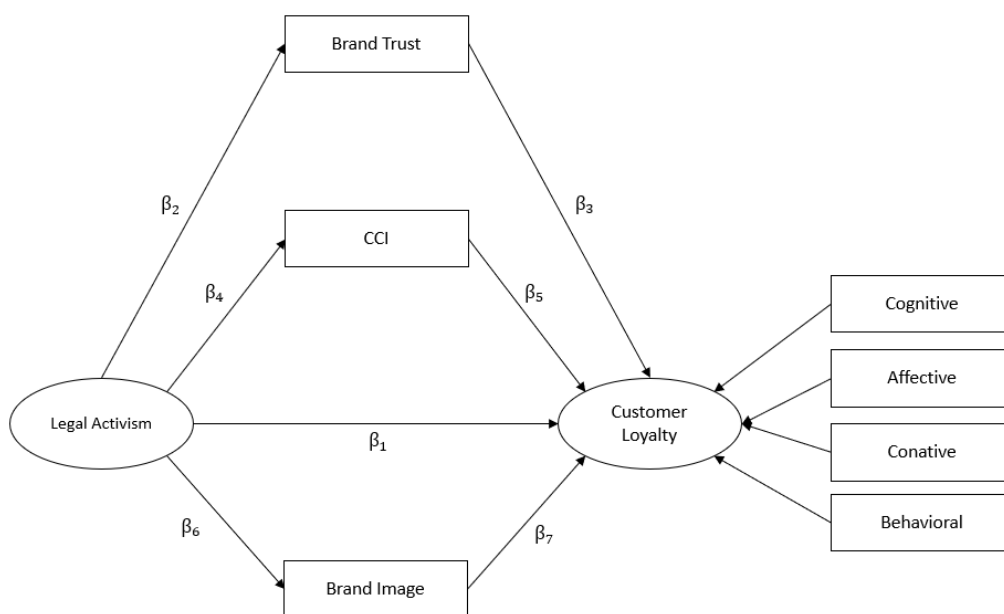
Figure 4.8: SEM – Legal Activism and Customer Loyalty
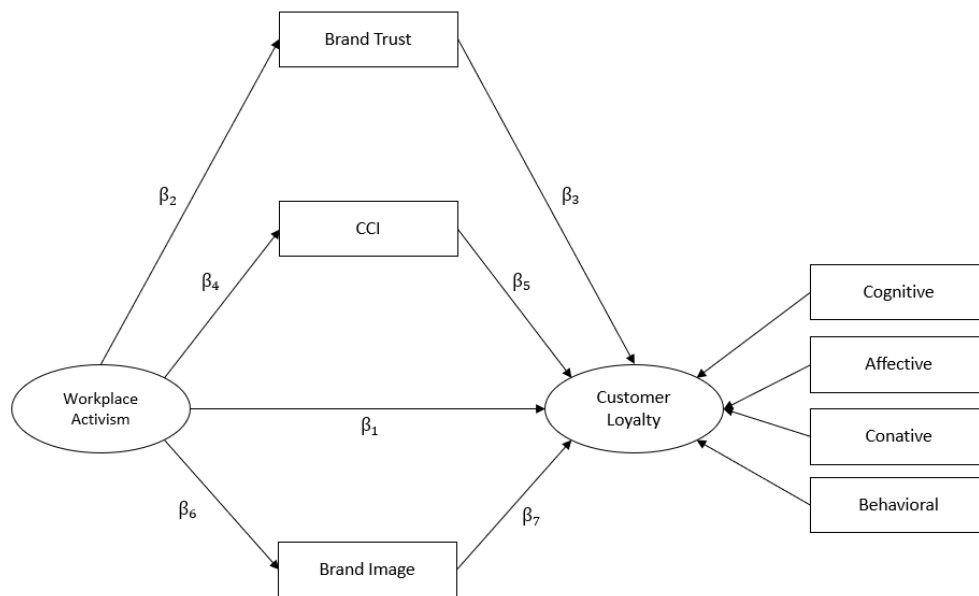
Figure 4.9: SEM – Workplace Activism and Customer Loyalty
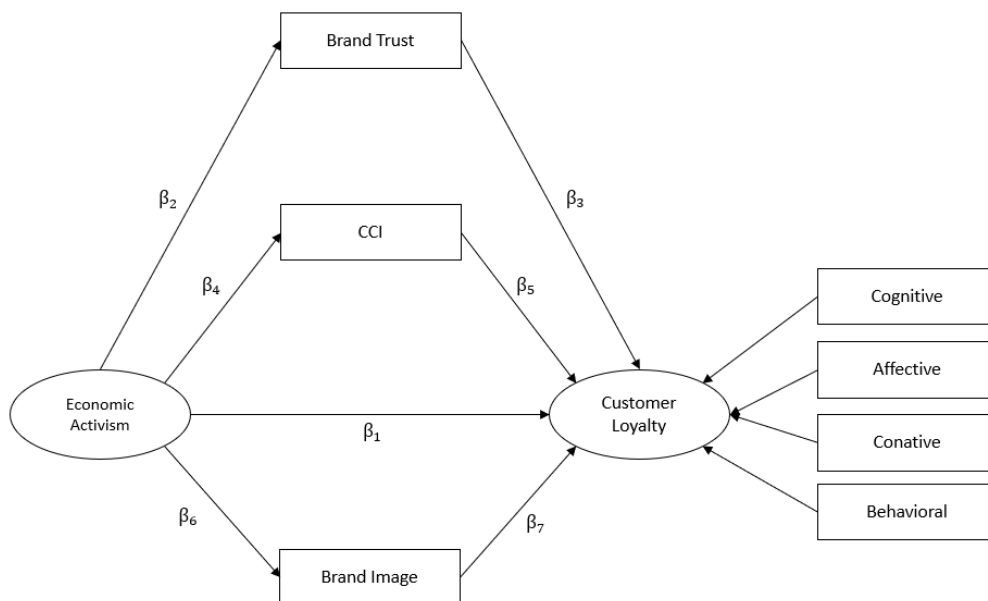
Figure 4.10: SEM – Economic Activism and Customer Loyalty
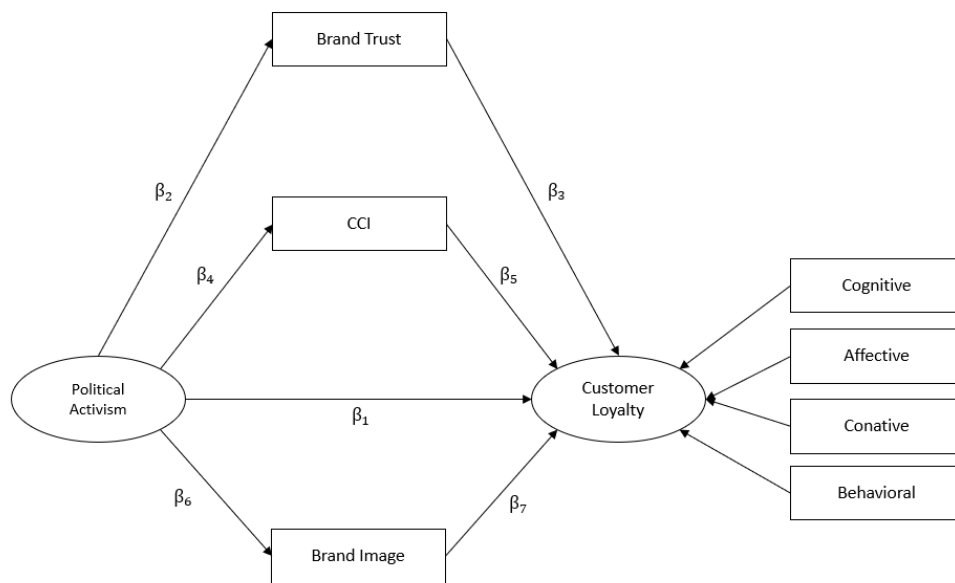
Figure 4.11: SEM – Political Activism and Customer Loyalty
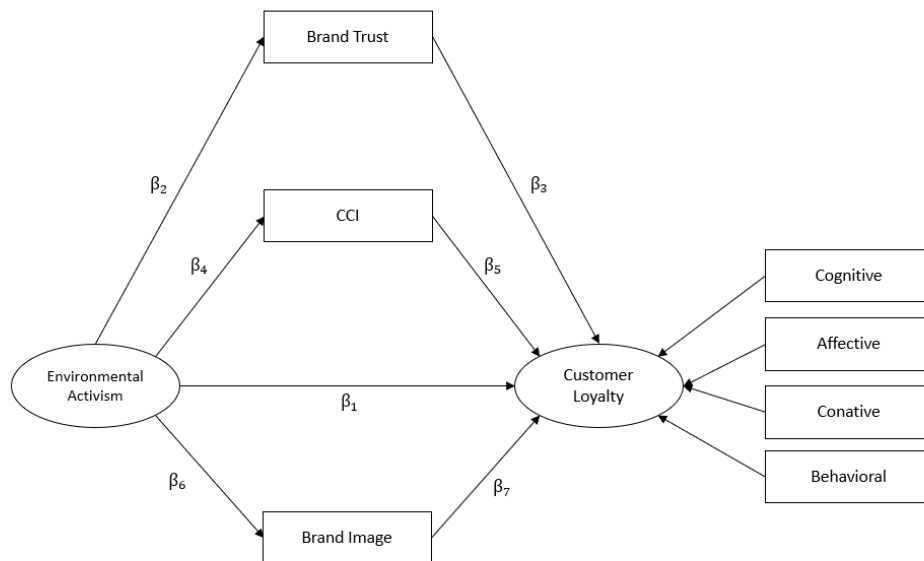
Figure 4.12: SEM – Environmental Activism and Customer Loyalty

To adequately test the outcomes of the measurement models, hypotheses must be defined first. The next section explains how the hypotheses for this thesis are developed.

4.5 HYPOTHESIS DEVELOPMENT

A research hypothesis is a statement that speculates about the outcome of an experiment. It is used to address the research problem to answer the research question (Mourougan & Sethuraman, 2017). This chapter develops seven main hypotheses and 18 sub-hypotheses to address the individual research questions for each brand activism dimension and the relationship to customer loyalty.

4.5.1 Brand Activism

The main objective of this research study was to observe the effect of brand activism implementation on customer loyalty. Since literature suggested a significantly positive effect of CSR on customer loyalty, the same effect was suggested for the relationship of brand activism and customer loyalty (Chung et al., 2015; Jung et al., 2020; Mandhachitara & Poolthong, 2011; Martinez & Del Bosque, 2013; Martínez et al., 2014; Moon et al., 2015; Salmones et al., 2005; Yusof et al., 2015). Therefore, the first hypothesis tested within this research study is the following:

H1) Progressive brand activism implementation has a positive impact on customer loyalty.

Brand activism is a multidimensional concept. This research study therefore investigated each of the dimensions by particularly looking at the individual effect of the brand activism dimensions. Social brand activism is closely related to pro-social behaviour (Cavanaugh et al., 2015). Pro-social behaviour can result in different types of behaviour, like consumption, therefore it was tested whether social brand activism is positively related to customer loyalty and the following hypothesis is proposed:

H1-1) Social brand activism implementation has a positive impact on customer loyalty.

Brand trust, CCI and brand image had been identified as mediating variables in the relationship between CSR and customer loyalty (Ahn et al., 2021; Chaudhuri & Holbrook, 2001b; Chung et al., 2015; Deng & Xu, 2017; Garbarino & Lee, 2003; Gürlek et al., 2017; Jung et al., 2020; Martinez & Del Bosque, 2013; Martínez et al., 2014; Raman et al., 2012). This research aims at observing, if brand activism has a similar effect on brand trust, CCI, and brand image. Therefore, hypotheses H1-1-1, H1-1-2, and H1-1-3 were posed:

H1-1-1) Social brand activism has a positive impact on brand trust.

H1-1-2) Social brand activism has a positive impact on CCI.

H1-1-3) Social brand activism has a positive impact on brand image.

Legal brand activism is not related to any existing concept in literature yet, therefore, the researcher proposed that the antecedents trust, and fairness, connect the concepts Legal brand activism and Customer Loyalty. Legal brand activism is thus expected to have a positive influence on customer loyalty and H1-2 was suggested:

H1-2) Legal brand activism implementation has a positive impact on customer loyalty.

In the same manner as for H1-1 the mediating effect of brand trust, CCI and brand image was expressed by hypotheses H1-2-1, H1-2-2 and H1-2-3:

H1-2-1) Legal brand activism has a positive impact on brand trust.

H1-2-2) Legal brand activism has a positive impact on CCI.

H1-2-3) Legal brand activism has a positive impact on brand image.

This study also suggested that workplace brand activism had an influence on customer loyalty. Literature proved that the treatment of employees and wage inequality impacted customer-related consequences (Bamberger, Homburg, & Wielgos, 2021; Mohan et al., 2018). In more detail, customers avoid buying from a brand with a high ratio of wage inequality (Mohan et al., 2018). Following from this, H1-3) suggests:

H1-3) Workplace brand activism implementation has a positive impact on customer loyalty.

In the same manner as for H1-1 and H1-2) the mediating effect of brand trust, CCI and brand image was expressed by hypotheses H1-3-1, H1-3-2 and H1-3-3:

H1-3-1) Workplace brand activism has a positive impact on brand trust.

H1-3-2) Workplace brand activism has a positive impact on CCI.

H1-3-3) Workplace brand activism has a positive impact on brand image.

Economic brand activism is motivated by the social-identity theory and equity theory, as an increasing number of people are demanding a change in the economic system to achieve more equality, therefore customers might rather tend to buy from companies that promote these values. Consequently, H1-4) is proposed as follows:

H1-4) Economic brand activism implementation has a positive impact on customer loyalty.

In the same manner as for H1-1, H1-2) and H1-3) the mediating effect of brand trust, CCI and brand image was expressed by hypotheses H1-4-1, H1-4-2 and H1-4-3:

H1-4-1) Economic brand activism has a positive impact on brand trust.

H1-4-2) Economic brand activism has a positive impact on CCI.

H1-4-3) Economic brand activism has a positive impact on brand image.

Added to this, political brand activism can have an impact on customer loyalty. Moorman's (2020) corporate citizen view states that customers perceive companies as political actors, therefore it is likely that a company performing political brand activism can reach a different consumer response than a company not performing political brand activism. The researcher therefore stated H1-5) as follows:

H1-5) Political brand activism implementation has a positive impact on customer loyalty.

In the same manner as for H1-1, H1-2, H1-3 and H1-4, the mediating effect of brand trust, CCI and brand image is expressed by hypotheses H1-5-1, H1-5-2 and H1-5-3:

H1-5-1) Political brand activism has a positive impact on brand trust.

H1-5-2) Political brand activism has a positive impact on CCI.

H1-5-3) Political brand activism has a positive impact on brand image.

Literature also suggests that pro-environmental behaviour and pro-environmental consumption are a subfield in consumer behaviour when it comes to environmentally responsible behaviour of companies (Welsch & Kühling, 2009). Finally, H1-6) is:

H1-6) Environmental brand activism implementation has a positive impact on customer loyalty.

In the same manner as for H1-1, H1-2, H1-3, H1-4 and H1-5, the mediating effect of brand trust, CCI and brand image is expressed by hypotheses H1-6-1, H1-6-2 and H1-6-3:

H1-6-1) Environmental brand activism has a positive impact on brand trust.

H1-6-2) Environmental brand activism has a positive impact on CCI.

H1-6-3) Environmental brand activism has a positive impact on brand image.

4.5.2   Brand Trust

Brand trust is suggested being a mediator within the relation of CSR and customer loyalty (Ahn et al., 2021; Ball et al., 2004; Chaudhuri & Holbrook, 2001b; Garbarino & Lee, 2003; Kim et al., 2008; Martínez & del Bosque, 2013). Brand trust is affected by the existence of the values that a company and a customer have in common. CSR initiatives provide information regarding the corporate character and values (Brown & Dacin, 1997). Implementing the ethical and responsibility principle was found to enhance trust among stakeholders such as customers. Furthermore, it stimulates the trust-based relationships of customers toward companies and creates credibility (Hosmer, 1994; Martínez et al., 2014). Pivato, Misani and Tencati (2008) state that brand trust is one of the immediate consequences of social performance. The researcher suggested that this also applied to the relationship of brand activism and brand trust, therefore H2) is formulated as follows:

H2) Progressive brand activism has a positive impact on brand trust.

Literature suggested that brand trust was a precursor for the development and retention of sustainable relationships between customers and companies (Morgan & Hunt, 1994). In other words, before a company can gain customer loyalty, it must gain the trust of customers (Reichheld & Schefter, 2000). Brand trust is a determinant of customer loyalty in literature and influences purchase loyalty as well as attitudinal loyalty (Chaudhuri & Holbrook, 2001). The researcher therefore suggested the following hypothesis:

H3) Brand trust has a positive impact on customer loyalty.

4.5.3   Customer-Company Identification

CCI is based on the social identity theory and self-categorization theory, which explains the motivations why CCI can create a relation between customers and companies (Martínez & del Bosque, 2013; Tajfel & Turner, 1979). Literature suggested that CSR has an influence on consumer behaviour, moderated by the influence on CCI (He & Li, 2011; Marin, Ruiz, & Rubio, 2009; Martínez & del Bosque, 2013). CSR reveals the corporate character and generates states of self-identification; therefore CSR initiatives are a key element in corporate identity. When a company's values and a customer's values are congruent, the identification-fit increases (Ahn et al., 2021; Marin et al., 2009; Martínez & del Bosque, 2013). It was suggested that brand activism has a similar effect on CCI. Therefore H4) was proposed:

H4) Progressive brand activism has a positive impact on CCI.

Furthermore, CCI is found to influence customer loyalty (Ahn et al., 2021; Bhattacharya & Sen, 2003; Deng & Xu, 2017; Marin et al., 2009). The feeling of belonging created by CCI triggers loyalty behaviour (Homburg, Wieseke, & Hoyer, 2009). Follow from this, loyalty is a natural consequence of CCI and customers are more likely to pay a price premium (Martinez & Del Bosque, 2013). Consequently, H5) is suggested:

H5) CCI has a positive impact on customer loyalty.

4.5.4   Brand Image

A positive brand image helps creating brand positioning and serves as a mediator that influences customers in their purchase decisions (Aaker, 1996; Jung et al., 2020). Existing literature suggests that CSR is a source of competitive advantage as it creates positive attitudes and positively influences brand image. A number of studies had observed the positive effect of CSR on brand image (Jung et al., 2020; Lafferty & Goldsmith, 1999; Madrigal, 2000; Maignan & Ferrell, 2001). Martínez et al. (2014) argued that CSR is an emotional aspect and provides valuable content to brand image and therefore influences brand image as well as customer loyalty. The researcher suggested a similar effect of brand activism on brand image. As brand activism is related to the attitude and emotions of customers, it is likely that brand image is influenced, therefore, the following hypothesis was suggested:

H6) Progressive brand activism has a positive impact on brand image.

Not only are brand activism and brand image related, but so are brand image and customer loyalty too. Brand image is found to be increasing customer loyalty through customer engagement (Jung et al., 2020). In general, brand image has various affects in terms of the attitude and behaviour toward a company. Several studies proved that there is a positive relation of brand image and customer loyalty (Abdullah, 2015; Brunner, Stöcklin, & Opwis, 2008; Merrilees & Miller, 2001). Brand image is one of the determinants of customer loyalty and an important factor in recommendations as well as the purchase intent (Jung et al., 2020; Kandampully & Suhartanto, 2000). Wallin, Andreassen and Lindestad (1998) suggested that brand image is a stronger predictor of customer loyalty than customer satisfaction in complex purchase decisions. As the study examined a high-involvement and complex purchase decision scenario, H7) is as follows:

H7) Brand image has a positive impact on customer loyalty.

To test these hypotheses, a quantitative method was applied, therefore, this study included an online questionnaire. The next part of this thesis describes how the questionnaire was developed.

4.6 SAMPLING AND DATA COLLECTION

4.6.1   Questionnaire Development

The data for the study was collected in the format of a questionnaire. A questionnaire is a tool to collect primary, quantitative data and is appropriate for descriptive and explanatory research. It enables researchers to obtain standardised data that is internally coherent and consistent. It ensures comparability of data and describes variability in different phenomena. Questionnaires are efficient to examine and explain cause-and-effect relationships between variables (Crano, Brewer, & Lac, 2014; Saunders et al., 2016). Within the questionnaire development, different steps were executed:
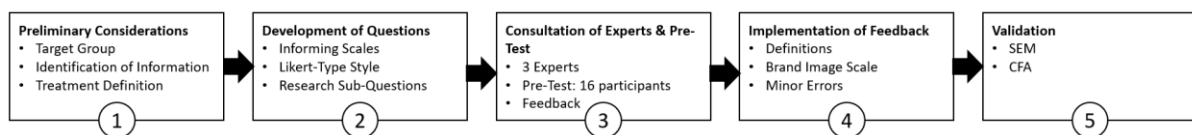
Figure 4.13: Questionnaire Development Stages

The questionnaire used for this study can be found in Appendix B.

The structure overview in Table 4.3 demonstrates the different parts of the questionnaire and helps to understand the following stages of the questionnaire development.

Table 4.3: Questionnaire Structure Overview

SECTION A	General Information	Age/Gender/Education
SECTION B	Treatment	Brand Activism
SECTION C	Mediating Variables	Brand Trust/ CCI/ Brand Image
SECTION D	Independent	Customer Loyalty
SECTION E	Additional Information	Ranking Legitimacy/ Authenticity

4.6.1.1 Preliminary Considerations

Target group identification

The first step of the questionnaire development was identifying the target group the survey should be directed at. Since brand activism is a phenomenon related to Millennials for the purposes of this thesis, age restrictions were applied. To ensure that the right target group is responding, screening questions were implemented that ensured the participants age between 20 and 42 as well as the knowledge of

the car brand VW. The age restrictions also held implications for the form of the survey. Millennials are considered experts on multi-device environments (Lee & Engelman, 2012). The survey was an internet-based web and mobile questionnaire (Saunders et al., 2016). In terms of the survey content, some information was presented at the top of the questionnaire thanking those who were willing to participate, but people under the age of 20 and over the age of 42 were not considered part of the target group and needed to leave the survey. One of the questions in section A, which is the section dealing with general information of the participant, was:

 "What is your age?"

The response options were in the form of category questions including 1) 20 – 25 years, 2) 26 – 30 years, 3) 31 – 36 years, and 4) 37 -42 years. Literature likewise confirmed that there are significant differences in purchase decision-making between men and women in the target group of Millennials (Kraljević & Filipović, 2017). Subsequently, another question in section a is "What is your gender?"

The type of question was also categorical, as either 1) male, 2) female, 3) non-binary/third gender, or 4) prefer not to say, that could be selected. The last question in section A aimed at the information of the target group was:

"What is the highest degree level that you have obtained?"

The question was also posed in a categorical manner, including 1) No schooling completed, 2) High school graduate, 3) Bachelor's degree, 4) Postgraduate degree, 5) Some schooling completed. This question was necessary as literature suggests that customer behaviour is influenced by group membership, which can be a social class, income group or educational level (Kollmuss & Agyeman, 2010).

All the criteria considered, the target group of the survey included male, female, and non-binary Millennials from different educational backgrounds in South Africa. Coherent with the media usage of Millennials, the internet questionnaire consisted of a web and mobile based form.

To obtain a holistic picture regarding the information required of the target group, a data requirement table was developed.

Identification of information required

To address all the research objectives by means of the survey and to ensure how the data would be collected, it was useful to execute a data requirement table. Table 4.4 includes the research question,

the type of research, investigative questions, variables required, detail in which the data was measured and the relationships of theories and concepts (Saunders et al., 2016).

Table 4.4: Questionnaire Information Table

Research Question: What is the effect of progressive brand activism on customer loyalty in target group millennials in South Africa?			
Type of Research Question: Quantitative Research			
Investigative questions	**Variable(s) required**	**Detail in which data measured**	**Relationship to theory/concepts**
Does the trust of customers increase by Brand Activism?	Brand Trust	Level of Agreement or Disagreement	Customer Trust & Brand Activism
Can customers identify better with a brand that implements Brand Activism?	CCI	Level of Agreement or Disagreement	CCI & Brand Activism
Do customers perceive a better brand image of brands implementing Brand Activism?	Brand Image	Level of Agreement or Disagreement	Brand Image & Brand Activism
Does Brand Activism affect Customer Loyalty?	Cognitive Loyalty Affective Loyalty Conative Loyalty Behavioural Loyalty	Level of Agreement or Disagreement	Customer Loyalty and Brand Activism
What is the most important Brand Activism topic for customers?	Social, Legal, Workplace, Economic, Political, Environmental Brand Activism	Rating scale	Brand Activism
Is Brand Activism directed at Legitimacy or Authenticity?	Legitimacy Authenticity	Level of Agreement or Disagreement	Legitimacy, Authenticity and Brand Activism

The outcome of the information table indicated that the concepts social, legal, workplace, economic, political, and environmental brand activism, brand trust, CCI, brand image, cognitive loyalty, affective loyalty, conative loyalty, and behavioural loyalty as well as legitimacy and authenticity must be covered. Subsequently, the main attributes of the questionnaire were the independent variable, namely brand activism, the mediating variables, namely brand trust, CCI and brand image and the dependent variable, namely customer loyalty. To cover the topics included in the different brand activism dimensions, considerations regarding the treatments were made.

Treatment considerations

To identify the treatments, the definition of the Brand Activism dimensions was first observed regarding their components. Then, Volkswagen South Africa's brand activism engagements were reviewed in-depth by analysing the information on the official homepage of Volkswagen South Africa (www.vw.co.za). As the treatment served as a marketing manipulation for the participants, missing information was added by looking at Volkswagen Group's international homepage (www.volkswagenag.com). The topics addressed for each dimension are presented in Table 4.5. A detailed description of the treatments can be found in Appendix A. The control group was not exposed to any treatment. The treatment section of the questionnaire is named section B.

Table 4.5: Treatment Description

Treatment Group	Dimension	Components	Topic included
1	Social Brand Activism	"Social activism promotes social values. It includes topics like equality, societal and community issues, gender, LGBT, race, age, education, healthcare, social security, privacy and consumer protection."	Cultural Engagement Female Empowerment Socio-Economic Support Education/Youth Development
2	Legal Brand Activism	"Legal activism addresses laws and policies that impact companies, such as tax, citizenship, and employment laws"	Whistleblowing Transparent Group Culture Integrity Corporate Guidelines (Human Rights, Labour Relations, etc.)
3	Workplace Brand Activism	"Workplace activism directs at topics at the workplace like pay, workers' rights and working conditions. It includes governance and deals with corporate organisation, CEO pay, worker compensation, labour and union relations."	Skills development Diversity Management Employee volunteer program

4	Economic Brand Activism	"Economic activism is about wage and tax policies that impact income inequality and redistribution of wealth."	Volkswagen SA Transformation B-BBEE Trust Management Control Drive local – support local Fighting for the people
5	Political Brand Activism	Political activism describes the case when a company makes political statements. It includes lobbying, privatisation, voting, and policy"	Apartheid Statement B-BBEE Management Control & Supplier Day (B-BBEE)
6	Environmental Brand Activism	"Environmental activism deals with conservation, ecocide, land-use, air and water pollution, emission control, environmental laws, and policies."	Go to zero strategy Mission statements (climate, resources, air quality, compliance) Battery charging Way to climate neutrality
7	Control Group	None	None

4.6.1.2 Development of Questionnaire and Scales

After developing the treatment content in section B, the questions addressing the mediating variables (brand trust, CCI, brand image) were covered in section C. Questions directed at the dependent variable (customer loyalty) were integrated in section D. The questions included in section C and D were informed by existing scales in literature, therefore the studies of Sirdeshmukh et al. (2002), Garbarino and Lee (2003), Chung et al. (2015), Martinez and Del Bosque (2013) and Bobâlcă, Gătej(Bradu) & Ciobanu, (2012) were applied.

Scales informing the questionnaire

A scale combines rating questions to measure a certain concept, like customer loyalty. Rating questions are commonly used to collect opinion data. Within this thesis, existing scales were used, as these scales had already been tested for validity and reliability (Saunders et al., 2016). For this survey, five-point Likert scales were used. Likert scales range from a group of categories – least to most – and ask participants to what level they agree with a statement, from strongly disagree to disagree, to neither agree nor disagree, to agree to strongly agree (Allen & Seaman, 2007). A Likert-type scale is useful to collect categorical ordinal data. In general, Likert-type scales are easy to construct and provide high reliability. For the participant, it is easy to read and complete. A five-point scale was implemented for this thesis, because it is an odd-numbered scales with a midpoint. Literature suggested that scales including a midpoint would offer the participant the opportunity to take a

neutral position on the scale (Colman, Norris, & Preston, 1997). Furthermore, the scales reviewed informing the questionnaire used 5-point as well as 7-point Likert-type scales. The scales explained are the following:

4.6.1.2.1   Brand Trust

In order to measure brand trust, a scale from Sirdeshmukh, Singh and Sabol (2002) and Garbarino and Lee (2003) was used. The scale was applied in a variety of studies, which was an indicator for appropriate validity (Brudvig, 2015; Garbarino & Lee, 2003). Sirdeshmukh et al. (2002) ensured the validity and reliability of the scales in three stages. Firstly, the study included four focus groups conducting in-depth interviews. Secondly, exploratory factor analysis (EFA) was applied and 7 of 16 items were ruled out. Then, a restricted factor analysis (RFA) was estimated, and four criteria were set: "(1) the measurement model fitted the data reasonably well, (2) the loadings on hypothesised factors were significant and large, (3) each factor yielded reliabilities exceeding .70, and (4) the intercorrelation among the factors (dimensions) produced evidence of discriminant validity" (Sirdeshmukh et al., 2002:25). A confirmatory factor analysis was also carried out.

Confirmatory Factor Analysis:

χ^2= 216.2; d.f. = 120; NFI = 0.98; NNFI = 0.99; CFI = 0.99; RMSR = 0.04; RMSEA = .047

*χ^2: Chi-Square; d.f.: degrees of freedom; NFI: normed fit index; NNFI: Non-Normed Fit Index; CFI: comparative fit index; RMSR: average residuals for the correlation matrix; RMSEA: root mean square error of approximation

Reliability:

In terms of the reliability of the Cronbach's alpha of benevolence, the trust scale was α = 0.90 in a retail context and α = 0.86 in an airline context within this study (Sirdeshmukh et al., 2002). The items included within the scale are the following:

Table 4.6: Brand Trust Reliability (Garbarino & Lee, 2003)

Scale: Brand Trust Garbarino & Lee (2003)	Reliability: α = 0.90/ α = 0.86
1)[firm name] has practices that indicate respect for the customer	Factor: 0.9 Loading: 0.14
2)[firm name] has practices that favor the customer's best interest	Factor: 0.9 Loading: 0.11
3)[firm name] considers the customer's welfare when making important decisions	Factor: 0.84 Loading: 0.3
4)[firm name] considers how future decisions and actions will impact the customer	Factor: 0.77 Loading: 0.31

4.6.1.2.2   Brand Image

The brand image scale was adopted from Chung et al. (2015). There is evidence for the validity of this scale, as it had been used in different marketing research contexts within literature (Ishaq, 2012; Yeo, Goh, & Tso, 2011). Chung et al. (2015) ensured validity by performing a confirmatory factor analysis. Every factor loading exceeded the accepted level over 0.5 and all loadings were significant at the level of 0.01. The average variance extracted (AVE) also exceeded the level of 0.5 for all constructs.

Confirmatory Factor Analysis:

AVE = 0.73

$\chi 2(263) = 439.90$, GFI=0.878, AGFI=0.842, TLI=0.936, CFI=0.964, RMSEA=0.050

*$\chi 2$: Chi-Square; GFI: Goodness of fit index; AGFI: Adjusted Goodness of Fit Index; TLI: Tucker–Lewis index; CFI: comparative fit index; RMSEA: root mean square error of approximation

Reliability:

The composite reliability of this scale measured by Chung et al. (2015) is α = 0.876. Ishaq (2012) measured a reliability of and α = 0.91. The study of Yeo et al. (2011) included a reliability of a Cronbach's alpha α = 0.89. The items are:

Table 4.7: Brand Image Reliability (Chung et al., 2015)

Scale: Brand Image Chung et al. (2015)	Reliability: α = 0.876
1) This firm has an overall clean reputation	α = 0.825
2) This firm is open to consumers	α = 0.847
3) This firm has good transparency	α = 0.758

4.6.1.2.3   CCI

To measure CCI, the scales from Mael and Ashforth (1992) and Martinez and Del Bosque (2013) were adopted. The validity of the scale was confirmed by various researchers (Hildebrand et al., 2010; Martinez & Del Bosque, 2013). Martinez and Del Bosque (2013) ensured content validity by getting feedback from two scholars and 16 postgraduate students in terms of comprehensibility, readability, wording, ambiguity, and design. The goodness of measurement instruments as well as validity and reliability of the items was assessed by a confirmatory factor analysis as well. Discriminant validity was ensured by the square root of the average variance extracted.

Confirmatory Factor Analysis:

AVE = 0.72

$\chi2/df$ = 2.63; NFI = 0.91; TLI = 0.93; CFI = 0.94; GFI = 0.88, RMSEA = 0.06

*$\chi2$: Chi-Square; NFI: normed fit index; TLI: Tucker–Lewis index; CFI: comparative fit index; GFI: Goodness of fit index; RMSEA: root mean square error of approximation

Reliability:

Mael and Ashforth (1992) reported a reliability of α = 0.87 in their research. Martinez and Del Bosque (2013) found a Cronbach's alpha of α = 0.91 for CCI. The items were:

Table 4.8: CCI Reliability (Martinez & Del Bosque, 2013)

Scale: CCI Martinez & Del Bosque (2013)	Reliability: α = 0.91
1) When someone criticizes [firm name], it feels like an insult to me.	α = 0.77
2) I am very interested what others think about the brand [firm name].	α = 0.82
3) I believe that [firm name] cultivates the values that I hold in esteem.	α = 0.89
4) Owning a [firm name] highlights my personal characteristics.	α = 0.91

4.6.1.2.4   Customer Loyalty

In terms of measuring customer loyalty, the scale of Bobâlcă et al. (2012) was used. These loyalty scales are a summary of commonly used cognitive, affective, conative and action loyalty measures in literature and are therefore valid (Evanschitzky & Wunderlich, 2006; X. Han et al., 2008; Harris & Goode, 2004; Quester & Lin Lim, 2003; Zeithaml et al., 1996). Bobâlcă et al. (2012) ensured validity by executing 60 in-depth interviews with experts, carrying out a survey with 676 participants and conducting exploratory as well as confirmatory factor analysis. The content validity was tested by the qualitative and exploratory investigation of items and construct validity was tested by convergent validity and discriminant validity using common factors analysis. The criterion used for selecting the number of common factors was the Kaiser criterion ("eigenvalues" greater than 1).

Confirmatory Factor Analysis:

Cognitive Loyalty: $\chi 2$ = 11.1; RMSEA = 0.12; GFI = 0.98; RMR = 0.16; CFI = 0.98, TLI = 0.95; PNFI = 0.31

Affective Loyalty: $\chi 2$ = 21.37; RMSEA = 0.07; GFI = 0.98; RMR = 0.04; CFI = 0.99, TLI = 0.98; PNFI = 0.49

Conative Loyalty: $\chi 2$ = 8.8; RMSEA = 0.1; GFI = 0.98; RMR = 0.2; CFI = 0.97, TLI = 0.97; PNFI = 0.97

Action Loyalty: $\chi 2$ = 23.2; RMSEA = 0.08; GFI = 0.97; RMR = 0.1; CFI = 0.98, TLI = 0.94; PNFI = 0.62

*$\chi 2$: Chi-Square; RMSEA: root mean square error of approximation; GFI: Goodness of fit index; RMR: root mean square residual; CFI: comparative fit index; TLI: Tucker–Lewis index; PNFI: Parsimony-Adjusted Measures Index

Reliability:

The reliability of the global loyalty scale was α = 0.90. In more detail, the cognitive loyalty scale had a Cronbrach's alpha of α = 0.80, affective loyalty had α = 0.92, conative loyalty had α = 0.65 and action loyalty had α = 0.83 (Bobâlcă et al., 2012). The items for each loyalty scale were:

Table 4.9: Customer Loyalty Reliability (Bobâlcă et al., 2012)

Scale: Customer Loyalty Bobâlcă et al. (2012)	Reliability: α = 0.90
Cognitive Loyalty	**α = 0.80**
1) I prefer to use the products of this company.	Loading: 0.80
2) I prefer to buy this brand instead of other brands.	Loading: 0.84
Affective Loyalty	**α = 0.92**
1) I am pleased to buy this brand instead of other brands.	Loading: 0.69
2) I like this brand more than other brands.	Loading: 0.92
3) I feel more attached to this brand than to other brands.	Loading: 0.92
4) I am more interested in this brand than other brands.	Loading: 0.90
Conative Loyalty	**α = 0.65**
1) I intend to buy this brand in the future, too.	Loading: 0.79
2) I intend to buy other products from this brand.	Loading: 0.71
Action Loyalty	**α = 0.83**
1) I recommend this brand to those who ask my advice.	Loading: 0.86
2) I say positive things about this brand to other persons.	Loading: 0.88
3) I consider this company my first choice when I want to buy [category] products.	Loading: 0.85

To address the sub-question, that is, which brand activism dimension matters the most to Millennials, a description of every brand activism dimension according to Kotler and Sarkar (2018) was given in the questionnaire. Then, participants were asked to rate each dimension on a 5-point Likert-type scale according to the importance of the dimension.

To cover the last research question, if brand activism is related to legitimacy or authenticity, definitions of the two concepts are given according to Morhart, Guèvremont, Girardin & Grohmann (2015) and Suchman (1995) and also rated by 5-point Likert scales.

Scale: (Pragmatic) Legitimacy Alexiou & Wiggins (2019) (based on Suchman, 1995)	α = 0.92

Scale: Perceived Brand Authenticity	α = 0.7
Morhart et al (2015)	

4.6.1.3 Experts & Pre-Test

To provide a high quality of the questionnaire, experts were included in the development. One expert in terms of the content was the supervisor, who is a Professor in Marketing. Furthermore, a Professor in Statistics was included to evaluate the efficiency of the method and accuracy of the questionnaire in terms of data analysis. Lastly, 16 PhD students in the field of Business, Management Sciences and Economics were surveyed. All of them were part of the millennial generation and living in South Africa. They were asked to go through the questionnaire and answer the following questions:

1)   How long did you take to complete the questionnaire?

2)   Are the instructions clear?

3)   Which questions were unclear/ambiguous?

4)   Is the layout clear?

5)   Do you have any other comments?

The questions were adapted from Saunders et al. (2016)

The feedback was either given in person or sent to the researcher by e-mail. After consulting the experts and working through the feedback of the 16 PhD students, changes were made. The average completion time was 16 minutes. The instructions were not clear at some points, so definitions of the constructs (legitimacy and authenticity) were added. The trial-participants had the feeling that the previously proposed customer satisfaction scale did not apply to the specific experiment, therefore the researcher undertook more literature research and found that a brand image scale instead of a customer satisfaction scale was more appropriate. According to Wallin Andreassen & Lindestad (1998) brand image might be a better predictor of customer loyalty than customer satisfaction when it comes to complex, high-involvement decisions and products, where brands offer similar features (Cretu & Brodie, 2007; Jung et al., 2020; Wallin Andreassen & Lindestad, 1998). This adapts to Volkswagen as an automotive brand. Minor mistakes in spelling and layout were adapted.

4.6.1.4 Validation

To ensure content validity, the group of experts as well as the trial group of 16 PhD students gave evidence for content validity. Also, screening questions asking for the gender, age, and education level were included in the questionnaire to depict a broad variety of participants from the millennial generation. Furthermore, a confirmatory factor analysis (CFA) was carried out. A CFA can be executed by applying structural equation modelling (SEM). SEM is used to describe a relationship between one or more independent variables or one or more dependent variables. Structural equations were expressed in path diagrams, which could help the researcher to clarify ideas and highlight the relationship between variables, which were then translated into equations. In terms of experiments, SEM was used to confirm the adequacy of the manipulation (Tabachnick & Fidell, 2014). For the purposes of this research the indicators for validity measured with SEM are chi-square ($\chi2$), root mean square error of approximation (RMSEA), comparative fit index (CFI), goodness of fit index (GFI), non-normed fit index (NNFI), and standardised root mean square residual (SRMR) (Hair, 2013; Tabachnick & Fidell, 2014). All indicators measured good validity scores. The outcomes of SEM are reported in more detail in the research results chapter.

4.6.2 Data Collection

4.6.2.1 Sample Size

The sample size of the experiment was 372 people. The participants were split into seven groups, per 48 to 56 participants. Six groups received brand activism treatments. Each group got to see one brand activism application. One group was the control group that was not exposed to a treatment. The sample size was selected by three criteria, namely a literature review, a power analysis, and a comparison with Cohen's (1992) power primer.

The reviewed literature regarding CSR and customer loyalty in Chapter 2.5.2 implemented sample sizes between 100 and 2884 participants. Eight of the thirteen reviewed studies included samples between 200 and 400 participants, therefore, a sample size within that range was selected for the research.

Furthermore, a power calculation was made with the program G*Power. The main statistical test for this study was ANOVA, therefore the following considerations for the G*power analysis were set:

Table 4.10: G*Power Considerations

Criterion	Selection	Reason

Test family	F-Tests	F distribution to compare variances (ANOVA)
Statistical test	ANOVA: Fixed effects, omnibus, one-way	Comparing variances to see a difference in Brand Activism dimensions
Type of power analysis	A priori	Computing required sample size given power and effect size
Effect size f	0.25	Directed at medium effect size
α err prob	0.05	Appropriate for larger sample size
Power (1 – β err prob)	0.95	95% confidence interval commonly used
Number of groups	7	6 treatment groups, 1 control group

Figure 4.14 shows the graphical G*Power analysis including the criteria set in Table 4.10.
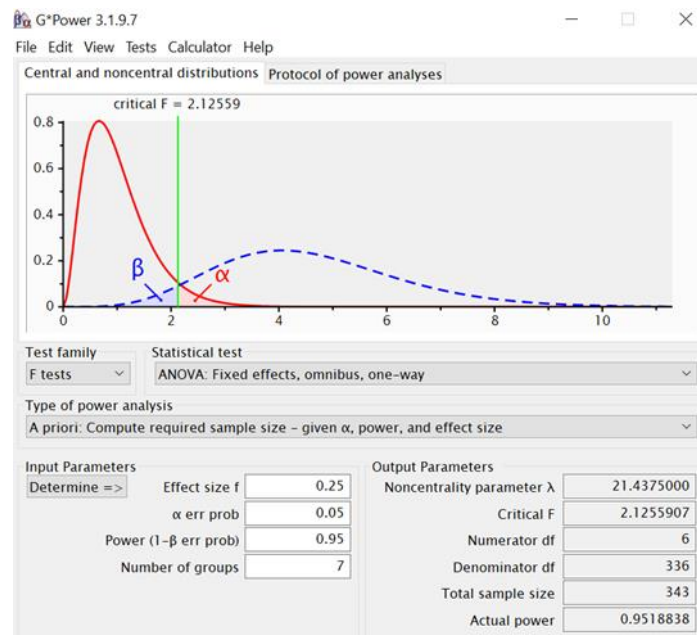
Figure 4.14: Graphical G*Power Analysis

The results of the G*Power analysis suggested a total sample size of 343 participants. This power analysis was compared to the established power primer of Cohen (1992). Cohen (1992) recommended a sample size of 32 participants per group, given seven groups, ANOVA as a statistical test and a medium α = 0.05. This meant a total sample size of 224 (32 x 7). The table can be found in Appendix C.

Given the previous literature working with a sample size between 200 and 400, a G*Power analysis suggesting 343 participants and Cohen's power primer stating 224 as an appropriate sample size, the

researcher decided to work with a sample size of 372 participants as this sample size was achieved in the planned period for data collection. This sample size would ensure a valid and reliable outcome due to a sufficient power of the sample and could be compared to other studies in the field.

4.6.2.2 Procedure

The data was collected between 3 December 2021 and 13 December 2021. Within this time, 372 respondents participated in the online questionnaire. The participants were all from South Africa and in the age between 20 and 42. The data was collected with the help of the professional research company Qualtrics XM (qualtrics.com). After the questionnaire was developed, Qualtrics XM was consulted for the distribution of the online survey. Qualtrics, with more than 10 years' experience in consumer research, collects data on behalf of researchers. The Qualtrics Research Company has conducted more than 40,000 projects, which includes 15,000 projects across 2,500 universities worldwide and across every industry (finance, travel, retail, academia, etc.). To ensure legitimacy of the database, Qualtrics XM implements the ESOMAR (European Society for Opinion and Market Research) standards. The sample comes from a traditional, actively managed, double-opt-in market research panel. To exclude duplication and ensure validity, Qualtrics proofs every IP address and applies a precise digital fingerprinting technology. Additionally, all strategic sample partners use deduplication technology to provide the most reliable results and retain the integrity of the questionnaire data. Survey respondents get an incentive relative to the length of the survey, their special panellist profile, and survey difficulty and so on. The type of reward can vary. It includes cash, airline miles, gift cards, redeemable points, charitable donations, sweepstakes entrance, and vouchers. Respondents in this study were supplied with a link to an Internet-based questionnaire, using a five-point Likert measuring scale to capture the relationship between brand activism, the three mediating variables and customer loyalty. The participants were asked to look at the advertisement example, which is the treatment (Table 4.5; Appendix A) of this study and to answer questions regarding their opinion on customer trust, brand image, identification, and customer loyalty. They were to give consent on the first page of the survey and were given the opportunity to opt out at any time. The researcher did not have any access to personal data of any of the participants and only received the feedback at an aggregate level. The collection of the data took 10 days and the researcher gained access to the results of the survey on 13 December 2021. The data analysis was conducted by the researcher together with the Stellenbosch Centre for Statistical Consultation (CSC).

4.7 DATA ANALYSIS AND REPORTING

The main goal of the data analysis was to measure the impact of brand activism on customer loyalty. To provide an efficient and effective data analysis, the following tests were executed:

1) Descriptive statistics;

2) Reliability and validity test;

3) ANOVA;

4) CB-SEM;

5) PLS-SEM;

6) Mixed model ANOVA and

7) Kruskal Wallis test.

The following sections describe every step in detail. The statistical tests as well as the tools (software) for the analysis are named. The tests are explained in more detail in the research results part of the thesis. This structure is selected to provide an appropriate description of the results together with the measured quantitative results in one chapter in order to prevent skipping back and forth to previous chapters.

4.7.1   Descriptive statistics

Descriptive statistics serves as an initial step of data analysis to provide the basis for inferential statistical comparisons. It is used to express data in an organised manner. This is done by describing the relationship between independent and dependent variables gathered from a sample (Kaur, Stoltzfus, & Yellapu, 2018). Within this study, descriptive statistics were used to discover the structure of the sample, and to discover the direct relationships between brand activism and customer loyalty; in more detail, the relationship between brand activism and cognitive, affective, conative, and behavioural loyalty, the relationship between the six applications of brand activism and customer loyalty, and the relationship between brand activism and the three mediating variables, namely brand trust, CCI, and brand image. Descriptive statistics were also used to produce population means. These means serve as a basis for ANOVA. Descriptive statistics were also used to make assumptions about the perceptions of brand activism and legitimacy and authenticity. To implement descriptive statistics, IBM SPSS was used.

4.7.2   Reliability and validity test

To ensure replication and consistency of a research design, the reliability of constructs and items was measured. To measure item reliability within this study, Cronbach's alpha was applied. Cronbach's alpha is not a statistical test, but a coefficient of reliability or consistency. It is applied for brand trust, CCI, brand image, and cognitive, affective, conative, and behavioural loyalty. Additionally, construct and composite reliability were measured by applying covariance-based SEM (CB-SEM) and partial least squares SEM (PLS-SEM). To measure Cronbach's alpha, IBM SPSS was used. To determine construct and composite reliability, the software R was used.

To ensure the appropriateness of measures, accuracy of analysis and generalisability, validity was tested. Validity was measured by applying CB-SEM and PLS-SEM. The considered indicators for validity are chi-square (χ2), root mean square error of approximation (RMSEA), comparative fit index (CFI), goodness of fit index (GFI), non-normed fit index (NNFI), and standardised root mean square residual (SRMR). The average variance extracted (AVE) was also considered. An additional indicator for validity is discriminant validity. For discriminant validity, PLS-SEM was considered. For this step of data analysis, the software R was used.

4.7.3   ANOVA

Analysis of variance (ANOVA) was used to test for equality of k population means. It is commonly used for multiple comparison procedures (Williams, Sweeny, & Anderson, 2004). Within this data analysis, the descriptive statistics provide the population means. The reliability and validity tests ensure the success of the measured items and constructs; thus ANOVA was applied to provide information about the variation of the different groups tested. The goal of ANOVA in this study was to determine whether the brand activism treatment groups differed significantly from the control group. It was also used to discover whether the six experimental groups significantly varied from one another. Ultimately it could be discovered which dimension out of the social, legal, workplace, economic, political, and environmental treatment group has the strongest effect. For this step of the data analysis, IBM SPSS and R were used.

4.7.4   CB-SEM

The covariance-based SEM (CB-SEM) is constituted by the measurement model and the structural model. The measurement model describes the relationship of the latent variables and its measures, explained in chapter 2.6. The structural model measures the impact of the independent variables on the dependent variables hypothesised in chapter 4.5. For the CB-SEM, the lavaan package of the software R was used. Lavaan was specifically used to estimate path analysis, confirmatory factor analysis, and structural equation modelling.

4.7.5   PLS-SEM

The goal of partial least squares SEM (PLS-SEM) is predicting key target constructs or identifying key driver constructs and it serves as an extension of an existing structural theory (Hair et al., 2013). For this research study it was used to determine factor loadings and R^2 to ensure the reliability of the SEM approach. The path effects and the total effects of brand activism and customer loyalty were also measured with PLS-SEM, therefore PLS-SEM was used to test the hypotheses and evaluate brand trust, CCI, and brand image as mediating variables. For PLS-SEM, the R lavaan package was used.

4.7.6   Mixed Model ANOVA

Based on the results of the previous tests, a mixed model ANOVA was carried out. Mixed model ANOVA is used when two or more groups are tested and if one factor is a fixed factor and the other is a random factor. In this case, six different groups were tested. Mixed model ANOVA was therefore used to determine the final variance between the groups in terms of addressing the sub-question, which dimension of brand activism is the most important. In that case, the importance of brand activism is a random factor and followingly, mixed model ANOVA applies. This is executed with the lmer package of R.

4.7.7   Kruskal Wallis test

The Kruskal Wallis test is a hypothesis test that is applied for multiple independent samples and is used, when the conditions for a one-way ANOVA are not fulfilled. In other words, it is a nonparametric version of the one-way ANOVA and assesses the differences among at least three independently sampled groups on a single, non-normally distributed continuous variable (McKnight & Najab, 2010).

4.8 SUMMARY OF THE RESEARCH METHODOLOGY CHAPTER

The goal of this chapter was to provide an understanding of the methods applied in the research project and to develop a solid basis for the hypothesis tests. First the philosophical underpinnings of the research were explained, namely the positioning as a positivist research study that aimed at depicting the reality and produce generalisable assumptions. Secondly, the quantitative method was explained. Thirdly, the experimental approach was elaborated by describing the distribution and content of the six experimental groups and defining the independent, mediating, and dependent variables. In the fourth place, the structural model was developed to build a basis for the structural equation model (SEM) applied in the data analysis. Fifthly, the variables and measures were explained in detail, namely brand trust, CCI, brand image, and customer loyalty. In the sixth place, the hypotheses were developed and the main hypothesis, H1, stated that brand activism had a significant positive impact on customer loyalty. In the seventh place, the questionnaire development was explained by stating preliminary consideration, developing the scale, conducting expert consultation and a pre-test, and validating the questionnaire. Finally, the data analysis was planned by constructing the sample size, clarifying the procedure, and describing the six steps of data analysis. All steps of research methodology considered, an efficient data analysis could be conducted, and the results are presented in the following chapter.

CHAPTER 5: RESEARCH RESULTS

5.1 INTRODUCTION

This chapter reports on the research results of the study. First the realised sample is explained in terms of demographics and characteristics of the surveyed participants. Secondly, the results of the descriptive statistics are presented to create a basis to understand the main results of the study. Thirdly, the reliability and validity of the developed model is presented, and the success of the study is ensured. In the fourth instance, the effect of brand activism implementation on customer loyalty is depicted by presenting the results of the inferential statistics, namely variance analysis and the path analysis. Finally, the results of the hypothesis tests are explained by validating each of the hypotheses. The descriptive analysis showed that there was a positive relation between brand activism and customer loyalty. ANOVA and SEM reported, however, that the effect was not significant. The dimension of the brand activism concept that was perceived as most important, was environmental brand activism.

5.2 REALISED SAMPLE

A total sample of 372 millennial participants took part in the survey. The participation was distributed within the experimental groups as follows: Economic Activism = 56 (15%), Environmental Activism = 54 (15%), Legal Activism = 54 (15%), Political Activism = 53 (14%), Social Activism = 56 (15%), Workplace Activism = 51 (14%), Control group = 48 (13%). As the groups were relatively evenly split, a variance analysis in terms of the experimental study was feasible. The age groups were also evenly split. The participation split in age groups was: 20-25 years = 97 (26%), 26-30 years = 95 (26%), 31-36 years = 90 (24%), 37-42 years = 90 (24%). A well-balanced distribution within the millennial target group was consequently achieved. In terms of gender, 172 men (46%) and 200 women (56%) participated, and 0 participants indicated non-binary or preferred not to say. The educational background of participants was constituted by 6 (2%) participants that indicated some schooling, 122 (33%) high school graduates, 185 have a bachelor's degree (50%) and 59 (16%) hold a postgraduate degree. The quality of the sample in terms of brand knowledge was given, as 100% of participants indicated that they knew the brand Volkswagen and 100% of the sample own a car themselves and therefore had been automotive customers in the past. This was ensured by research company Qualtrics as these were the criteria to participate in the questionnaire. Figure 5.1 to Figure 5.4 present a graphic overview about the sample.

Education Level Distribution

59 (15,86%)

185 (49,73%)

Education
- ● Bachelor's
- ● High school
- ● Postgraduate
- ● Some schooling

122 (32,8%)
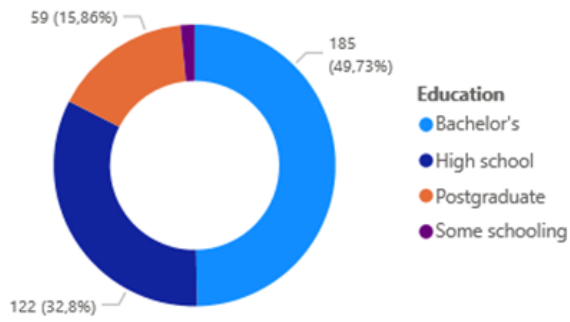
Figure 5.1: Education Level Distribution

Gender Distribution

172 (46,24%)

Gender
- ● Female
- ● Male

200 (53,76%)
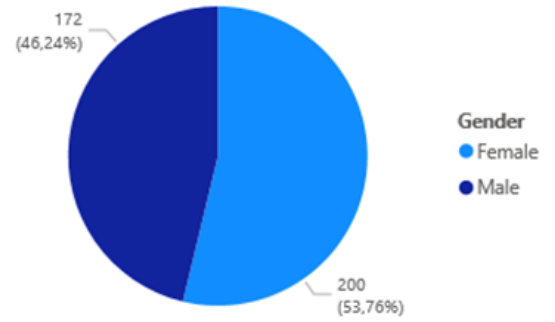
Figure 5.2: Gender Distribution

Age Group Distribution
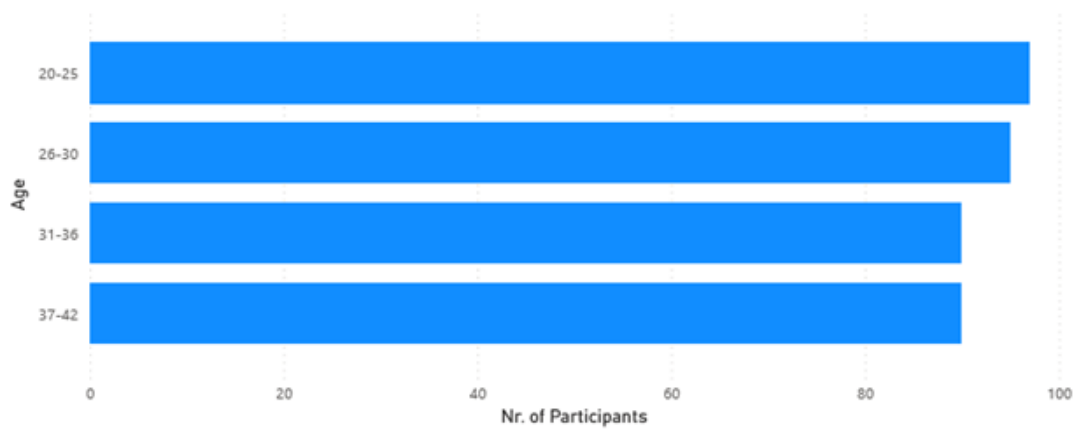
Figure 5.3: Age Group Distribution

Brand Activism Group Distribution
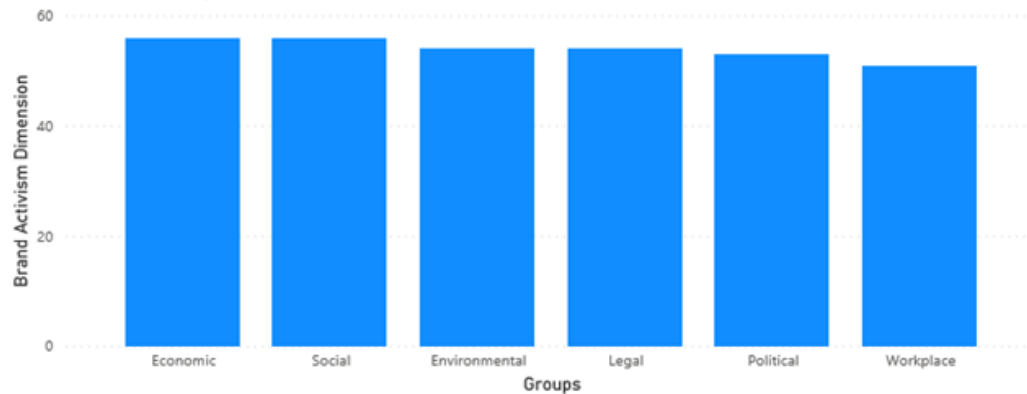
Figure 5.4: Brand Activism Group Distribution

The function of this chapter is to summarise the results analysed with the statistical tests proposed. To understand the analysis and the tests conducted and build a basis for inferential statistics, descriptive statistics are presented.

5.3 DESCRIPTIVE STATISTICS

Descriptive statistics serves for describing and summarising quantitative data (Cooksey, 2020). The following descriptive statistics gathered from the data analysis of the samples describe the relationship of brand activism, the mediating variables, and customer loyalty. Another goal of the analysis of descriptive statistics was to create a basis for the ANOVA test, therefore two indicators are relevant, namely, means and standard deviation. Means are categorised as measures of central tendency, which demonstrate the description of the central position of a data set. Standard deviation belongs to the measures of spread, which describe how spread out the data are. In other words, it is the average amount of variability in a dataset (Anderson, Sweeney, Williams, Camm, & Cochran, 2020). Looking at the means reported, based on the five-point Likert scale, values between 1 and 2 display disagreement, 3 means inequality and 4 to 5 represent agreement (Colman et al., 1997). The standard deviation value should not be greater than plus or minus 2 SD. Table 5.1 to Table 5.4 demonstrate the sample size (N), the means, and the standard deviation (Std.Dev.) for each experimental group, the control group, and the tested variables brand trust, CCI, brand image, and customer loyalty.

Table 5.1: Descriptive Statistics Brand Activism and Brand Trust

Effect	Descriptive Statistics Brand Trust			
	Level of Factor	N	Brand Trust Mean	Brand Trust Std.Dev.
Total		372	4,23	0,94
group	Control	48	4,2	0,98
group	Economic	56	4,29	0,84
group	Environmental	54	4,26	0,9
group	Legal	54	4,31	0,88
group	Political Brand	53	4,13	1,2
group	Social Brand	56	4,21	0,88
group	Workplace	51	4,19	0,91

Table 5.2: Descriptive Statistics Brand Activism and CCI

	Descriptive Statistics CCI			
Effect	Level of Factor	N	CCI Mean	CCI Std.Dev.
Total		372	3,88	0,85
group	Control	48	3,86	0,76
group	Economic	56	4	0,67
group	Environmental	54	3,86	0,86
group	Legal	54	3,84	0,92
group	Political Brand	53	3,92	0,95
group	Social Brand	56	3,92	0,78
group	Workplace	51	3,71	0,96

Table 5.3: Descriptive Statistics Brand Activism and Brand Image

	Descriptive Statistics Brand Image			
Effect	Level of Factor	N	Brand Image Mean	Brand Image Std.Dev.
Total		372	4,35	0,76
group	Control	48	4,44	0,53
group	Economic	56	4,46	0,48
group	Environmental	54	4,33	0,82
group	Legal	54	4,3	0,85
group	Political Brand	53	4,45	0,75
group	Social Brand	56	4,27	0,82
group	Workplace	51	4,24	0,94

Table 5.4: Descriptive Statistics Brand Activism and Customer Loyalty

	Descriptive Statistics Loyalty			
Effect	Level of Factor	N	loyalty Mean	loyalty Std.Dev.
Total		372	3,98	0,82
group	Control	48	3,9	0,81
group	Economic	56	4,04	0,63
group	Environmental	54	3,93	0,85
group	Legal	54	3,93	0,89
group	Political Brand	53	4,14	0,78
group	Social Brand	56	4,02	0,79
group	Workplace	51	3,87	0,97

The results showed an acceptable standard deviation for all mediating variables and the dependent variable customer loyalty. The highest total mean was reported in the relationship of brand activism and brand image (M = 4,35). The highest mean in the relationship of brand activism and brand trust was found in the environmental brand activism group (M = 4,26). For the relationship of brand activism and CCI, the highest mean was identified in the economic brand activism group (M = 4). For brand activism and brand image the highest mean was also reported in the economic brand activism group (M = 4,46) and for total loyalty it was the political brand activism group (M = 4,14). The detailed results for each stage of customer loyalty are attached in Appendix D.

To validate the results of the developed measurement model, the results of the reliability and validity analysis are presented.

5.4 RELIABILITY AND VALIDITY OF THE DEVELOPED MODEL
To ensure the quality of a novel measurement model, the reliability and validity must be accessed. There are different indicators for reliability and validity. For the present study, the researcher assessed Cronbach's alpha, construct reliability, item reliability and composite reliability to make assumptions about the reliability of the implemented model. To ensure validity, a confirmatory factor analysis (CFA) was carried out and discriminant validity was checked.

5.4.1   Reliability Analysis
The reliability of the data measured in a study refers to the replication and consistency of a research design. There are two types of reliability, namely internal reliability, and external reliability. Internal reliability deals with the consistency within one research project. External reliability refers to the expedient replication of research techniques (Saunders et al., 2016).

In terms of testing the reliability, Cronbach's alpha was identified. It is the most widely used measurement of reliability in organizational sciences and therefore reliable in the framework of this study. It describes the reliability of a sum of q measurements and these q measurements represent raters, occasions, alternative forms, or questionnaire items. It is directed at the internal consistency of a research design or measurement (Bonett & Wright, 2015). For this research study, Cronbach's Alpha was detected for all items and scales. A 95% confidence interval was applied. The following Table 5.5 to Table 5.8 show the standardised Cronbach's alpha as well as the item total correlation and alpha if deleted for each item for brand trust, CCI, brand image, and customer loyalty.

Table 5.5: Reliability Brand Trust

Variable: Brand trust	Cronbach's Alpha	Standardised Alpha	Item Total Correlation	Alpha if deleted
	0.94 (0.91, 0.95)	**0,94**		
Brand trust 1			0,84	0,92
Brand trust 2			0,87	0,91
Brand trust 3			0,86	0,92
Brand trust 4			0,85	0,92

* Average inter-item corr.:0.79

Table 5.6: Reliability CCI

Variable: CCI	Cronbach's Alpha	Standardised Alpha	Item Total Correlation	Alpha if deleted
	0.82 (0.77, 0.85)	**0,82**		
CCI 1			0,65	0,77
CCI 2			0,57	0,8
CCI 3			0,69	0,76
CCI 4			0,68	0,75

* Average inter-item corr.:0.54

Table 5.7: Reliability Brand Image

Variable: Brand image	Cronbach's Alpha	Standardised Alpha	Item Total Correlation	Alpha if deleted
	0.86 (0.79, 0.90)	**0,86**		
Brand image 1			0,71	0,82
Brand image 2			0,77	0,77
Brand image 3			0,72	0,81

* Average inter-item corr.: 0.67

Table 5.8: Reliability Customer Loyalty

Variable: Customer Loyalty	Cronbach's Alpha	Standardised Alpha	Item Total Correlation	Alpha if deleted
	0.93 (0.92, 0.95)	**0,94**		
Cognitive Loyalty			0,84	0,91
Affective Loyalty			0,9	0,9

				0,76	0,94
Conative Loyalty				0,76	0,94
Behavioural Loyalty				0,89	0,9

* Average inter-item corr.: 0.79

A Cronbach's Alpha coefficient exceeding α= 0,7 means that the questions included in a scale are measuring the same thing (Saunders et al., 2016). Therefore values above α= 0,7 confirm the reliability of a scale.Table 5.5 to Table 5.8 indicate that all the items used were appropriate to measure each of the scales. The standardised alpha indices for the scales are as follows: Brand Trust α = 0,94 (Table 5.5); CCI α = 082 (Table 5.6); Brand Image α = 0,86 (Table 5.7); Customer Loyalty α = 0,94 (Table 5.8). The detailed reliability indicators for each stage of customer loyalty can be found in Appendix E. Following from this, consistency is given, and the items applied within the survey are reliable. However, the usefulness of assessing Cronbach's Alpha is limited in terms of measuring composite reliability in the framework of CFA applied within a SEM (Hancock & Mueller, 2001). Construct reliability of the latent constructs itself was therefore measured and the results are presented in Table 5.9:

Table 5.9: Construct Reliability

Variable	Construct Reliability
Brand Trust	0,95
CCI	0,86
Brand Image	0,89
Customer Loyalty	0,97

Table 5.9 depicts the results of CB-SEM. Construct reliability was confirmed by the following values: Brand Trust = 0,95; CCI = 0,86, Brand Image = 0,89, and Customer Loyalty = 0,97. SEM with lavaan reported the exact same values.

Not only was the reliability of the scales and variables assessed, but the reliability was also measured for the structural equation model (SEM) by applying two types of SEM. SEM was conducted by applying covariance-based SEM (CB-SEM) and partial least square SEM (PLS-SEM). The CFA produced with lavaan software offered the following reliability measures:

Table 5.10: CFA Reliability

	alpha	alpha.ord	omega	omega2	omega3
Brand Trust	0,937772423	0,948184556	0,904872395	0,904872395	0,908412973
CCI	0,818527989	0,861636763	0,825778367	0,825778367	0,82831201
Brand Image	0,859305804	0,887190719	0,826310589	0,826310589	0,832330303
Customer Loyalty	0,95870382	0,970859828	0,96180068	0,96180068	0,979431866

Table 5.10 reports the evaluation with all alpha and omega values informing the reliability of the scales exceeded α = 0,818527989 and ω = 0,825778367. In the framework of business research purposes, an alpha and omega above α = 0,7 and ω = 0,7 is considered reliable. The scales applied for the SEM were therefore reliable.

The CB-SEM reported the comparable reliability indices as the SEM performed with lavaan as follows in Table 34:

Table 5.11: CFA Reliability with lavaan

	alpha	alpha.ord	omega	omega2	omega3
Brand Trust	0,937772423	0,948184556	0,904872346	0,904872346	0,908412815
CCI	0,818527989	0,861636763	0,825778399	0,825778399	0,828312105
Brand Image	0,859305804	0,887190719	0,82631043	0,82631043	0,832329925
Customer Loyalty	0,95870382	0,970859828	0,9618007	0,9618007	0,979432028

As reported in Table 5.11 all values exceeded α = 0,7 and ω = 0,7. Therefore consistency was given.

To make an accurate estimation of the reliability of the SEM applied, composite reliability was identified, therefore partial least square SEM was conducted. Table 5.12 shows the accurate values for the measured composite reliability:

Table 5.12: Composite Reliability

Variable	Composite Reliability	95% lower	95% upper
Brand Trust	0,94	0,91	0,96
CCI	0,83	0,78	0,86
Brand Image	0,86	0,79	0,9
Customer Loyalty	0,96	0,95	0,97

Figure 5.5 shows a comparison between the reliability by visualizing a bar chart. All bars exceeded the critical value of 0,7.
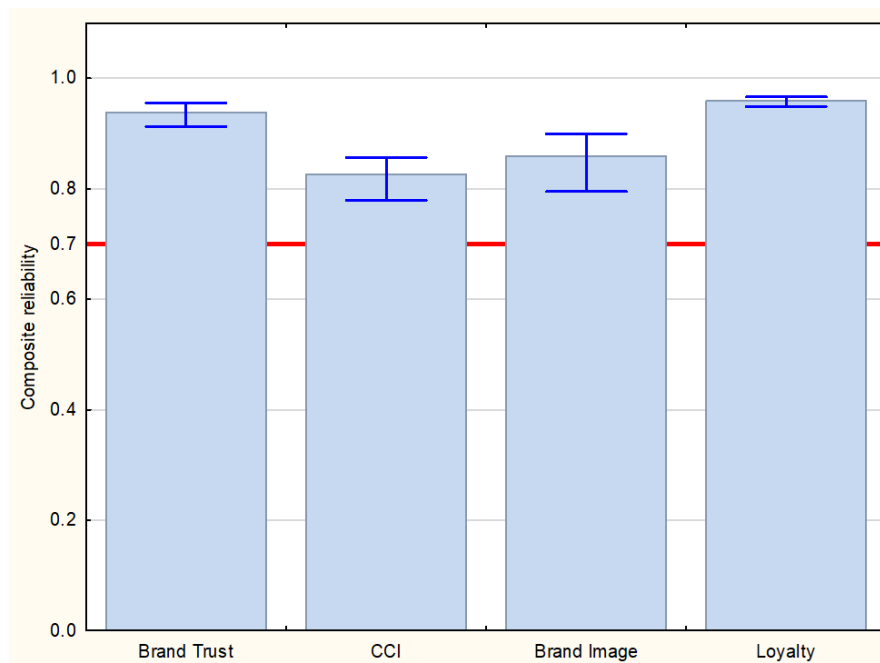
Figure 5.5: Reliability Analysis

All values identified within the PLS-SEM exceeded a composite reliability of 0,7, therefore it was sufficiently demonstrated that the measures applied within the framework of the study were reliable and therefore the consistency and replicability of the study design were confirmed.

5.4.2 Validity Analysis

Validity ensures that the appropriateness of measures, accuracy of analysis and generalisability of finding are given. It observes if the measures that describe a phenomenon measure what was intended by the researcher, if the analysis of results have been advanced accurately and the generalisability of the research findings (Saunders et al., 2016).

To confirm the validity of the study, a Confirmatory Factor Analysis (CFA) was carried out. The CFA reports several indices to confirm validity, namely chi-square ($\chi2$), root mean square error of approximation (RMSEA), comparative fit index (CFI), goodness of fit index (GFI), non-normed fit index (NNFI), and standardised root mean square residual (SRMR) (Hair, Black, Babin, & Anderson, 2013; Tabachnick & Fidell, 2014). Chi-square ($\chi2$) is assessed to observe the fit between the hypothesised model and the data set of measurement items (Alavi et al., 2020). RMSEA is identified to estimate the lack of fit of the model compared to a saturated (perfect) model (Tabachnick & Fidell, 2014). A RMSEA < 0,05 is a very good fit and a RMSEA of 0,05 – 0,08 indicates an appropriate fit. CFI assesses the fit relative to other models. In order to achieve a good fit, the CFI of the model should be above 0,9 (Tabachnick & Fidell, 2014). GFI calculates a weighted proportion of variance in the sample covariance. Tanaka and Huba (1989) suggested that GFI is analogous to R squared. Normed fit index (NFI) is an evaluation for the estimated model by comparing the $\chi2$ value of the applied model to the $\chi2$ value of the independence model. NNFI is an addition to the NFI, including the degrees of freedom in the model. A good-fitting model includes a NFI > 0,95. SRMR is based on residuals and indicated the average difference between the sample (co-)variances and the estimated population (co-)variances. A good-fitting model includes a SRMR < 0,08 (Tabachnick & Fidell, 2014).

These goodness of fit (GOF) indices are reported on in Table 5.13 for the CB-SEM and the SEM with lavaan:

Table 5.13: CFA Validity

CB-SEM:
$\chi2$ = 490,90 d.f. =224; RMSEA = 0,057; CFI = 0,998; GFI = 0,996; NNFI = 1,00; SRMR = 0,05

SEM with lavaan:
$\chi2$ = 495,90 d.f. = 224; RMSEA = 0,057; CFI = 0,998; GFI =0,996; NNFI = 1,00; SRMR = 0,05

All GOF indices supported the validity of the model by indicating good values. The values for RMSEA are slightly above 0,05 (0,057), which means it is a good fit. The values for CFI are significantly above 0,9 (0,998), which also indicates a very good fit. The same applied for the GFI (0.996). The NNFI of 1,00 also proved a very good fit. Finally, the SRMR is lower than 0,08 (0,05) and indicated a very good fit as well.

The average variance extracted (AVE) is also an indicator for validity in terms of the scales. AVE sets the measure of the amount of variance captured in a construct in relation to the amount of variance due to measurement error. A good index for AVE exceeds 0,50 (dos Santos & Cirillo, 2021). Within the CB-SEM the AVE was identified as follows: Brand Trust = 0,82; CCI = 0,62; Brand Image = 0,73; Customer Loyalty = 0,75. SEM with lavaan reported identical values: Brand Trust = 0,82; CCI = 0,62; Brand Image = 0,73; Customer Loyalty = 0,75. The values detected with PLS-SEM differed: Brand Trust = 0,79; CCI = 0,54; Brand Image = 0,67; Customer Loyalty = 0,66.

All AVE measured exceeded AVE > 0,5 and therefore the constructs measured what they were supposed to measure.

Figure 5.6 to Figure 5.9 demonstrate the path coefficients that were identified to make implications for the validity of the structural equation model. A path coefficient explains the direct effect of a variable causing the effect of the related variable. The values are standardised as path coefficients derive from correlations. In other words, it measures the strength of the linear relationships. A correlation between 0,7 and 0,9 is considered to be highly correlated. Therefore, the path coefficients explaining the relationship between loyalty (Figure 5.6), brand image (Figure 5.7), CCI (Figure 5.8), brand trust (Figure 5.9) and its items indicated that validity existed between the variable and items.
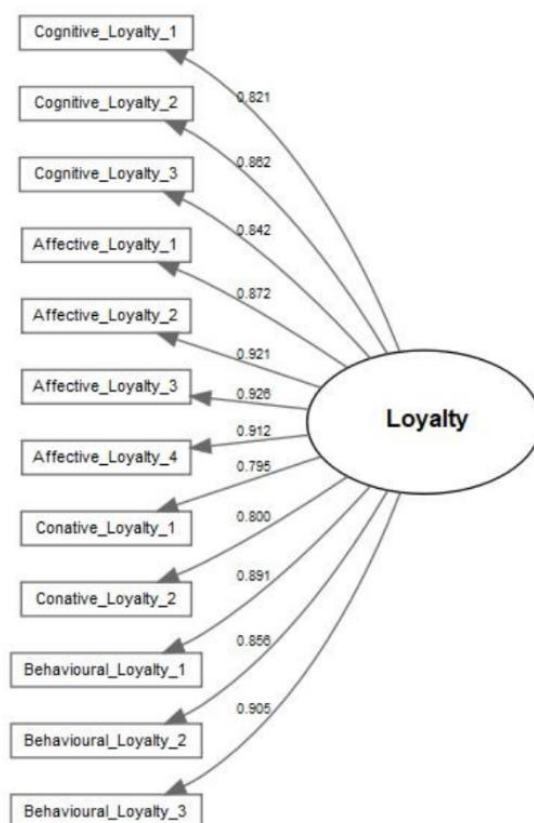
Figure 5.6: Path Coefficients Customer Loyalty
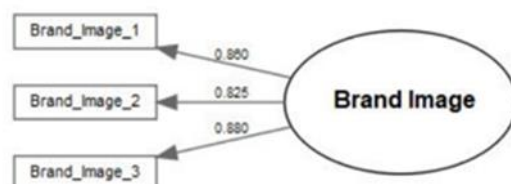
Figure 5.7: Path Coefficients Brand Image
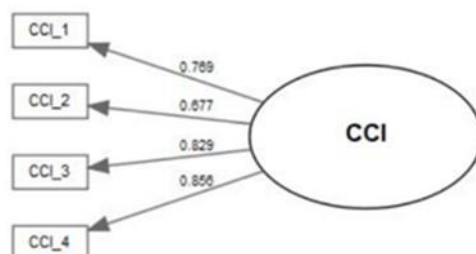
Figure 5.8: Path Coefficients CCI
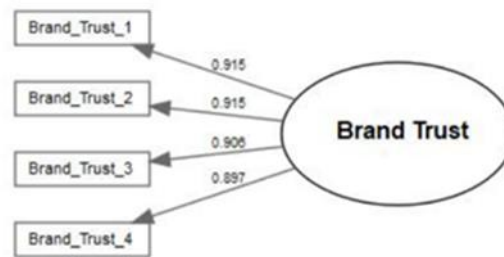
Figure 5.9: Path Coefficients Brand Trust

Hence, the reliability and validity of this research were confirmed by reporting satisfactory levels of Cronbach's Alpha, construct reliability, composite reliability and a CFA measuring satisfactory values for χ2, RMSEA, CFI, GFI, NNFI, SRMR, and AVE.

Finally, discriminant validity was ensured by observing the heterotrait-monotrait ratio (HTMT). The HTMT is an estimate of the correlation between two constructs. The HTMT value is compared with a predefined threshold. Kline (2011) suggested a threshold of 0,85, whereas Teo, Srivastava, and Jiang (2008) suggested a threshold of 0,90. The HTMT value should be below the threshold value. The following Table 5.14 reports, that with both of the threshold suggestions, discriminant validity is given between all of the applied variables.

Table 5.14: Heterotrait-Monotrait Ratio

	Heterotrait-Monotrait ratio					
	latent var1	latent var2	ratio	95% lower	95% upper	Discriminate
	Brand Trust	CCI	0,52	0,36	0,66	yes
	Brand Trust	Brand Image	0,56	0,4	0,72	yes
	Brand Trust	Economic	0,03	0,01	0,12	yes
	Brand Trust	Environmental	0,02	0,02	0,11	yes
	Brand Trust	Legal	0,04	0,02	0,13	yes
	Brand Trust	Political	0,04	0,02	0,16	yes
	Brand Trust	Social	0,02	0,01	0,12	yes
	Brand Trust	Workplace	0,03	0,02	0,13	yes
	Brand Trust	Loyalty	0,39	0,25	0,52	yes
	CCI	Brand Image	0,81	0,71	0,89	yes
	CCI	Economic	0,07	0,03	0,16	yes
	CCI	Environmental	0,03	0,02	0,13	yes
	CCI	Legal	0,03	0,02	0,15	yes
	CCI	Political	0,04	0,03	0,14	yes
	CCI	Social	0,04	0,02	0,13	yes

	CCI	Workplace	0,09	0,04	0,21	yes
	CCI	Loyalty	0,85	0,74	0,93	yes
	Brand Image	Economic	0,07	0,02	0,13	yes
	Brand Image	Environmental	0,02	0,01	0,14	yes
	Brand Image	Legal	0,03	0,01	0,16	yes
	Brand Image	Political	0,05	0,02	0,16	yes
	Brand Image	Social	0,05	0,02	0,17	yes
	Brand Image	Workplace	0,06	0,02	0,2	yes
	Brand Image	Loyalty	0,66	0,52	0,78	yes
	Economic	Environmental	0,17	0,14	0,21	yes
	Economic	Legal	0,17	0,14	0,21	yes
	Economic	Political	0,17	0,14	0,21	yes
	Economic	Social	0,18	0,15	0,21	yes
	Economic	Workplace	0,17	0,14	0,2	yes
	Economic	Loyalty	0,03	0,02	0,11	yes
	Environmental	Legal	0,17	0,14	0,2	yes
	Environmental	Political	0,17	0,14	0,2	yes
	Environmental	Social	0,17	0,14	0,21	yes
	Environmental	Workplace	0,16	0,13	0,19	yes
	Environmental	Loyalty	0,05	0,03	0,13	yes
	Legal	Political	0,17	0,14	0,2	yes
	Legal	Social	0,17	0,14	0,21	yes
	Legal	Workplace	0,16	0,14	0,2	yes
	Legal	Loyalty	0,03	0,03	0,13	yes
	Political	Social	0,17	0,14	0,2	yes
	Political	Workplace	0,16	0,13	0,19	yes
	Political	Loyalty	0,08	0,03	0,17	yes
	Social	Workplace	0,17	0,14	0,2	yes
	Social	Loyalty	0,04	0,03	0,13	yes
	Workplace	Loyalty	0,05	0,02	0,18	yes

All in all, this section confirmed the reliability and validity of the constructs and model applied. In terms of reliability, Cronbach's Alpha, item reliability, construct reliability and composite reliability were considered. All the executed tests confirmed the reliability of the study. In terms of validity, CFA was executed, AVE was observed, and discriminant validity was examined. The observed indices confirmed the validity of the study. The study consequently delivered reliable results, could be repeated in different frameworks and was consistent. The results were also valid and therefore it was possible to make generalisable assumptions. The following chapter delivers the results in terms of the effect of the different experimental groups on customer loyalty and therefore offers results for the

hypotheses applied within this study. Next, the effect of brand activism on customer loyalty is described by the analysis of inferential statistics.

5.5 INFERENTIAL STATISTICS

The present research was motivated by three main research questions. The main research question was informed by two sub-questions. To build up on the response to the main research question, the data analysis dealt with the sub-questions first, and then answered the main research question based on a holistic perspective, after conducting all proposed statistical tests.

5.5.1   Analysis of Variance

The first research sub-question posed in the framework of this thesis was (Chapter 4.2):

"If a company practices progressive legal, workplace, political, social, economic, or environmental brand activism, what is the effect of each of the dimensions on customer loyalty? "

The second sub-question was (Chapter 4.2):

"What dimensions out of legal, workplace, political, social, economic, or environmental brand activism do Millennials care about the most?"

To answer these questions, the research goal was to differentiate the different forms of brand activism from one another and to compare the strengths of the effects. Therefore, the researcher looked at the variance of the different treatment outcomes. To meet the research goals combined with the proposed and confirmed model, not only the variance of the treatment effects on loyalty was measured, but also the variance of effects on the mediators (brand trust, CCI, and brand image) was measured. This provided more detailed information about the cause-effect relation of the model and finally, represented a holistic view of the effects of the different Brand Activism applications, therefore, the least square means (LS means) were the focus of this section. In general, LS means are predictors of linear model. In other words, LS means summarise the effects of factors of experimental data and test predictions (Lenth, 2016). The analysis considered a confidence interval of 95% for each ANOVA. The total effect of each treatment on customer loyalty are analysed in the next section.

5.5.1.1 Brand Activism and Mediating Variables

Brand Activism and Brand Trust
The first ANOVA was conducted by analysing the effect of brand activism on brand trust. Levene's test for homogeneity of variances was first applied. This test was conducted to test whether k samples

have equal variances. Levene's test can be used to verify the assumption made within ANOVA that all variances are equal across groups. To verify a significant result, Levene's test should indicate $p < 0,05$ (Gastwirth, Gel, & Miao, 2009). In terms of the effect of brand activism on brand trust, the mean square effect (MS effect) was 0,51, the mean square of the error (MSE) was 0,47 and the p value was 0,36. Therefore, there is no significant variance between the seven tested groups according to Levene's test. Furthermore, Fisher's least significant difference (LSD) test was conducted. The purpose of the LSD is to compute the smallest significant difference between means, compared by a t-test. The LSD test is considered significant for values below 0,05 (Williams, 2014). Usually, the LSD test turns out significant if the p value turned out significant beforehand. If the p value was not significant, it is likely that the LSD test will also be insignificant. Within this study, the p value (0,36) as well as all tested values within the LSD test (Appendix F) was not significant. Using the 5-point Likert scale as introduced, the means for brand trust and the treatment groups were reported on in Chapter 5.3.

The dimension that indicated the highest influence on Brand Trust was Legal Brand Activism (M = 4,31) followed by Economic Brand Activism (M = 4,29) and Environmental Brand Activism (M = 4,26). Social Brand Activism (M = 4,21) differed only slightly from the control group (M = 4,2) and Workplace Brand Activism (M = 4,19) as well as Political Brand Activism (M = 4,13) measured below the control group. Even though each of the seven groups reflected positive influence on Brand Trust, including an acceptable standard deviation (acceptable: SD from -2 to +2), no significant differences were found between the groups, therefore there is no strong variation of Brand Activism Applications when it comes to Brand Trust. This is demonstrated graphically in Figure 5.10.
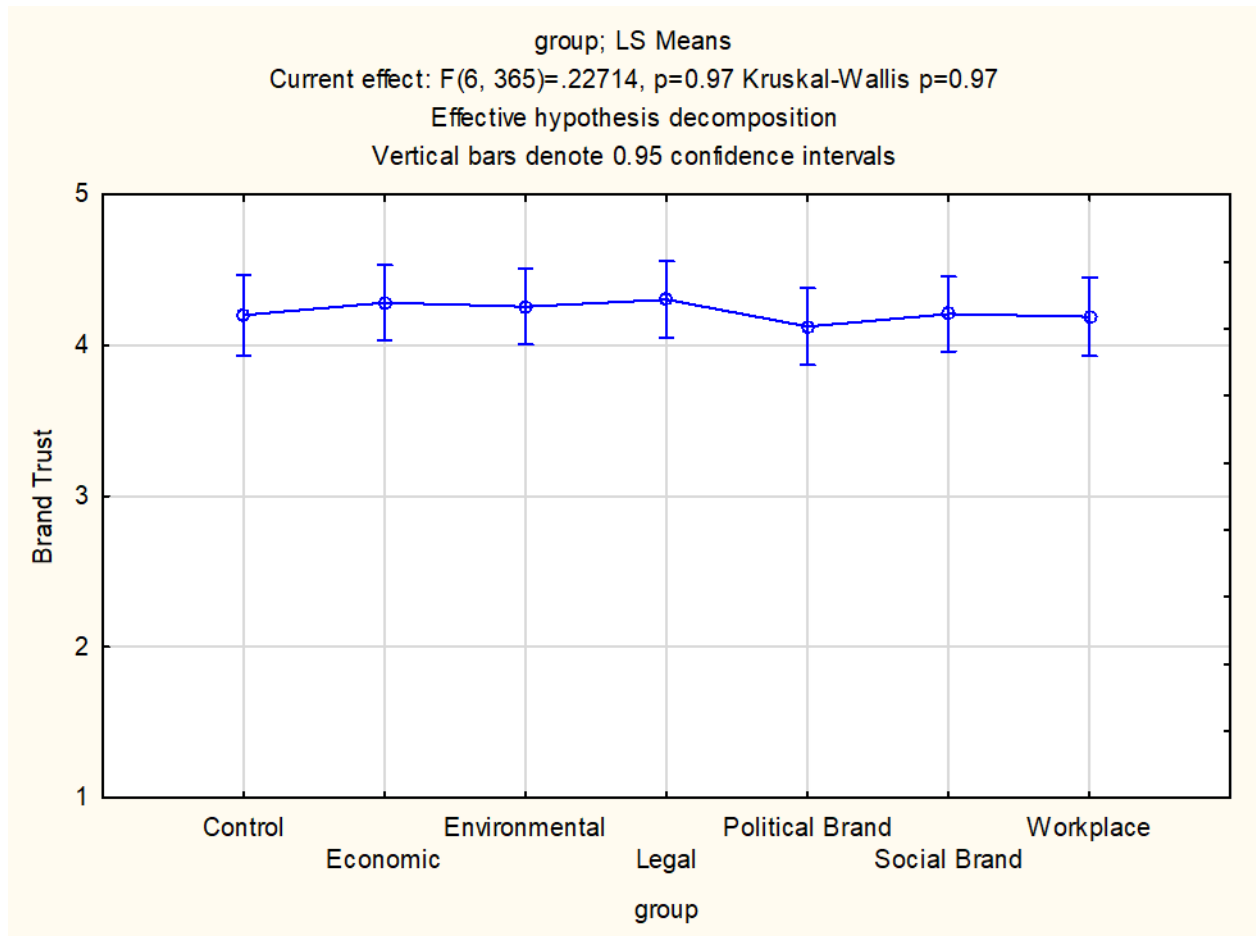
Figure 5.10: ANOVA Brand Activism and Brand Trust

In conclusion, there were slightly positive effects of brand activism on brand trust. However, the relationship is not significant between the groups. In terms of brand trust, legal brand activism is the dimension with the highest mean and therefore the most important dimension when it comes to brand trust compared to the other dimensions.

Brand Activism and CCI

Levene's test for CCI also did not turn out significant. The following values were detected: MS effect = 0,24; MSE = 0,3; and p = 0,56. Fisher's LSD test was applied, and all values were above 0,05, therefore the variance analysis of brand activism and CCI were also not significant. It is notable that the means of brand activism and CCI were lower than the means of brand activism and brand trust. Table 5.2 reported on the descriptive statistics of Brand Activism and CCI.

The highest mean was detected in the treatment group of the Economic Brand Activism dimension on CCI (M = 4,0). This is followed by Political Brand Activism (M = 3,92) and Social Brand Activism (M = 3,92). The same mean was detected for Environmental Brand Activism (M = 3,86) as for the control

group (M = 3,86). Legal Brand Activism (M = 3,84) and Workplace Brand Activism were even lower than the control group. Looking at the graphical demonstration of the ANOVA between the brand activism treatment groups and CCI in Figure 5.11, it is evident that there is no significant variance between the groups:

group; LS Means
Current effect: $F_{(6, 365)}$=.60469, p=0.73 Kruskal-Wallis p=0.83
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
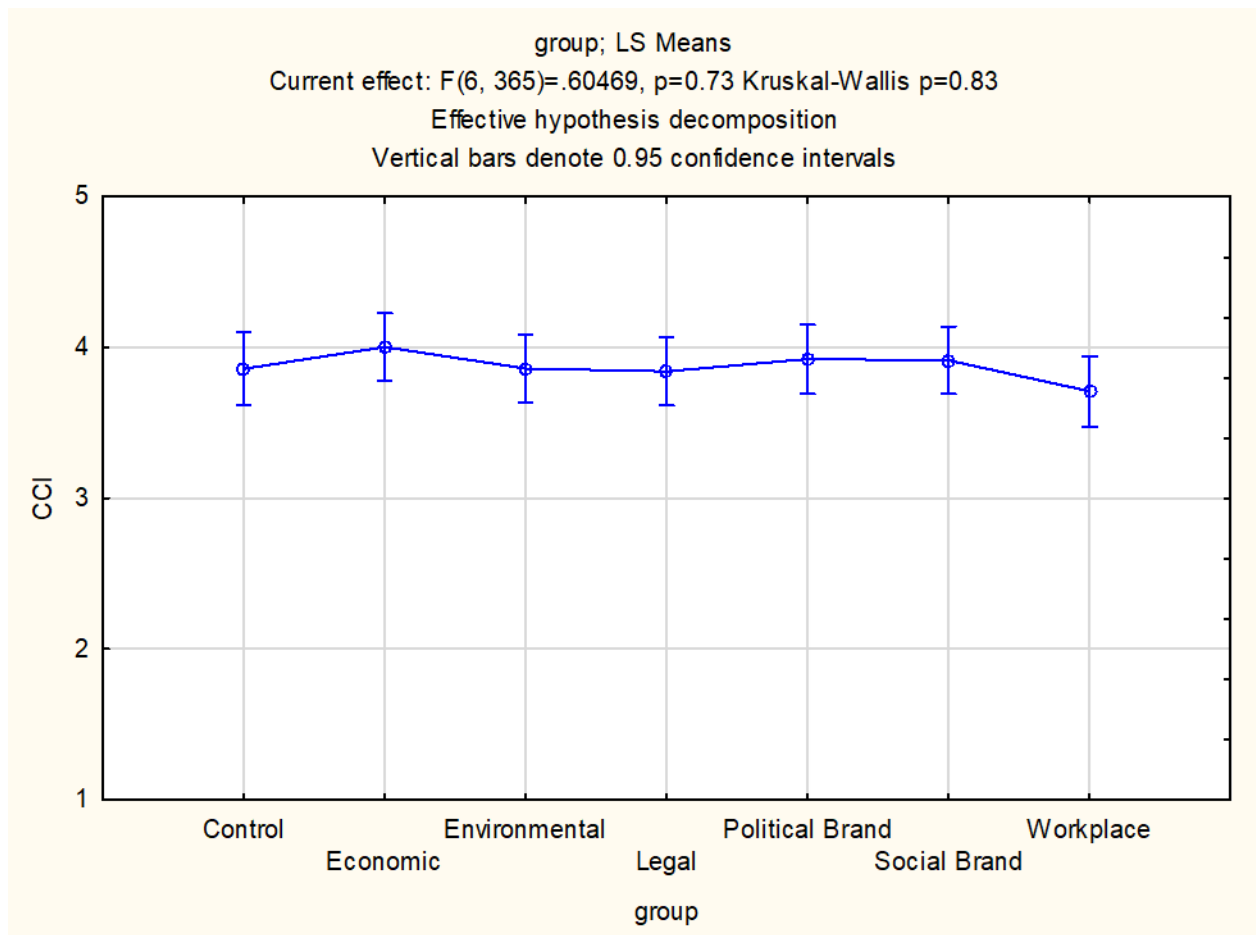
Figure 5.11: ANOVA Brand Activism and CCI

All in all, the standard deviation was in an acceptable range for each experimental group. However, Levene's test and the LSD test did not turn out significant. The dimension with the highest mean score in terms of CCI is Economic Brand Activism compared to the other dimensions.

Brand Activism and Brand Image

Similar to the previous ANOVAs conducted, a Levene's test as well as an LSD test was conducted in order to measure the variance of brand activism when it comes to brand image. For brand activism and brand image, the following values were measures: MS effect = 0,44; MSE = 0,27; and p = 0,14. Fisher's LSD test also only reported values above p = 0,05, therefore, the variance is not significant (Appendix F). Table 5.3 demonstrated the means for each brand activism dimension on brand image.

Even though no significant variance was detected, the means of brand activism and brand image tend to be slightly higher than the relation to the other two mediators, brand trust and CCI. Economic Brand Activism indicates the highest value (M = 4,46), followed by Political Brand Activism (M = 4,45). All other Brand Activism dimensions showed values below the control group (M = 4,44). Like CCI, Economic Brand Activism is the group with the highest mean. Also, Political Brand Activism has the second highest mean. Figure 5.12 demonstrates the low differences in variance.
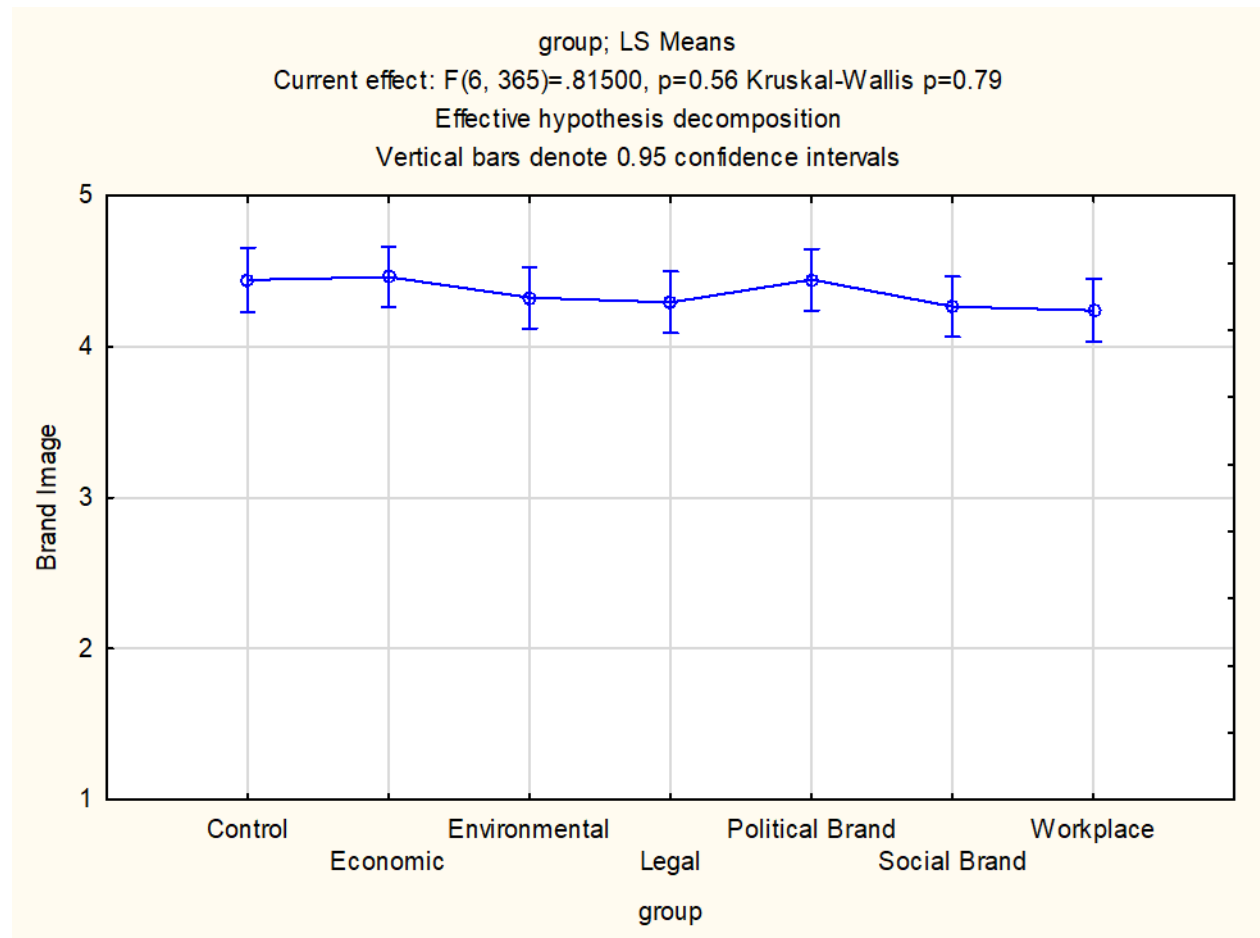
Figure 5.12: ANOVA Brand Activism and Brand Image

Even though the variance for the brand activism groups related to brand image is not significant, there is a slight tendency that economic brand activism and political brand activism indicate clearly positive values in terms of brand image.

In conclusion, there was no significant ANOVA between the brand activism groups and the three mediating variables, namely brand trust, CCI, and brand image. However, there are tendencies that Economic Brand Activism is the most important Brand Activism application when it comes to the

mediating variables. Also, Political Brand Activism seems to be a very important dimension in terms of the mediating factors.

5.5.1.2 Brand Activism and Customer Loyalty

The same tests were also conducted for the different stages of loyalty to understand which loyalty stage is influenced the most. The following table shows the variance indices as well as the means of the different stages of customer loyalty.

Table 5.15: ANOVA Customer Loyalty Stages

Type	MS effect	MSE	p	mean
Cognitive Loyalty	0,19	0,35	0,78	3,78
Affective Loyalty	0,36	0,34	0,38	3,77
Conative Loyalty	0,38	0,28	0,21	4,26
Behavioural Loyalty	0,18	0,31	0,76	4,11

Table 5.15 shows that none of the ANOVAs conducted for all the types of loyalty was significant. Looking at the means, conative loyalty had the highest value (M = 4,26), followed by behavioural loyalty (M = 4,11), therefore, brand activism is more effective in the latter stages of customer loyalty. The same tests were applied for the holistic customer loyalty scale, including all the stages of customer loyalty. The effects on each stage of customer loyalty can be found in Appendix F.

Levene's test for the customer loyalty scale found MS effect = 0,27; MSE = 0,27 and p = 0,44. Fisher's LSD test also did not find any p-values below 0,05, therefore, the variance analysis is not significant. The descriptive statistics for the customer loyalty scale were found as depicted in Table 5.4.

The highest mean was found for Political Brand Activism (M = 4,14) followed by Economic Brand Activism (M = 4,04) and Social Brand Activism (M = 4,02). Environmental Brand Activism (M = 3,93) and Legal Brand Activism (M = 3,93) are also above the control group (M = 3,9). Only Workplace Brand Activism (M = 3,87) showed lower values than the control group. Figure 5.13 depicts the variance in a graphical manner.
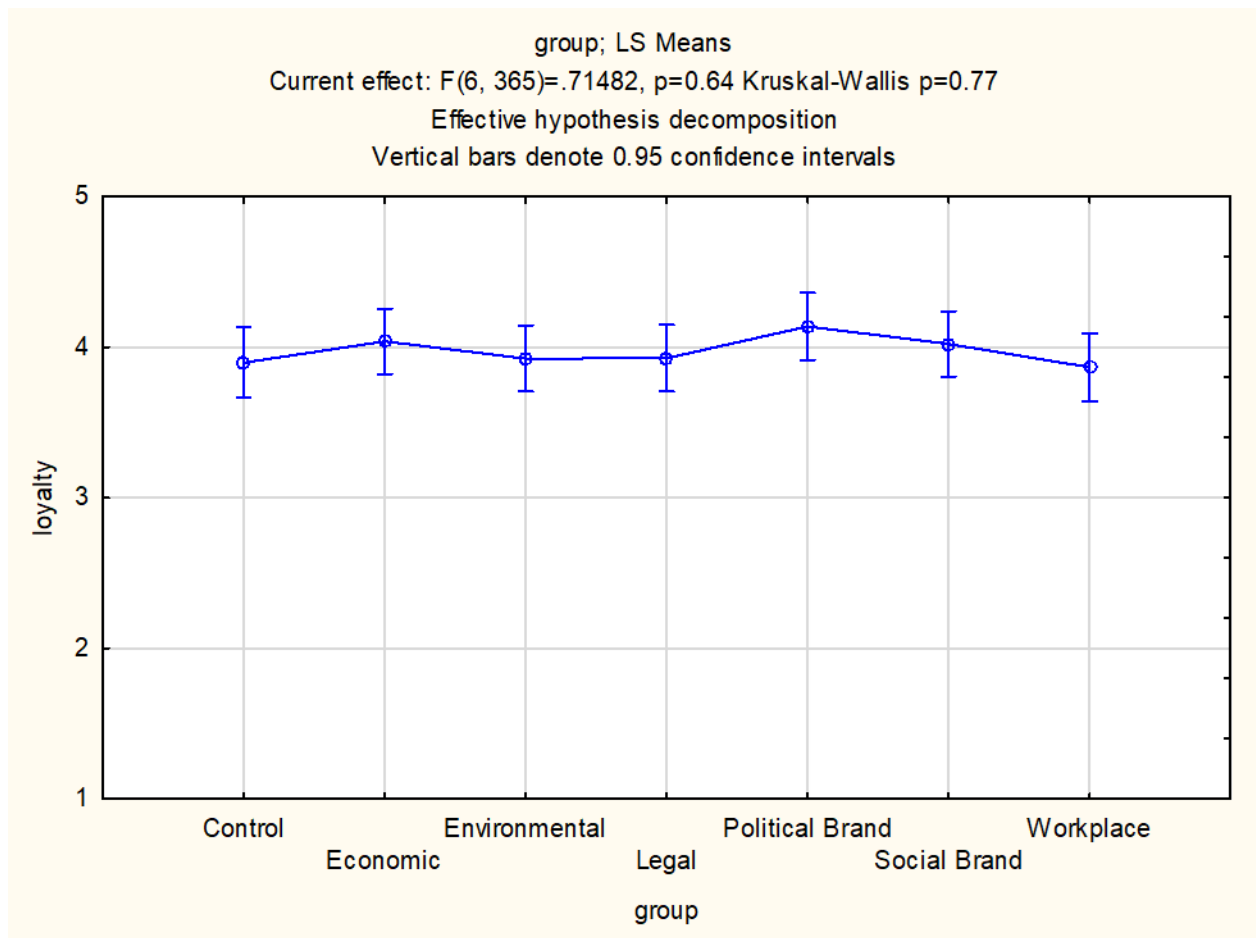
Figure 5.13: ANOVA Brand Activism and Customer Loyalty

Even though none of the variances was significant, the figure shows that Political Brand Activism is connected very well to customer loyalty. As seen in the previous ANOVAs, both Economic Brand Activism and Political Brand Activism play a role when it comes to loyalty. To answer the research question regarding which brand activism application is the most important regarding customer loyalty, a comparison between the ANOVA of the measured effects and the measured customer perception was executed. Therefore, the data of the customer perception is analysed now.

5.5.1.3 Customer Perception of Brand Activism

The last set of data observed with ANOVA was the customer perception of Brand Activism. Participants were asked what kind of brand activism implementation matters the most to them. Figure 5.14 shows a comparison in the form of a variance analysis between the dimensions.
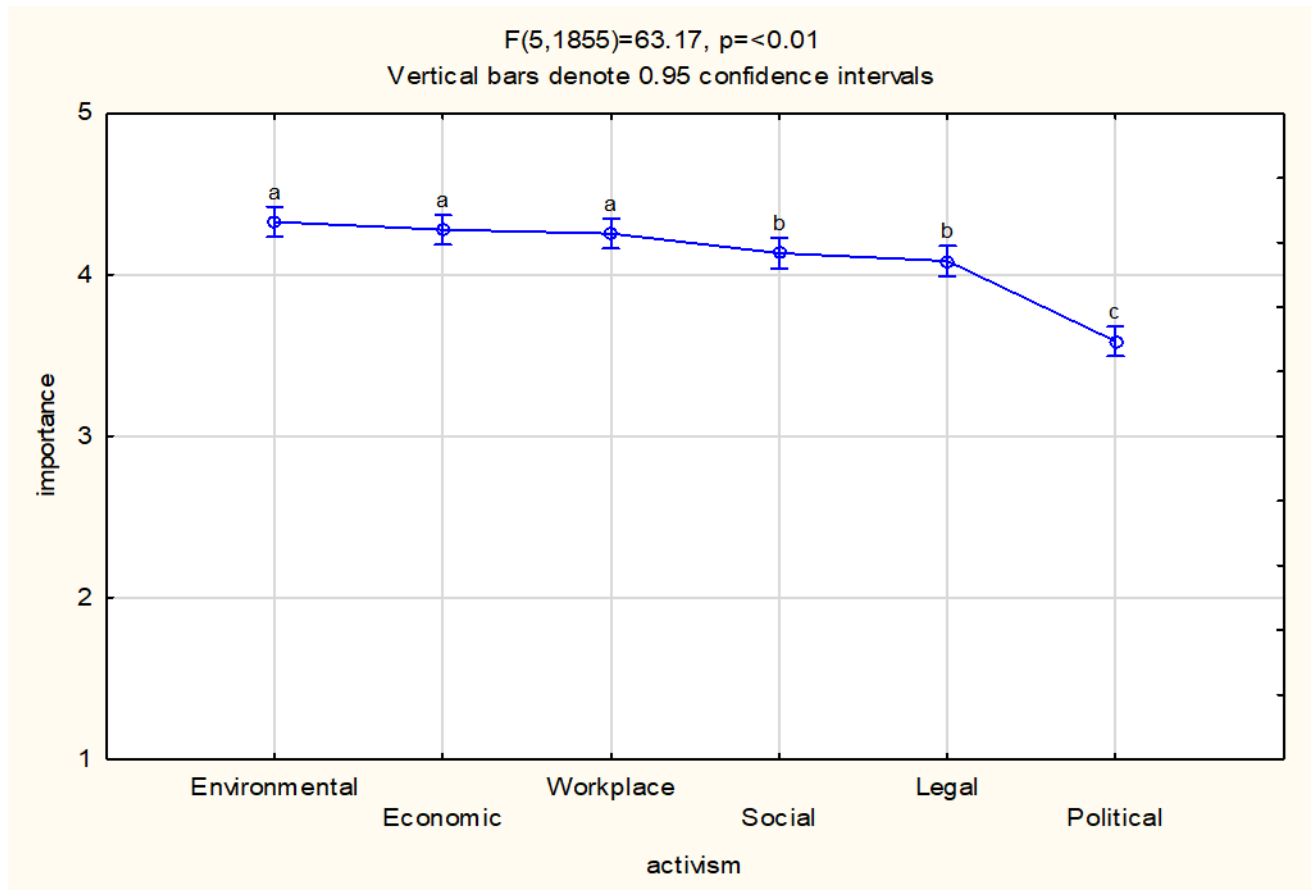
Figure 5.14: Mixed Model ANOVA Customer Perception of Brand Activism

The values for each dimension of the customer perception of the importance of the brand activism applications can be found in Table 5.16.

Table 5.16: Descriptive Statistics Customer Perception of Brand Activism

	Descriptive Statistics			
	Level of Factor	N	x Mean	x Std.Dev.
Total		2232	4,112	0,9392
activism	Economic	372	4,2796	0,845
activism	Environmental	372	4,328	0,8209
activism	Legal	372	4,086	0,8455
activism	Political	372	3,5887	1,1014
activism	Social	372	4,1344	0,9563
activism	Workplace	372	4,2554	0,8383

For this ANOVA, the values are significant, as the p values were $p < 0,01$ (Appendix F). According to the perception of customers, the most important brand activism application is Environmental Brand

Activism (M = 4,328), followed by Economic Brand Activism (M = 4,2796). The third most important dimension is Workplace Brand Activism (M = 4,2554), followed by Social Brand Activism (M = 4,1344). The two least important dimensions according to perception are Legal Brand Activism (M = 4,086) and Political Brand Activism (3,5887). The detailed results can be seen in Appendix D. On the basis of the ANOVA of the actual results, the values for the perception of brand activism were compared and are ranked from most important to least important:

1. Political Brand Activism (M = 4,14)
2. Economic Brand Activism (M = 4,04)
3. Social Brand Activism (M = 4,02)
4. Environmental Brand Activism and Legal Brand Activism (M = 3,93)
5. Workplace Brand Activism (M = 3,87)

This list can be compared to what participants stated is the most important in Table 5.16.

1. Environmental Brand Activism (M = 4,33)
2. Economic Brand Activism (M = 4,28)
3. Workplace Brand Activism (M = 4,26)
4. Social Brand Activism (M = 4,13)
5. Legal Brand Activism (M = 4,09)
6. Political Brand Activism (M = 3,59)

Possible reasons for this discrepancy in the results of ANOVA and the perception of people about Brand Activism dimensions are explained in the discussion part of this thesis.

The last data gathered regarding customer perception was the legitimacy and authenticity perception of customers. Figure 5.15 and Figure 5.16 demonstrate the results.
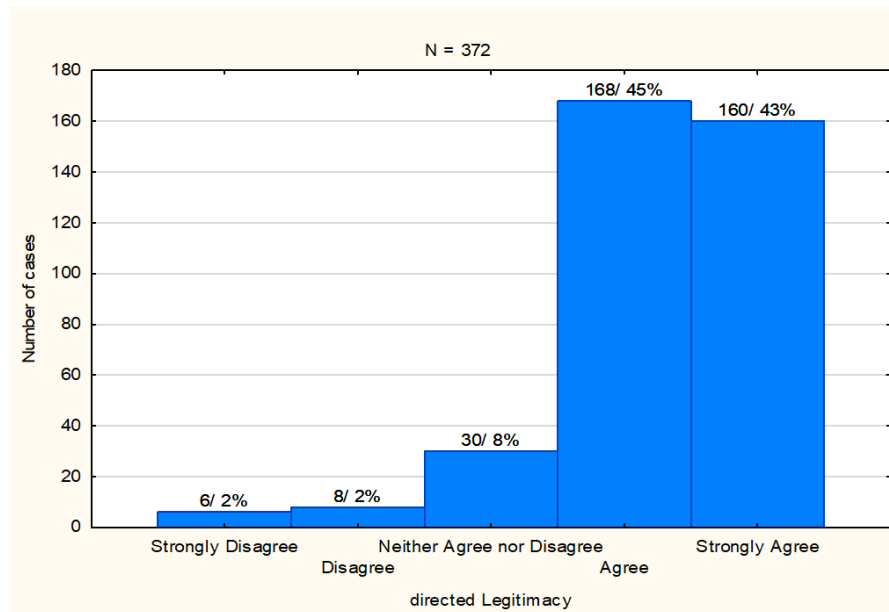
Figure 5.15: Legitimacy Perception of Brand Activism
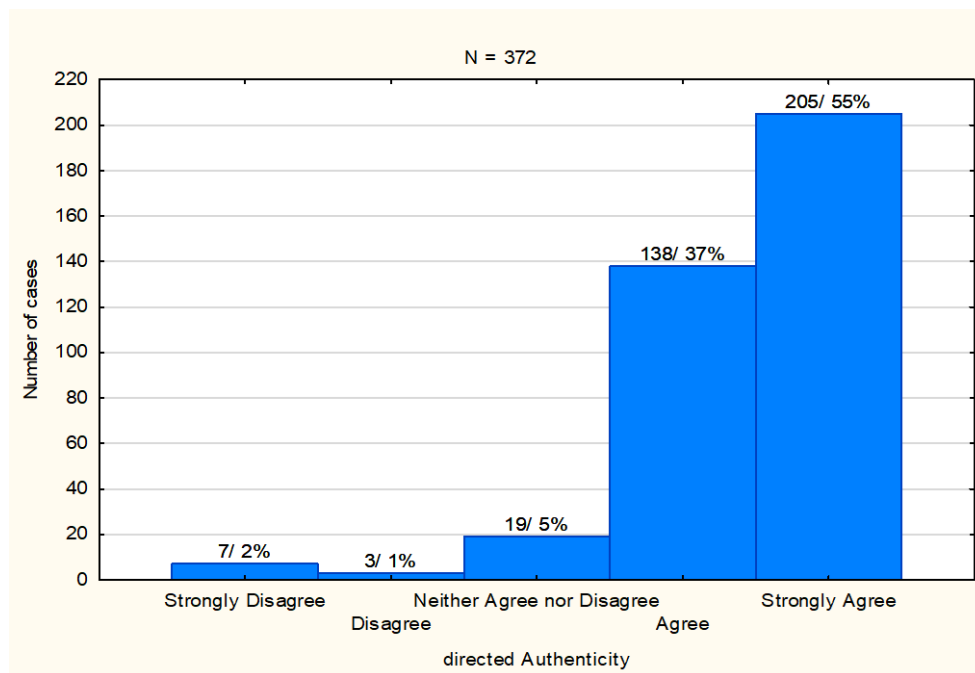
Figure 5.16: Authenticity Perception of Brand Activism

I can thus be said that 43% of participants strongly agree that Brand Activism is implemented to create legitimacy and 55% strongly agree that it is implemented to create authenticity.

The analysis of variance was conducted to respond to the two sub-questions and therefore compare the different brand activism applications. Based on the means reported, a ranking reported that

political brand activism is the most important dimension based on the measurement model and environmental is the most important dimension based on the perception of participants. The variances of the experimental groups based on the measurement model, including the mediation variables brand trust, CCI, and brand image, were not significant. The response to sub-question one is that there is no significant difference between the effects of the six dimensions. The answer to sub-question two is that environmental brand activism is perceived as the most important dimension to Millennials in South Africa. To sufficiently answer the main research question, the next section reports on the SEM and total effects, which form the main contribution of this research study.

5.5.2 Structural Equation Modelling Analysis

The two sub-questions were answered by applying ANOVA. The main research question of this thesis was (Chapter 4.2):

"What is the effect of progressive brand activism on customer loyalty in the millennial target group in South Africa?"

To answer this question, the emphasis was on the path effects of the proposed model. Structural equation modelling (SEM) is a statistical technique to analyse and test multivariate causal relationships (Mohamad et al., 2019). In this section, pre-assumed relationships of the suggested measurement model were evaluated.

5.5.3 Effects of Path Analysis

To observe the total effects of the study, SEM reports the effects of the different brand activism applications in the framework of a path analysis. Therefore, a covariance-based SEM (CB-SEM) and a variance based partial least square SEM (PLS-SEM) were conducted with the software lavaan. SEM is statistical technique that includes both factor analysis and multiple regression analysis (Mohamad et al., 2019). CB-SEM is mainly used to confirm established theory. PLS-SEM is primarily used for exploratory and confirmatory research and a more prediction-oriented approach of SEM (Hair Jr., Matthews, Matthews, & Sarstedt, 2017). In the framework of this study, CB-SEM was used to observe the constructs and pathways between the constructs. Furthermore, PLS-SEM was applied in this study to demonstrate and compare total effects, and eventually to contribute to the prediction of the effect of brand activism mediated by brand trust, CCI and brand image, on customer loyalty.

5.5.3.1 CB-SEM

The CB-SEM is constituted by the measurement model and the structural model. The measurement model measures the latent variables, namely customer loyalty, brand image, CCI and brand trust. The

structural model measures the proposed pathways that were hypothesised, namely the influence of brand trust, CCI and brand image on customer loyalty (Hoyle, 1995; Kline, 2011).

Measurement Model

Figure 5.17 describes the relationship between customer loyalty and its measures, namely the items for cognitive loyalty, affective loyalty, conative loyalty, and behavioural loyalty. It also describes the relationship of brand image, CCI, brand trust and its measures.
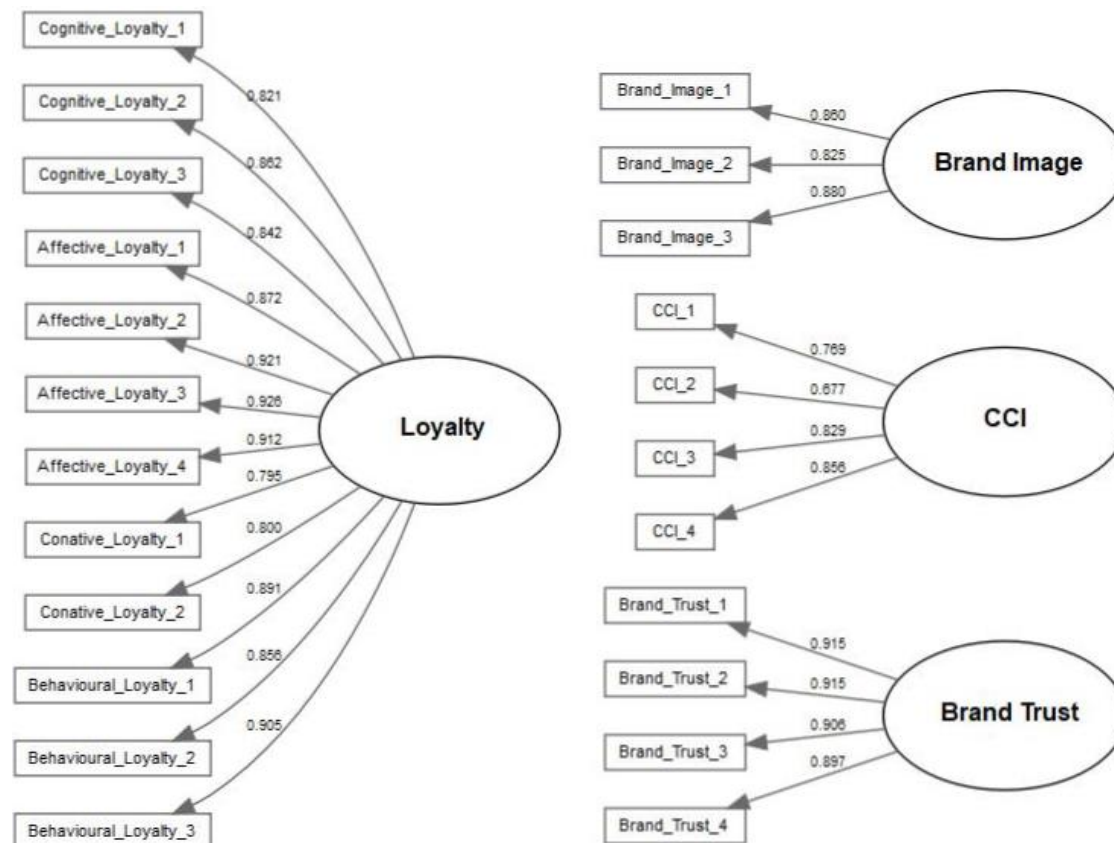
Figure 5.17: Measurement Model

Looking at the factor loadings of the analysed latent variables, the SEM approach was successful as overall good factor loadings were achieved. Factor loadings above 0,7 ($\lambda > 0,7$) are considered as very good factor loadings, but loadings above 0,4 ($\lambda > 0,4$) are still acceptable. As demonstrated in Figure 5.17, all of the items have very good factor loadings, only CCI_2 is slightly below 0,7, but still considered as a good loading. Therefore, these latent variables can be effectively implemented within the structural equation model. As a next step in order to make sense of the covariance-based SEM, the structural model is analysed.

Structural Model

Figure 5.18 depicts the pathways from the mediating variables to customer loyalty. The purpose of this structural model was to identify a cause-effect between the variables brand trust, CCI, and brand image on customer loyalty.
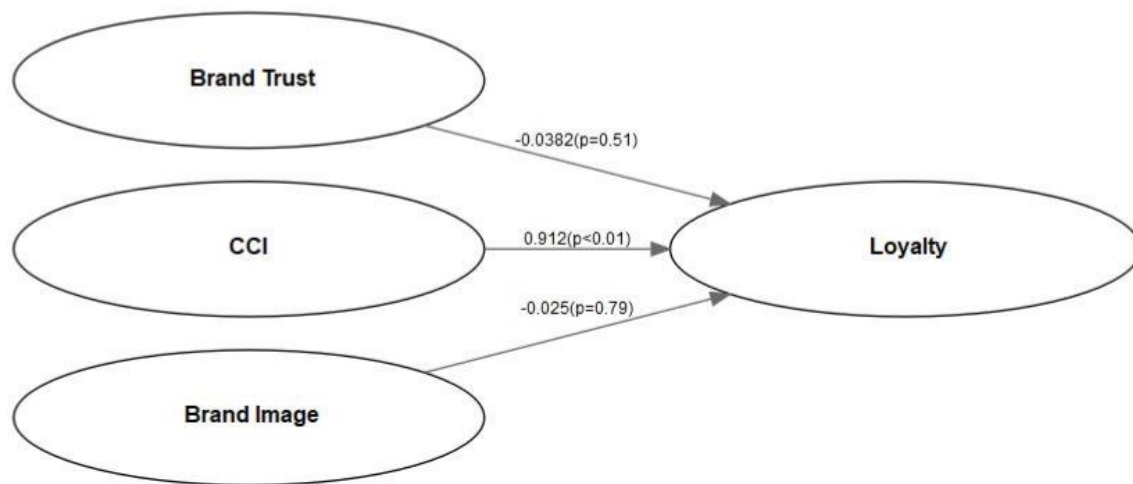
Figure 5.18: Structural Model

The pathway analysis indicates that there is no significant relationship between brand trust and customer loyalty, as the correlation is -0,0382 and shows a p value of p = 0,51. Therefore there is a non-significant relationship. In contrast, the relationship between CCI and customer loyalty is very strong. The correlation is 0,912 and shows a p value that is p < 0,01. Consequently there is a very strong and significant relationship between CCI and customer loyalty within this model. Like brand trust and customer loyalty, brand image and customer loyalty are slightly correlated (-0,025) and the relationship is not significant (p = 0,79). The table explaining the CB-SEM in more detail can be found in Appendix G. The detailed R squared results can also be found in Appendix G.

5.5.3.2 PLS-SEM

Partial least square SEM is used to test theoretically supported linear and additive models. It visualises existing relationships between variables, especially focusing on latent variables that are difficult to measure (Haenlein & Kaplan, 2004). Figure 5.19 shows the outer model diagram in order to determine the reliability of the structural equation model.
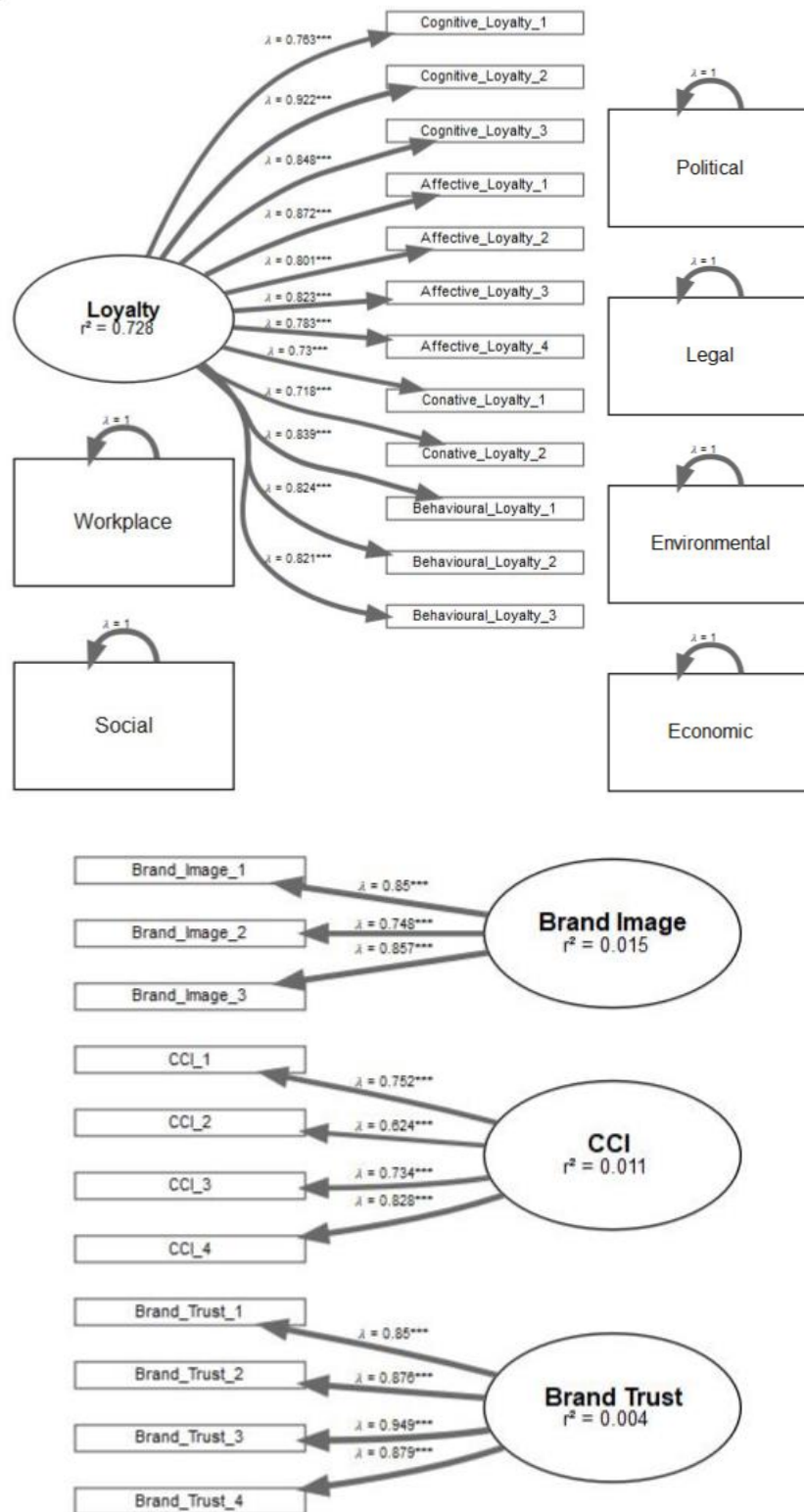
Figure 5.19: SEM Outer Model Diagram

Like the CB-SEM, the PLS-SEM is reliable, as all factor loadings, except for CCI_2, exceed the cut-off value of $\lambda > 0{,}7$. The value for CCI_2 is only slightly below this cut-off value and therefore still

considered as reliable. The R^2 of customer loyalty is $r^2 = 0,728$ and therefore the items are considered as a good predictor of the latent variable customer loyalty. R^2 stands for coefficient of determination. This does not apply for brand image ($r^2 = 0,015$), CCI ($r^2 = 0,011$) and brand trust ($r^2 = 0,004$). Table 5.17 demonstrates the outer loadings in more detail.

Table 5.17: SEM Outer Loadings

manifest variable	latent variable	loading	95% lower	95% upper	T.Stat.	p-value
Brand_Trust_1	Brand Trust	0,85	0,75	0,93	18,21	<0.001
Brand_Trust_2	Brand Trust	0,88	0,75	0,98	14,46	<0.001
Brand_Trust_3	Brand Trust	0,95	0,82	1,05	16,98	<0.001
Brand_Trust_4	Brand Trust	0,88	0,75	0,99	14,54	<0.001
CCI_1	CCI	0,75	0,67	0,83	18,13	<0.001
CCI_2	CCI	0,62	0,5	0,72	10,8	<0.001
CCI_3	CCI	0,73	0,65	0,8	19,35	<0.001
CCI_4	CCI	0,83	0,76	0,89	25,46	<0.001
Brand_Image_1	Brand Image	0,85	0,76	0,92	21,05	<0.001
Brand_Image_2	Brand Image	0,75	0,63	0,84	14,07	<0.001
Brand_Image_3	Brand Image	0,86	0,77	0,93	21,48	<0.001
Cognitive_Loyalty_1	Loyalty	0,76	0,68	0,83	18,74	<0.001
Cognitive_Loyalty_2	Loyalty	0,92	0,86	0,97	31,97	<0.001
Cognitive_Loyalty_3	Loyalty	0,85	0,78	0,9	28,15	<0.001
Affective_Loyalty_1	Loyalty	0,87	0,79	0,93	25,34	<0.001
Affective_Loyalty_2	Loyalty	0,8	0,74	0,86	26,48	<0.001
Affective_Loyalty_3	Loyalty	0,82	0,77	0,88	31,25	<0.001
Affective_Loyalty_4	Loyalty	0,78	0,72	0,84	24,83	<0.001
Conative_Loyalty_1	Loyalty	0,73	0,62	0,81	15,88	<0.001
Conative_Loyalty_2	Loyalty	0,72	0,62	0,8	15,96	<0.001
Behavioural_Loyalty_1	Loyalty	0,84	0,76	0,9	23,51	<0.001
Behavioural_Loyalty_2	Loyalty	0,82	0,74	0,89	21,57	<0.001
Behavioural_Loyalty_3	Loyalty	0,82	0,75	0,87	27,66	<0.001
Economic	Economic	1	1	1		
Environmental	Environmental	1	1	1		
Legal	Legal	1	1	1		
Political	Political	1	1	1		
Social	Social	1	1	1		
Workplace	Workplace	1	1	1		

All values above demonstrate good outer loading values and the significance of loadings due to a p value of p > 0,01 for every factor and item. To fully understand the connections between the variables,

the inner model is analysed. Figure 5.20 graphically depicts the inner model and shows the pathways of the complete PLS-SEM model.
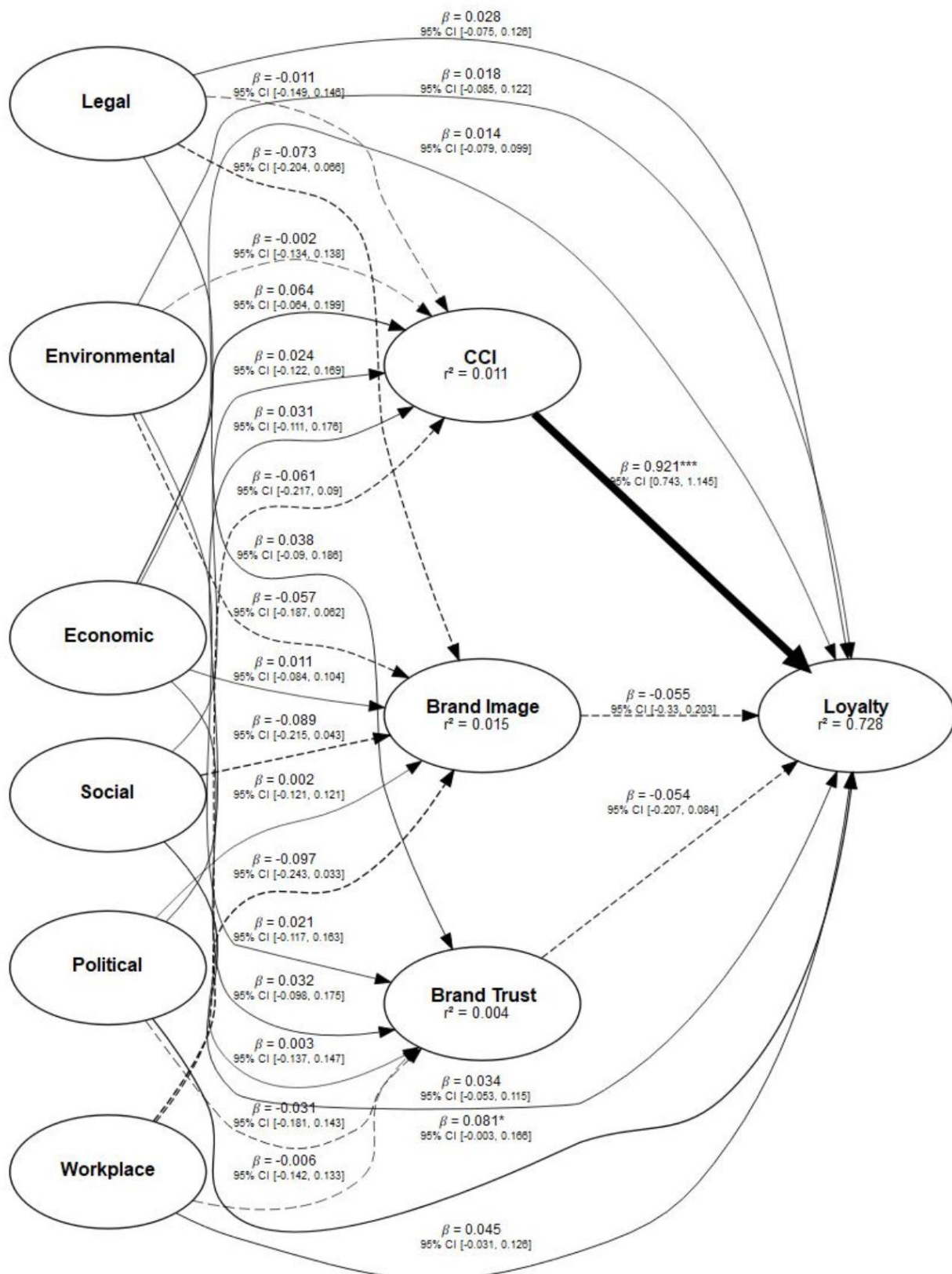
Figure 5.20: PLS-SEM Graphical Model

In Figure 5.20, the dashed arrows show negative relationships and the solid arrows show positive relationships. The size of the arrows indicate the strength of the effect. The Legal, Environmental, Economic, Social, Political and Workplace treatments visibly had a positive direct relationship to customer loyalty. When it comes to the mediating variables, only customer-company identification had a positive direct relationship to customer loyalty ($\beta = 0,91$; $p < 0,01$). Brand trust and brand image showed negative relationships on customer loyalty. The Legal Brand Activism treatment had a positive impact on brand trust, but a negatve impact on CCI and brand image. The Environmental Brand Activism treatment had a positive relationship to brand trust, but a negative relationship with CCI and brand image. The Economic Brand Activism treatment had a positive relationship to CCI, brand image, and brand trust. The Social Brand Activism treatment had a positive relationship to CCI and brand trust, but a negative impact on brand image. The Political Brand Activism treatment had a positive relationship to CCI and brand image, but a negative relation to brand trust. The Workplace Brand Activism treatment had a negative relationship to CCI, brand image, and brand trust. To look at the effects in more detail, Table 5.18 shows the path coefficients for each pathway in the PLS-SEM.

Table 5.18: PLS-SEM Path Coefficients

	from	to	Path coefficient	95% lower	95% upper	T.Stat.	p-value
Brand Trust -> Loyalty	Brand Trust	Loyalty	-0,05	-0,21	0,08	-0,74	0,461
CCI -> Loyalty	CCI	Loyalty	0,92	0,74	1,14	8,94	<0.001
Brand Image -> Loyalty	Brand Image	Loyalty	-0,06	-0,33	0,2	-0,41	0,681
Economic -> Brand Trust	Economic	Brand Trust	0,03	-0,1	0,18	0,46	0,648
Economic -> CCI	Economic	CCI	0,06	-0,06	0,2	0,96	0,34
Economic -> Brand Image	Economic	Brand Image	0,01	-0,08	0,1	0,21	0,833
Economic -> Loyalty	Economic	Loyalty	0,01	-0,08	0,1	0,31	0,759
Environmental -> Brand Trust	Environmental	Brand Trust	0,02	-0,12	0,16	0,3	0,766
Environmental -> CCI	Environmental	CCI	0	-0,13	0,14	-0,03	0,973
Environmental -> Brand Image	Environmental	Brand Image	-0,06	-0,19	0,06	-0,89	0,374
Environmental -> Loyalty	Environmental	Loyalty	0,02	-0,08	0,12	0,34	0,735
Legal -> Brand Trust	Legal	Brand Trust	0,04	-0,09	0,19	0,55	0,586
Legal -> CCI	Legal	CCI	-0,01	-0,15	0,15	-0,14	0,89
Legal -> Brand Image	Legal	Brand Image	-0,07	-0,2	0,07	-1,09	0,278
Legal -> Loyalty	Legal	Loyalty	0,03	-0,08	0,13	0,54	0,589
Political -> Brand Trust	Political	Brand Trust	-0,03	-0,18	0,14	-0,38	0,707
Political -> CCI	Political	CCI	0,03	-0,11	0,18	0,41	0,681
Political -> Brand Image	Political	Brand Image	0	-0,12	0,12	0,03	0,974
Political -> Loyalty	Political	Loyalty	0,08	0	0,17	1,89	0,059
Social -> Brand Trust	Social	Brand Trust	0	-0,14	0,15	0,04	0,971
Social -> CCI	Social	CCI	0,02	-0,12	0,17	0,32	0,752
Social -> Brand Image	Social	Brand Image	-0,09	-0,22	0,04	-1,35	0,178
Social -> Loyalty	Social	Loyalty	0,03	-0,05	0,11	0,8	0,426
Workplace -> Brand Trust	Workplace	Brand Trust	-0,01	-0,14	0,13	-0,09	0,928
Workplace -> CCI	Workplace	CCI	-0,06	-0,22	0,09	-0,77	0,443
Workplace -> Brand Image	Workplace	Brand Image	-0,1	-0,24	0,03	-1,34	0,18
Workplace -> Loyalty	Workplace	Loyalty	0,05	-0,03	0,13	1,12	0,261

It is evident that the only significant path effect is the relation between CCI and customer loyalty (p < 0,001). Based on these results, the hypotheses are tested.

5.6 HYPOTHESIS TESTING

Based on the research results explained through the application of ANOVA and SEM, the hypotheses proposed within this research were tested. Table 5.19 gives an overview of the rejected and accepted hypotheses.

Table 5.19: Verification of Hypotheses

Hypothesis	Structural relation	β	t statistic	p-value	verification
H1	**BA → Loyalty**				**rejected**
H1-1	Social → Loyalty	0,03	0,8	0,426	
H1-2	Legal → Loyalty	0,03	0,54	0,589	
H1-3	Workplace → Loyalty	0,05	1,12	0,261	
H1-4	Economic → Loyalty	0,01	0,31	0,759	
H1-5	Political → Loyalty	0,08	1,89	0,059	
H1-6	Environmental → Loyalty	0,02	0,34	0,735	
H2	**BA → trust**				**rejected**
H2-1	Social → trust	0	0,04	0,971	
H2-2	Legal → trust	0,04	0,55	0,586	
H2-3	Workplace → trust	-0,01	-0,09	0.928	
H2-4	Economic → trust	0,03	0,46	0,648	
H2-5	Political → trust	-0,03	-0,38	0,707	
H2-6	Environmental → trust	0,02	0,3	0,766	
H3	**Trust → Loyalty**	-0,05	-0,74	0,461	**rejected**
H4	BA → CCI				**rejected**
H4-1	Social → CCI	0,02	0,32	0,752	
H4-2	Legal → CCI	-0,01	-0,14	0,89	
H4-3	Workplace → CCI	-0,06	-0,77	0,443	
H4-4	Economic → CCI	0,06	0,096	0,34	
H4-5	Political → CCI	0,03	0,41	0,681	
H4-6	Environmental → CCI	0	-0,03	0,973	
H5	**CCI → Loyalty**	**0,92**	**8,94**	**< 0,001**	**accepted**
H6	**BA → Image**				**rejected**
H6-1	Social → Image	-0,09	-1,35	0,178	
H6-2	Legal → Image	-0,07	-1,09	0,278	
H6-3	Workplace → Image	-0,1	-1,34	0,18	
H6-4	Economic → Image	0,01	0,21	0,833	
H6-5	Political → Image	0	0,03	0,974	
H6-6	Environmental → Image	-0,06	-0,89	0,374	
H7	**Image → Loyalty**	-0,06	-0,41	0,681	**rejected**

Based on Table 5.19 the acceptance and rejection of hypotheses and sub-hypotheses are explained now.

5.6.1 Brand Activism and Customer Loyalty

In this research, the relation of CSR and customer loyalty were taken as a basis to make assumptions for the effects of Brand Activism on customer loyalty. Therefore, the structural equation model was executed. H1 proposed that Brand Activism implementation had a positive impact on customer loyalty. To accept or reject this hypothesis, sub-hypotheses were proposed.

5.6.1.1 Social Brand Activism

The first sub-hypothesis (H1-1) claimed that Social Brand Activism implementation had a positive impact on customer loyalty. Looking at the data from the PLS-SEM path coefficients (Table 5.18) it is notable that $\beta = 0,03$ and $t = 0,8$. Social Brand Activism therefore has a slightly positive impact on customer loyalty. However, the significance of this path is not given, due to $p = 0,426$. Follow from this,

H1-1) was rejected.

To understand this relationship in more detail, further sub-hypotheses were proposed. The hypotheses suggested that Social Brand Activism implementation had a positive impact on the mediating variables, namely brand trust (H1-1-1), CCI (H1-1-2), and brand image (H1-1-3). The data turned out as follows:

H1-1-1): $\beta = 0$; $t = 0,04$; $p = 0,971$

H1-1-2) $\beta = 0,02$; $t = 0,32$; $p = 0,752$

H1-1-3) $\beta = -0,09$; $t = -1,35$; $p = 0,178$

Therefore, the results of path analysis were not significant and

H1-1-1), H1-1-2), and H1-1-3) were rejected.

Legal Brand Activism

The second sub-hypothesis dealt with the relationship of Legal Brand Activism and customer loyalty. It was proposed that Legal Brand Activism implementation had a positive impact on customer loyalty. The data observed included $\beta = 0,03$; $t = 0,54$; and $p = 0,589$. The slightly positive relation is therefore not significant, which means that

H1-2) was rejected.

The positive relation of Legal Brand Activism on the mediating variables was also hypothesised and tested.

H1-2-1) β = 0,04; t = 0,55; p = 0,586

H1-2-2) β = -0,01; t = -0,14; p = 0,89

H1-2-3) β = -0,07; t = -1,09; p = 0,278

As all of the effects from Legal Brand Activism on customer loyalty are not significant,

H1-2-1), H1-2-2), and H1-2-3) were rejected.

5.6.1.2 *Workplace Brand Activism*

Another sub-hypothesis observed the relationship between Workplace Brand Activism and customer loyalty. It was suggested that Workplace Brand Activism implementation had a positive impact on customer loyalty. The data observed included β = 0,05; t = 1,12; and p = 0,261. The relationship was consequently not significant and

H1-3) was rejected.

Furthermore, the values for the test on the mediating variables turned out as follows:

H1-3-1) β = -0,01; t = -0,09; p = 0,928

H1-3-2) β = -0,06; t = -0,77; p = 0,443

H1-3-3) β = -0,1; t = -1,34; p = 0,18

As none of the pathways resulted in a significant relationship,

H1-3-1), H1-3-2), and H1-3-3) were rejected.

5.6.1.3 *Economic Brand Activism*

The fourth sub-hypothesis suggested a positive relationship between Economic Brand Activism implementation and customer loyalty. Within the SEM, the following data was detected: β = 0,01; t = 0,31; and p = 0,759. The relationship was weak and not significant. Therefore,

H1-4) was rejected.

Like the previous Brand Activism applications, Economic Brand Activism implementation was also suggested to impact the three mediating variables.

H1-4-1) $\beta = 0,03$; $t = 0,46$; $p = 0,648$

H1-4-2) $\beta = 0,06$; $t = 0,96$; $p = 0,34$

H1-4-3) $\beta = 0,01$; $t = 0,21$; $p = 0,83$

Since the results are not significant,

H1-4-1), H1-4-2), and H1-4-3) were rejected.

5.6.1.4 Political Brand Activism

Sub-hypothesis five suggested that Political Brand Activism implementation had an impact on customer loyalty. The data collected was analysed as follows: $\beta = 0,08$; $t = 1,89$; $p = 0,059$. These results are not significant and therefore

H1-5) was rejected.

In more detail, the effects of Political Brand Activism on Brand Image, CCI, and Brand trust were found as follows:

H1-5-1) $\beta = -0,03$; $t = -0,38$; $p = 0,707$

H1-5-2) $\beta = 0,03$; $t = 0,41$; $p = 0,681$

H1-5-3) $\beta = 0$; $t = 0,03$; $p = 0,974$

This confirms that the impact is not significant and consequently

H1-5-1), H1-5-2), and H1-5-3) were rejected.

5.6.1.5 Environmental Brand Activism

The last sub-hypothesis of H1 dealt with the positive impact of Environmental Brand Activism implementation of customer loyalty. The values detected were $\beta = 0,02$; $t = 0,34$; and $p = 0,735$. Like the previous results, also this result is not statistically significant and

H1-6) was rejected.

The effects of Environmental Brand Activism on the mediating variables were also checked:

H1-6-1) β = 0,02; t = -0,3; p = 0,766

H1-6-2) β = 0; t = -0,03; p = 0,973

H1-6-3) β = 0,06; t = -0,89; p = 0,374

For Environmental Brand Activism, the effects on mediating variables were no significant. Therefore,

H1-6-1), H1-6-2), and H1-6-3) were rejected.

As analysed within the sub-hypotheses H1-1 to H1-6, none of the brand activism applications had a directly significant relationship to customer loyalty and the effect on the mediating variables was also not significant for any of the brand activism implementations. Considering the results of all the brand activism applications,

H1 was rejected. Therefore, brand activism implementation has no significant positive relationship to customer loyalty.

5.6.2   Brand Activism and Brand Trust

The second hypothesis suggested that brand activism implementation had a positive impact on brand trust. Looking at Table 5.19 it becomes clear that none of the brand activism treatments led to a significant impact on brand trust, as the p-values of all brand activism forms (0,971; 0,586; 0,928; 0,648; 0,707; 0,766) exceeded $p > 0,05$. Therefore,

H2 was rejected.

The relationship of brand trust and customer loyalty was also hypothesised. A positive impact of brand trust on customer loyalty was suggested. The outcome was a slightly negative relation (β = -0,05; t = -0,74), but the p value also exceeded $p < 0,05$ ($p = 0,461$). Consequently,

H3 was rejected.

5.6.3   Brand Activism and CCI

The fourth hypothesis developed dealt with the relation of brand activism and CCI. Table 5.19 reports the values for the influence of brand activism on CCI are not significant, similar to brand activism and brand trust. The p-values of every brand Activism form exceeded $p > 0,05$ (0,34; 0,973; 0,89; 0,681; 0,752, 0,443). Eventually,

H4 was rejected.

Within the structural model it was proposed that CCI had a positive influence on customer loyalty. Table 5.19 shows that the path coefficient between CCI and customer loyalty is β = 0,92, the t statistic is t = 8,94 and p < 0,001. These results are strongly positive and significant, therefore CCI has a strong positive effect on customer loyalty within the model and

H5 was accepted.

5.6.4   Brand Activism and Brand Image

Another hypothesis proposed stated the positive relationship of brand activism and brand image. Also, within this relationship, no significant path was found. All analysed p-values exceeded p < 0,05 (0,833; 0,374; 0,278; 0,974; 0,178; 0,18). Therefore,

H6 was rejected.

The last relationship hypothesised was the positive relationship between brand image and customer loyalty. Table 5.19 provided the results for this relationship: β = -0,06; t = -0,41 and p = 0,681. This did not support a positive significant relationship and finally,

H7 was rejected.

5.7 SUMMARY OF THE RESEARCH RESULTS CHAPTER

The research results chapter reported on the descriptive statistics, reliability and validity of the model, ANOVA, SEM analysis, and hypothesis testing. The descriptive statistics indicated a positive relation between brand activism, the mediating variables brand trust, CCI, and brand image and customer loyalty. The reliability and validity tests supported the proposed measurement model. ANOVA reported that environmental brand activism was the dimension perceived as most important by Millennials, but the variance of customer loyalty measurement was not significant between the experimental groups and control group. The SEM analysis reported no significant effect of the brand activism dimensions on the three mediating variables and customer loyalty and suggested that CCI is the only mediating variable with a significant impact on customer loyalty. Finally, all hypotheses except for H5 were rejected. The next chapter discusses the results and explains why most of the hypotheses were rejected.

CHAPTER 6: DISCUSSION

6.1 INTRODUCTION

As introduced in the methodology chapter of this thesis, the research aim was to identify brand activism as an evolution of CSR, to conceptualise brand activism, and to discover the impact of brand activism on consumer behaviour. In the progress of this thesis, comparisons to the relationship of CSR and customer loyalty were made. Based on this, research questions were posed (Chapter 4.2).The first research question that was posed was about the nature of the effect of progressive brand activism implementation on customer loyalty. As the concept brand activism is more diverse than CSR, the two sub-hypotheses asked for the variance in brand activism application, namely in progressive legal, workplace, political, social, economic, and environmental brand activism and which of the dimensions was the most important one for customers. The reason why these questions were asked was to fulfil the research aim of this thesis, whether brand activism implementation is necessary and to verify the assumption that it could improve customer loyalty. This chapter discusses the results of the key findings, interprets the results gathered in the framework of this thesis, and recommends practical implementation guidelines.

6.2 SUMMARY OF THE KEY FINDINGS

The findings of the study suggested that the developed measurement model (Figure 6.1) is adequate to be implemented when measuring the effect of phenomena such as brand activism on customer loyalty.
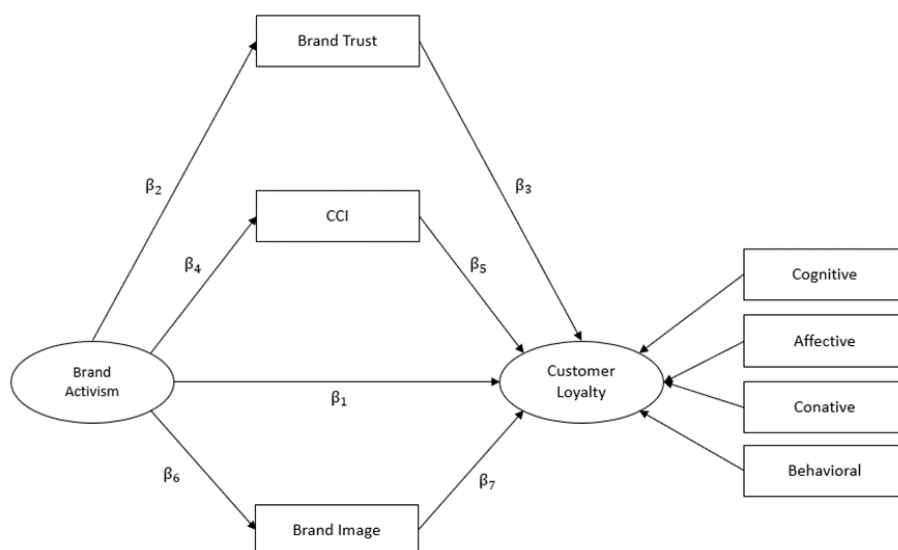
Figure 6.1: Confirmed Structural Model

The structural model especially suggested that brand image, CCI, and brand trust are reliable predictors of customer loyalty. Within the applied context of brand activism, CCI was the only predictor that had a positively significant influence on customer loyalty. There was no significant influence of brand activism on customer loyalty. None of the six brand activism applications had a significant effect from the control group. The influence of brand activism on customer loyalty was measured by looking at the direct effect and by looking at the effect using the mediating variables of brand image, CCI, and brand trust. There was no direct significant relationship with customer loyalty and there was no significant influence towards the mediating variables. The ranking of importance of the Brand Activism applications was therefore only limited. Considering the mean, the ranking of Brand Activism applications is: 1) Political Brand Activism, 2) Economic Brand Activism, 3) Social Brand Activism, 4) Environmental Brand Activism and Legal Brand Activism, and 5) Workplace Brand Activism. In contrast, there was a significant variance in the perception of the importance of brand activism applications. A ranking of the perception results in: 1) Environmental Brand Activism, 2) Economic Brand Activism, 3) Workplace Brand Activism, 4) Social Brand Activism, 5) Legal Brand Activism, and 6) Political Brand Activism. On this basis, there is a discrepancy in self-reported perception of brand activism importance and the measured results of the measurement model. This means that the perception is different from the actual behaviour in a consumption decision. This difference indicates an attitude-behaviour gap, which is discussed in this chapter. Another key finding from the data is that participants perceived that brand activism is primarily directed at creating authenticity rather than at creating legitimacy.

6.3 INTERPRETATION OF THE DATA

6.3.1   A Comparison to Prior Studies: CSR vs Brand Activism

The study included the six brand activism dimensions as independent variables, brand trust, customer-company identification (CCI), and brand image as mediating variables and customer loyalty as dependent variables within the SEM. Brand trust and CCI were included, based on an in-depth literature review and pre-test. Brand image was included as a replacement for brand satisfaction, which was replaced after the pre-test. Based on the choice of variables, the study can be compared to previous studies of Corporate Social Responsibility (CSR) and loyalty that include the same variables, namely Raman et al. (2012), Senooane (2014), Chung et al. (2015) and Pérez & del Bosque (2015). Raman et al. (2012) could prove a positive relationship between every independent, mediating, and dependent variable. The relationship of CSR and CCI can especially be compared. Raman et al. (2012) found a mild relationship between CSR and CCI. Eight out of twelve p-values were below p > 0,05, therefore not every item had a significant effect. Raman et al. (2012) consequently argued that if CSR

efforts are increased, the level of CCI is also increased and the values would turn out more significant. Within the present study, observing brand activism and customer loyalty, only social, economic, and political brand activism had slightly positive relations to CCI, therefore, an overall positive effect of brand activism on customer loyalty is not supported. A similarity between the study of Raman et al. (2012) and the present study is the strong effect of CCI on customer loyalty. Like in the present study, Raman et al. (2012) observed that all p-values for the pairwise correlations were below 0,05, which supported a significant effect. All CCI items were positively related to the customer loyalty items, therefore a positive relationship is supported between CCI and customer loyalty in a CSR framework as well as in the present study, in the framework of brand activism. Martinez & Del Bosque (2013) as well as Pérez & del Bosque (2015) reported stronger effects of CSR on CCI. Like in the present study, Martinez & Del Bosque (2013) also supported a positively significant effect of CCI and customer loyalty. Pérez & del Bosque (2015) did not observe the direct effect between CCI and customer loyalty. This indicates that effect that was measures from CSR on CCI is higher than the effect measured from brand activism on CCI. Possible reasons for this are that CSR is more established than brand activism and therefore customers are familiar with the concept and applications. As brand activism is relatively new, the customer might be not yet be ready to identify with the communicated values. The impact of brand activism on CCI is therefore lower than the impact of CSR on CCI. A prior study on CSR and CCI argued that CSR is a long-term investment and strengthens the identification of a customer with a company over time (Huang, Cheng, & Chen, 2017). If brand activism is established and the right values are communicated, the impact on CCI might increase over time. This finding can be related to the brand activism effect on authenticity. The participants indicated that they thought brand activism was directed at creating authenticity. If a company should implement values on a sustainable basis and if they integrated brand activism within a long-term marketing strategy, authenticity could be increased and therefore CCI would also increase. In conclusion, the findings suggested that a long-term integration of matching customer- and company values could increase CCI.

In terms of brand trust and brand images, the results from previous studies differed from those of the present study. Martinez & del Bosque (2015) found a positive relationship from the side of CSR towards brand trust and from brand trust towards customer loyalty. Senooane (2014) also proved a positive relationship from CSR towards brand trust. The present study only found mildly positive relationships between social, legal, economic, and environmental brand activism on brand trust and the effect of trust on customer loyalty was slightly negative. However, the results were not significant. In terms of brand image, Senooane (2014) found a positive impact of CSR on brand image. Chung et al. (2015) did not find a positive relationship between CSR and customer loyalty by adopting brand

image as a moderating variable. The present study supports the findings of Chung et al. (2015) as the effect of brand activism on brand image being slightly negative and not significant, except in respect of economic and political brand activism. Cheng et al. (2015) argued that the CSR budget should be maximised to increase brand image. Furthermore, the level of satisfaction has an impact on brand image. One reason why brand activism had no significantly positive effect on brand image could be that the experimental groups only saw one application and not the complete efforts of Volkswagen. Therefore, the effect on brand image is only depicted in a fragmented manner. Further reviewed studies could not prove a positive relationship from the side of CSR and or mediating variables to customer loyalty. Salmones et al. (2005) did not find a positive direct relationship between CSR and customer loyalty. Furthermore, Rivera et al. (2019) did not find a positive relationship within their structural model between CSR and attitude as well as attitude and customer loyalty. There are various reasons why the effect of CSR on customer loyalty as well as the effect of brand activism on customer loyalty differs. These reasons are elaborated in the following section by describing the achievement of the research goal.

6.3.2   Accomplishment of the Research Goal: The Effect of Brand Activism

In chapter 4.2 a detailed research goal statement for this thesis was presented. First, the literature review served a solid theoretical foundation for achieving the goals by identifying brand activism as an evolution of CSR. This was executed within the literature review as well as in the framework development chapter. The first quantitative goal was to observe the effect of progressive brand activism on customer loyalty. The present results of the SEM indicate that there is only a mild directly positive relationship between progressive brand activism and the effect is not significant. The second research goal was to detect the differences between the six brand activism dimensions and the effect on customer loyalty. The ANOVA proved that there was no significant difference between the effects of legal, workplace, political, social, economic, or environmental brand activism. The last research goal was to identify the most important brand activism applications for Millennials in South Africa. The survey therefore first indicated the scales measuring the impact of brand activism on customer loyalty, and then asked the participants about their perception regarding the most important brad activism dimension. The results of the SEM and ANOVA analysis indicated that political brand activism had the biggest effect, but the perception of Millennials was that environmental brand activism is the most important dimension. All the research goals were achieved, but it is important to discuss why the results turned out differently from the previously reviewed studies. Three main reasons are identified and elaborated upon.

1)   The measurement model differed from previous studies.

One of the potential reasons why progressive brand activism did not have a significant effect on customer loyalty was the choice of method and eventually, the measurement model. One aspect is the structure of the measurement model. Brand trust, CCI, and brand image served as mediating variables that were assumed to have an influence on customer loyalty. However, it was not measured whether the mediating variables had an influence on each other. Thus, it is not clear whether the results would have changed if the mediating variables had been related. Another aspect is the process of the study. The process this thesis followed, was applying ANOVA, followed by a SEM. The ANOVA gave insights about the variance between the different dimensions as well as a basis for the comparison of the model effects and participants' perceptions of the dimension. The SEM gave insights about the pathways from brand activism towards customer loyalty as well as a total effect. Senooane (2014) based the whole of the hypothesis tests solely on the descriptive statistics by analysing the means of the variables. On this basis, Senooane's (2014) study reported that CSR positively affects brand image and trust, and eventually positively affects brand loyalty. Similar statistical procedures were applied in the market research studies reported on in sub-section 2.3.1.3. In the reviewed market research, participants were asked about their expectation regarding brand activism and the correlation (descriptive statistics) served as an indicator for the positive effects of brand activism. At this stage of data analysis (descriptive statistics), the present study of the effect of brand activism on customer loyalty would have come to a similar conclusion as Senooane (2014) and the findings of market research companies. The descriptive statistics supported a positive effect of brand activism on brand trust (M = 4,23), CCI (M = 3,88) , brand image (M = 4,35) and customer loyalty (M = 3,98). However, this thesis observed the in-depth effects of the effects of brand activism and applied a SEM to discover the pathways; their significance, as in other previously reviewed studies (Chung, et al, 2015; Martinez & Del Bosque, 2013; Pérez & del Bosque, 2015; Raman et al, 2012). Finally, the crucial difference of the present study compared to previous studies was the additional application of ANOVA. Even though the strengths of the relationships and pathways were measured in other studies, the comparison of effects was not considered. The present study therefore not only measured the overall effect of the concept brand activism on loyalty, but also identified and compared the components. Eventually, the variance as well as the effects turned out relatively low and were not significant in most scenarios. This in-depth analysis made it possible to uncover realistic implications about the effect of brand activism on customer loyalty in the framework of the Volkswagen South Africa case. This will be discussed in the conclusion and recommendations chapter (Chapter 7).

2)   A real-world example from the automotive industry was applied.

Another differentiator of this study was that it was applied in a real-world industry context. Within the study development, two options of application were considered. One option was creating a fictitious company and base the questionnaire as well as the treatments on a non-existing brand, which means participants would not have had any prior brand knowledge. The second option was developing the study with an existing brand that successfully implements brand activism elements and construct the treatments based on the brands actual behaviour. The second option was implemented, even though there were implications for the results. The main implication was that Volkswagen is a well-known brand and all participants had prior brand knowledge and an opinion about the brand. The Volkswagen brand is globally recognised and is amongst the top 100 most valuable brands in the world as well as the market leader in the South African automotive market within the passenger car segment (Interbrand, 2021; Volkswagen-Group, 2021). However, the researcher wanted to depict a realistic application scenario of brand activism, following a positivist approach (Saunders et al., 2016) and make generalisations based on this. Therefore, the approach to work with Volkswagen South Africa led to the conclusion that there is a slightly positive effect of brand activism on customer loyalty, but it is very low and not significant.

3)   The choice of treatment

Another reason for the low value of significance could be the treatment choice. The treatments were designed based on real engagements and sharpened to form a brand activism case. However, some treatments included similar content; the BBBEE topic, for example, was addressed within the political brand activism treatment as well as the economic brand activism treatment. This may have lowered the values of significance but depicts the reality of brand activism implementation of companies.

Looking at the results of the ANOVA and SEM conducted within the study, the main finding of the study indicated that the perception of customers about the brand activism dimension differed from the actual effect measured with the model. This is elaborated in the next section.

6.3.3   The Impact of CCI on Customer Loyalty: Social Identity Theory

One reason why CCI dominated as a predictor of customer loyalty in contrast to brand trust and brand image is that the theories of self-categorisation and social identity create a deep relationship between phenomena like brand activism toward customer loyalty (Onorato & Turner, 2004; Stets & Burke, 2000; Tajfel & Turner, 1979). Utkarsh & Gupta (2022) also found a significant role of social identity, civic virtue and customer loyalty. A finding from market research which also motivates the impact of brand activism on customer loyalty is Sprout Social (2021). The research company found that people

from different political identities, such as liberals and conservatives, have different expectations towards social and political brand activism communication.

The structural model within the present research study reported that CCI had a positively significant direct influence on customer loyalty. The relationship measured with SEM turned out very strong, indicating a path coefficient of β = 0,92, t-value of t = 8,94 and p value of p < 0,001. This result is comparable to the studies introduced in the literature review that looked at the relationship of CSR and customer loyalty depending on the influence of CCI. Martinez & Del Bosque (2013) Moon, Lee & Oh (2015), Pérez & del Bosque (2015), and Raman, Lim & Nair (2012) also proved a positively significant influence of CCI on customer loyalty in the framework of CSR. The present research supports the result that CCI is one of the most influential variables in the decision-making process of customers and eventually, is a strongly reliable predictor of customer loyalty in the context of consumer behaviour. Even though this thesis proved a positive relationship between CCI and customer loyalty, it could not prove a positively significant relationship between brand activism and CCI. The reviewed studies report a positive relationship between CSR and CCI. However, it is notable, that only weak relationships were found between CCI and CSR (Martinez & Del Bosque, 2013; Moon et al., 2015; Pérez & Rodríguez del Bosque, 2015; Raman, Lim & Nair, 2012). Other studies reported that there was no significant relationship between CSR and CCI (Perez, 2009; Zhang & Wu, 2010). Even though the relationship between CSR as well as brand activism and customer loyalty remains inconclusive, a strong relationship between CCI and customer loyalty in this context is evident. Especially, within a brand activism context this positive relationship can be explained with the self-categorisation and social identity theory.

Self-categorisation theory and social identity theory derive from psychology research. Psychology scholars claim that social categorisations include cognitive tools to classify and order the social environment (Onorato & Turner, 2004; Tajfel & Turner, 1979). These categorisations enable individuals to undertake many forms of social interactions and serve as a system for self-reference (Tajfel & Turner, 1979). Self-categorisation includes self-structures that are most centrally defining attributes for an individual. The self-categorisation theory differentiates between social identity, which aims at the collective self and personal identity, which aims at the personal self (Onorato & Turner, 2004). Within the social identity theory, social groups provide their members with an identification of themselves in social terms. It includes that individuals try to enhance their self-esteem, cognitively process social comparisons, and try to achieve a positive social identity (Tajfel & Turner, 1979). Social identity means being like others in the group and seeing things from the group's perspective (Stets & Burke, 2000). There is evidence that self-identity and self-categorisation have an

impact on consumer behaviour, especially when it comes to brand purchase decisions. By purchasing a certain brand incorporating symbolic brand benefits, a consumer can construct their self-identity and present themselves to others in a certain manner. The congruency between the self-image association and brand-user association leads to brand choices that publicly present the self-identity of a consumer (Escalas, 2004). The purchase of a certain brand not only fulfils the psychological need to express the own self-identity, but also helps to connect to others in the same social group (Moon et al., 2015).

Taking the two presented theories into consideration, the reason why CCI is a strong influencer of customer loyalty is that the customer wants to create a long-lasting social identity and self-image. In order to create a consistent social identity, a mix of different brands would not be congruent with a certain self-image as the categorisation to a certain social group is not given. Therefore, a brand is re-purchased or other products from the same brand are bought in order to express a social identity. Especially when it comes to CSR and brand activism, consumers who share the same values than a brand are attracted and retained. Cognitive theory supports that CSR can have a positive influence on customer loyalty, as positive evaluations derive from a CSR image and emotional reactions are triggered in the customer's mind (Martínez, Pérez & del Bosque, 2014). The same applies for brand activism, as the values communicated in the framework of brand activism have the potential to influence emotional reactions. In the VW example, the SEM results for political brand activism were the highest, even though the perception that political brand activism is important was the lowest value. This could be the reason, because in general, people do not have expectations towards companies to engage in politics or political opinion (Clemensen, 2017; Table 46). However, people in this specific example being confronted with the political brand activism treatment could identity with the values communicated. The communicated values were that VW is the "people's car" and fights against racism, inequality and promotes BBBEE action. Those are values that the majority of South Africans can identify with and therefore they unintentionally felt more loyal to the VW brand after being exposed to the treatment. The same applies for economic brand activism, with the difference that the participants intentionally indicated that economic activism was important to them.

In conclusion, if the interests and values of customers are clear to a company or brand, the right form of brand activism can be a criterion to strengthen loyalty in these customers.

6.3.4 From an Attitude-Behaviour Gap toward an Expectation-Behaviour Gap

Prior to the examination of the study, the assumption was that brand activism had a positive effect on customer loyalty, like previous studies conducted with the concept CSR. The alternative hypothesis

therefore was that progressive brand activism had a positive impact on customer loyalty. This hypothesis was rejected due to lack of significance or detected negative effects. In this context it is surprising that the values for the importance of brand activism (customer perception) indicated higher values for each dimension of brand activism, except for political brand activism. Figure 6.2 depicts the difference of behaviour (path effects), and attitude (perception of brand activism importance). The behaviour is reflected by the answers to the scales for customer loyalty. The attitude is reflected by the question regarding what dimension was the most important to the participants.

Figure 6.2: Comparison of Loyalty and Expectations of the Brand Activism Dimensions

Figure 6.2 demonstrates that the self-reported attitude toward economic, social, environmental, legal and workplace brand activism is higher than the actual effect in the model. The only exception is political brand activism. For the political dimension, the exact opposite applies. This observation indicates a so-called attitude-behaviour gap of the results. The attitude-behaviour gap had previously been observed in the context of sustainable consumption decision-making. The attitude-behaviour gap is a phenomenon where consumers indicate to have 'green' values and entail sustainable consumption, but the actual purchasing behaviours differ (Terlau & Hirsch, 2015). Other expressions for the attitude-behaviour gap in literature are intention-behaviour gap and words-deeds gap (Bray,

Johns, & Kilburn, 2011; Carrigan & Attalla, 2001; Carrington et al., 2010; Caruana, Carrington, & Chatzidakis, 2016). This phenomenon can be adapted to the case of brand activism and customer loyalty. Within each brand activism dimension, this effect applied. The participants claimed themselves as consumers that are aware of the importance of economic, social, environmental, legal and workplace issues and therefore expected activism from the company, in this case Volkswagen South Africa. Political brand activism had the lowest value of expectation, but the highest effect in the model. Within the online questionnaire, the perception of the importance of brand activism was surveyed, so it was directed more toward the expectation rather than the attitude or intention. Attitudes are defined as a psychological tendency expressed by favour or disfavour. Key features of attitude are tendency, entity, and evaluation (Eagly & Chaiken, 2007). A purchase intention is a situation when a customer is willing to purchase a certain product or service (Meskaran, Ismail, & Shanmugam, 2013). In terms of expectations, literature suggests that expectations are defined by individual belief elements in a cognitive structure. In terms of consumer behaviour literature, expectancy-disconfirmation paradigm (EDP) is used to explain customer expectations. The EDP suggests that customer buy products and services with a certain expectation of the anticipated product or service performance. In more detail, expectations are formed by customers based on their experience, word-of-mouth, advertisements and further. Then, the formed expectations get compared by customers to the actual product or service experience within a cognitive process. Disconfirmation occurs when the expectation is not similar with the anticipated outcome. The result of this is either a positive or negative disconfirmation (Yüksel & Yüksel, 2001). Furthermore, scholars suggest that expectations form a component or predictor of attitudes (Happ, Hofmann, & Schnitzer, 2021; Hsu, Cai, & Li, 2009; Olson & Dover, 1976). This study has not directly asked for purchase intentions, but only covered one element of consumer attitudes by asking the participants for their evaluation of brand activism efforts and their belief regarding the importance of the six brand activism dimension. The same procedure was implemented in market research on brand activism (Chapter 2.3.1.3). All studies asked the participants for their perception or expectations (Edelman, 2018; Porter Novelli, 2020; Sprout Social, 2021; Whitler, 2021). For the purposes of this thesis, the phenomenon can therefore rather be called the expectation-behaviour gap. Formulating this phenomenon in the view of a customer, it would be:

"My expectations toward a company regarding brand activism implementation are higher than my actual willingness to remunerate the company with my loyalty".

This statement indicates that the customer has high expectations regarding a company's brand activism efforts, as demonstrated in Figure 6.2. This presents an example of the EDP, namely the

expectation of the brand activism engagement of Volkswagen is not congruent with the execution here, and therefore there is disconfirmation. However, the data gathered from the experimental study with Volkswagen showed that the loyalty behaviour does not increase in the same manner, if brand activism is applied progressively. This indicates that the neutral or regressive form of brand activism could damage customer loyalty as there would then be a high discrepancy of expectation. Therefore, the self-reported perception of the brand activism importance can have an impact on consumer behaviour. Chapter 6.4.1 elaborates on the strategic implication of the identified gap.

The following Figure 6.3 is adopted from Terlau and Hirsch (2015) and depicts the decision-making model of sustainable consumption. It is adapted by adding research findings from the present study to apply this decision-making model in a brand activism framework. The amendments are highlighted in blue.
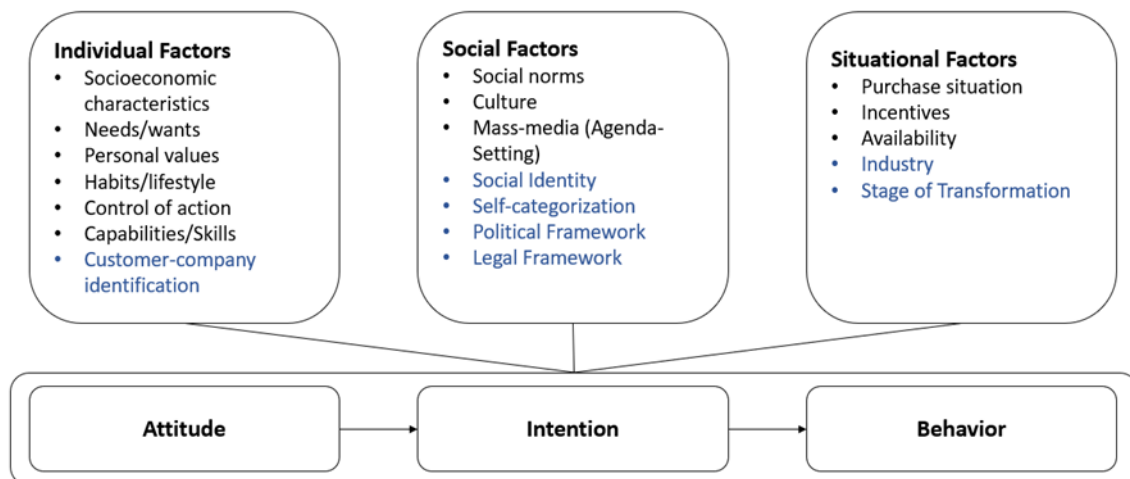
Figure 6.3: Brand Activism Decision-Making Model (Terlau & Hirsch, 2015, modified)

Figure 6.3 describes a simplified pathway from the attitude of a customer toward the behaviour of a customer. This process is mediated by a customer's intention. Individual factors, social factors, and situational factors influence this process. The present research suggests that one of the individual factors between the attitude and behaviour of a customer is customer-company identification, as it influences customer loyalty and means a higher level of repeat purchasing. Furthermore, the study indicates that social identity and self-categorisation are influencers in terms of social factors, as these theories determine in how far customers can identify themselves with a company in the framework of brand activism application. The study also added the political framework as well as the legal framework as socials factors that influence a purchasing decision. Finally, the industry and the stage of sector transformation are critical situational factors when it comes to purchase decision-making in

the frame of brand activism implementation. Using this framework as an anchor, it is still unclear how to close the gap between the self-reported attitude about customer loyalty and the actual effect. Literature suggested that internal and external factors influence purchase decision-making and therefore create the gap. These factors for example are prior planning, control over the purchase experience, aspects about the buying environment, and the absence of cognitive dissonance (Carrington et al., 2010; Carrington, Neville, & Whitwell, 2014; Gollwitzer, 1999; Szmigin, Carrigan, & McEachern, 2009). Follows & Jobber (2000) also reported that within their SEM about customer attitudes and environmentally responsible purchase behaviour there was no significant positive relation. Possible reasons for this gap are for example of cognitive nature, like the awareness, knowledge, and concern about societal issues addressed within the different brand activism applications. The sense of personal responsibility and perceived consumer effectiveness also play a critical role in the existence of this gap (Wintschnig, 2021). These reasons are also supported by the results of the present study. Not only was the overall effect on customer loyalty analysed, but also the effect on the different stages of customer loyalty was observed by ANOVA. On this basis, the results of the effect between the cognitive stages of customer loyalty differ from the behavioural stages. The effect of the first two stages was cognitive loyalty (M = 3,78), and affective loyalty (M = 3,77). The effect of the third and fourth stage was conative loyalty (M = 4,26) and behavioural loyalty (M = 4,11). As explained in more detail in the literature review, cognitive and affective loyalty are about the brand knowledge, experience and the first developments of liking or disliking a brand. The low correlation in these two stages of loyalty confirmed a lack of knowledge, concern and awareness of customers about societal issues and therefore a brand should create more awareness of the issues it cares about to create a cognitive connection within the first stages of the loyalty process. The second two stages apply when a customer already has an opinion or certain loyalty behaviour toward a brand. Within this stage, customer retention is especially important. In the example of Volkswagen South Africa, the higher values of customer loyalty in the behavioural stages are an indicator that the existing customers who are already loyal to the Volkswagen brand, get an affirmation that the brand is acting in favour of important societal issues. Consequently the bond to the customer is strengthened by being directed at behavioural stages, and this prevented brand-switching. For this stage it is highly relevant in which social-identity group and self-category customers are located. The economic, political, legal and societal framework is also crucial in this stage. The reason why the bond to the customer must be strengthened in these two stages is that within this level of customer loyalty, brand switching is prevented. To prevent brand switching, the cognitive dissonance of customers must be reduced. Cognitive dissonance is a form of mental stress that appears when making decisions. It is known that when it comes to purchase-making decisions, customers feel mental stress when they have to choose

between two equally attractive types of goods. This mental stress is developed by values, emotions, attitudes and intentions (Terlau & Hirsch, 2015; Wintschnig, 2021). Following this, within the last two stages of loyalty, brand activism can be a differentiator that relieves cognitive dissonance by addressing the right values and emotions that are appropriate for the social identity and self-category of the target customer. To implement this in practice, guidance for implementation with the goal to increase customer loyalty must be given. This is elaborated in sub-chapter 6.4. First, a reflection of the research outcome is made.

6.3.5   Reflection of Results

There is a number of reasons why the results have turned out non-significant. These reasons can be grouped in four categories: The choice of company for the questionnaire, the application of the treatments, the constitution of the questionnaire, and the measurement.

When it comes to the choice of company for testing the relationship of brand activism and customer loyalty, Volkswagen is a company that incorporates a certain bias. This bias is addressing the initial perception of the participants towards Volkswagen. As mentioned before in the thesis, there was a Diesel scandal in 2016, where Volkswagen was reported about negatively in media. This might have created a certain image to the brand and might explain why participants had higher expectations regarding environmental activism at Volkswagen. This bias could have been weakened, by asking a screening question that clarifies if participants are Volkswagen customers, or if they dislike the brand.

In terms of the application of the treatments, two criteria might have influenced the results. First, the treatment was maybe not strong enough. All treatments were posed in a progressive nature of brand activism and not polarizing. Polarizing brand activism topics could have given a clearer tendency of brand activism effect. Second, the treatments seemed too artificial and therefore there was a response bias when reading or viewing the treatment examples as a participant.

Another reason for the insignificant results could be the content of the questionnaire. As a screening question including the population group could have given information about the overrepresentation of a certain population among the participants, which makes it hard to generalize outcomes for the whole of South Africa. Also, when addressing the sub-research-question, the questionnaire was posed in a generic way and did not include the brand Volkswagen, but a generic formulation that only included multinational companies.

It is also worthwhile to consider the measurement. Even though, a whole SEM including the pathways from brand activism towards customer loyalty was carried out, the results for gender differences and

interaction effect of brand activism were not measured. This could have given more clarification of the outcome of the research study.

6.3.6   Summary of the Data Interpretation

To conclude this chapter, the highlights of the data interpretation are presented. In terms of the comparison of the present study and prior studies, the research found that there was not a significantly positive relationship between brand activism and customer loyalty. Earlier research on CSR and customer loyalty suggested a positive significant relation. The only mediating variable with a significantly positive effect on customer loyalty in the present study was CCI. In terms of the accomplishment of the research goal, the researcher discovered all relationships that were suggested in the framework of the hypotheses presented in this thesis. The main reasons for the disapproval of the anticipated effect were the differing measurement model from previous studies, the implementation of a real-world example including a high-valued brand, and the choice of treatment that was limited to certain topics. Furthermore, the data interpretation explained the proposed social identity theory as an antecedent of CCI in the relationship of brand activism and customer loyalty by highlighting the importance of social identity and social categories in the purchase decision-making process. Finally, the discovery of an expectation-behaviour gap in the framework of brand activism and customer loyalty was elaborated on by layering over the results of the self-reported perception of brand activism importance and the measured effects. The following chapter presents the strategic implementation of the discussed results.

6.4 STRATEGIC IMPLEMENTATION OF THE RESULTS

6.4.1   A Customer Grid Segmentation Strategy

Another incentive for the study was to offer guidance for business application; in this case for the automotive industry. This section offers a customer grid segmentation model that visualises a guiding strategy to close the expectation-behaviour gap and therefore reduce cognitive dissonance. The goal of the model is to achieve increased customer loyalty. This thesis has observed the behavioural effect as well as the expectations of Millennials toward Volkswagen South Africa. Figure 6.4 demonstrates the results in the form of a bubble chart.
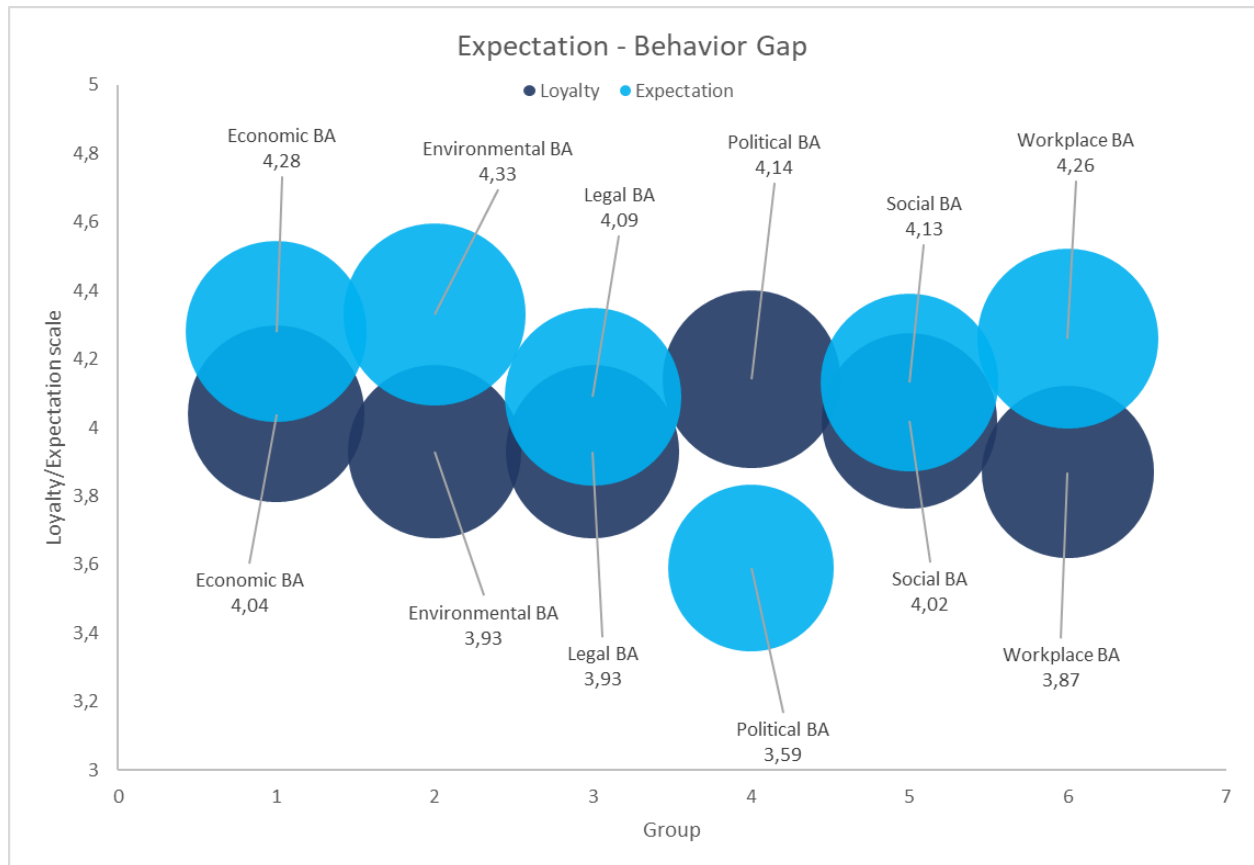
Figure 6.4: Expectation-Behaviour Gap

The dark blue bubbles demonstrate the customer loyalty behaviour measured by the SEM. The light blue bubbles demonstrate the self-reported attitude. The x axis indicates the brand activism segment (experimental group). The y axis indicates the values of customer loyalty and expectation. This model has two indicators that indicate whether the strategy is successful. First of all, the overlap of the bubbles for each segment is crucial. The more the bubbles overlap, the more successful brand activism is implemented on the targeted customer group. The second indicator is the position of the dark blue bubble. The higher the dark blue bubble, the more loyal a customer is measured on the actual behaviour. Within this measurement model, a value above 3 indicates loyalty toward Volkswagen, and a value above 4 indicates a very high loyalty toward Volkswagen. The goal is to achieve a value close to 5. The higher the light blue bubbles are, the more relevant a segment is for the Volkswagen brand, because this indicates what the customer expects from the company. The higher the dark blue bubbles are, the better is the loyalty score within the brand activism segment. Equal dark blue and light blue bubbles demonstrate the best operating model in the framework of brand activism execution.

Within this example the best executed brand activism dimension is social brand activism. Volkswagen South Africa manages to cover most of the social expectations held by their customers toward the

Volkswagen brand. This is also supported by Volkswagen South Africa's key performance indicators. For the Lionesses Den, which was demonstrated within the treatment, Volkswagen South Africa reported an advertising value equivalency (AVE) of R1 653 958. The AVE estimates the amount of revenue associated with a campaign. The total reach of the campaign was 16 535 844. A marketing return on investment (ROI) was 8:1, which is a very high ratio (scaled from 1-10) for a marketing campaign (Hilliar, 2021). The social brand activism treatment is followed by legal and economic brand activism in the results of the present study. The biggest need for action exists in the environmental brand activism dimension. This indication is especially interesting, because the highly successful implemented segments (dimensions) are covered by the traditional CSR model. Circling back to Chapter 2.1.4 and looking at Figure 2.10, it is recognisable that the activities included within the social, economic, and legal brand activism treatments are topics that are also addressed in traditional CSR implementation in South Africa. The topics that are not included in prior CSR conceptualisations, namely environmental and workplace, are dimensions that are not congruent with millennial customer's expectations. This indicates that Volkswagen has not fully investigated societal expectations in the generation of Millennials and can improve in these brand activism customer segments. The last dimension, political brand activism, indicates that the typical automotive customer does not have high expectations regarding political statements or efforts toward an automotive company, however they react on political statements. This indicates that Volkswagen is making pro-active choices when it comes to political communication. To conclude, Volkswagen South Africa is performing well in traditional CSR implementation but can profit from brand activism implementation and create higher customer loyalty in the environmental and workplace associated segment as the values of Millennials increasingly include topics in these two segments, as can be seen from the results of the study. These results support the findings in literature that the consumer behaviour of Millennials is influenced by green and sustainable values (Falke, Schröder, & Hofmann, 2021; Su, Watchravesringkan, Zhou, & Gil, 2019).

To conclude, brand activism has the potential to give direction to Millennial consumer values by addressing climate change, demographic change, and localisation in the framework of a segmentation strategy. In terms of the automobile segment, the sector transformation within the automotive industry arises from megatrends, such as climate and demographic change. These two trends are expected to intensify within the next generations, after Millennials and Gen Z. In South Africa the trend of localisation is especially connected to economic and workplace issues in the country, therefore, implementing environmental, economic and workplace activism can make sense in this market. In more detail, it is important to identify possible brand activism segments. It is therefore

crucial to regularly observe customer preferences toward a brand's efforts in terms of societal movements. Within the automotive industry especially there is a sector transformation fostered by Millennials due to expectations regarding environmental and workplace issues. The environmental claim arises due to the awareness of climate change, and workplace issues gain more importance due to automatization. Looking at South Africa, especially BBBEE initiatives are wanted in the workplace as well, as the creation of jobs is of high importance due to a high unemployment rate in South Africa. Volkswagen could, for example, target those needs by not only implementing BBBEE regulations, but focusing even more on the development of employees. Furthermore, jobs should be secured and created to also foster the sector transformation in emerging countries.

6.4.2   Strategic Implementation in the Customer Loyalty Process: CSR and Brand Activism

In Chapter 3, the differences between CSR and brand activism were discussed. A distinction in terms of content is necessary because applications and benefits of the brand activism strategy must be clear. The present research discovered that people perceive that brand activism is more directed at authenticity than CSR. This is congruent with the findings of previous literature. CSR is primarily used to obtain legitimacy, whereas brand activism can be implemented to create authenticity for a brand (Vredenburg et al., 2020). It therefore makes sense that CSR addresses the purpose of an initiative and brand activism expresses the values of a brand. On this basis, it is suggested that CSR serves for brand positioning, whereas brand activism can be strategically implemented to add to the identity of a brand. This research found that there is only a mild relation of brand activism regarding customer loyalty. However, it makes sense to implement it, when the targeted customer group expresses expectations toward environmental or workplace issues. This research concludes that brand activism should be implemented additionally to CSR, as Millennials not only have expectations towards economic, social, and ethical issues. Even though it does not directly increase customer loyalty, it serves to be perceived as an authentic brand. CSR and brand activism should not be perceived as distinct concepts, but concepts that complement each other when it comes to creating loyalty. Looking at the universal model of CSR in chapter 2.1.4, it becomes obvious that purpose and values go hand in hand with each other and values serve the purpose, as well as vice versa. Figure 6.5 demonstrates how the concepts can accompany the customer loyalty creation toward a brand within the four steps of loyalty.
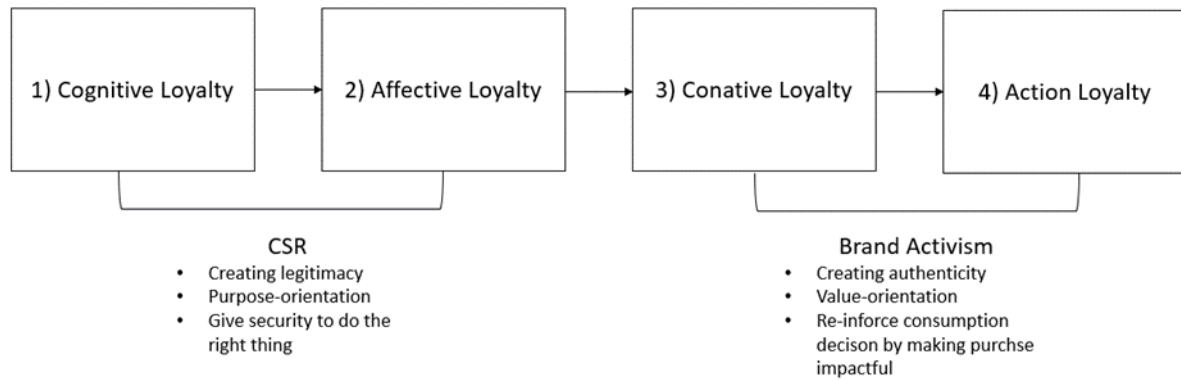
Figure 6.5: Brand Activism Implementation in the Stages of Customer Loyalty

Figure 6.5 summarises the effects of CSR and brand activism and indicates when to use it. CSR is useful in the first stages of customer loyalty as it provides a safe decision option for the customer. It minimises the insecurity of making the wrong decision in the cognitive and affective stage when a customer builds an attitude regarding a brand, based on prior knowledge. Brand activism can be implemented in the last stages of customer loyalty to re-enforce customer values and minimise cognitive dissonance and therefore brand switching in the conative and action loyalty stage when the purchase intention is developed and the readiness to act is activated. This can also be transferred to the ladder models of loyalty as demonstrated in Figure 6.6.
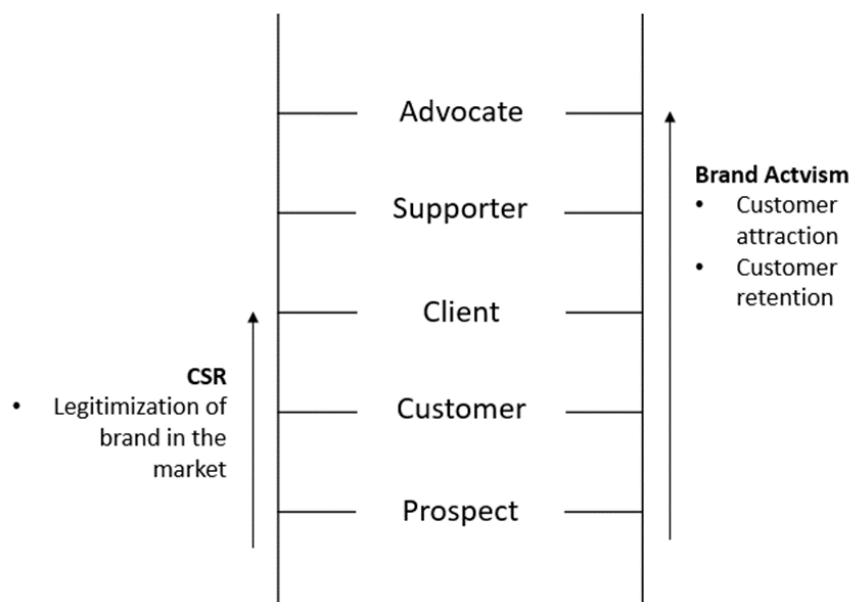
Figure 6.6: Brand Activism Implementation in the Ladder of Loyalty

The ladder model starts at the prospect customer, which means customers must be attracted to become customers of a brand. This can be achieved by CSR and brand activism simultaneously. At the stage when an individual is already a client, brand activism will be more convincing as values and opinions are re-enforced, which can make a client become a supporter and advocate. Hereby, the social identity of a customer is of high importance. The values of the company must be congruent with the values of the client. Within the model of Mascarenhas et al. (2006) (Figure 2.32), the same structure applies. Brand activism can be effectively implemented from the total category purchase on. This is when long-lasting buyer-seller relationships are created and values reinforce the bond between the customer and the company.

To conclude, it is necessary to differentiate between CSR and brand activism. The implementation of CSR is nowadays vital to business success, especially when it comes to customer loyalty as seen in many examples (Chung et al., 2015; Mandhachitara & Poolthong, 2011; Martinez & Del Bosque, 2013; Moon et al., 2015; Pérez & del Bosque, 2015; Salmones et al., 2005; Yusof et al., 2015). Even though brand activism does not have a significant effect in the present study, a company must be aware that expectations are rising when it comes to environmental workplace issues due to increased awareness about these topics as well as transparency. At the moment there is only a small gap between the expectations and the execution. However, the gap can grow if the implementation does not hold up with trends. It is questionable whether a brand must act as an "activist" instead of claiming themselves as responsible. This depends on the industry sector as well as the mission and vision of a brand. The mission and vision shape values and therefore include the development of customer expectations. In the case of Volkswagen, the following mission statement is communicated: "For all our products and mobility solutions we aspire to minimise environmental impacts along the entire lifecycle – from raw material extraction until end-of-life – in order to keep ecosystems intact and to create positive impacts on society. Compliance with environmental regulations, standards and voluntary commitments is a basic prerequisite of our actions" (Volkswagen, 2021). This indicates a leadership position in the market when it comes to environmental change, and therefore requires not only CSR, but progressive environmental brand activism implementation. There are two possible reasons why especially environmental brand activism is the dimension with the biggest gap of expectation-behaviour ratio. Firstly, the mission statement creates high expectations, but the customer is not ready to fully identify (CCI) and believe in this change yet. Secondly, especially in the South African market, the environmental strategy is not fully developed since there is a lack of e-mobility and infrastructure. Follow from this, the South African millennial customer cannot transfer the attitude to an action, as the offer is limited. To foster the trend of e-mobility, implementing brand activism can make sense. If

a strategy is spoken out, eventually a company must deliver. This way, change can happen also in an emerging market.

6.4.3   Challenges of Brand Activism Implementation for Marketers

Even though brand activism has the potential to support social movements and drive societal change, consumer-related challenges must be dealt with. The literature review chapter on brand activism market research reported a positive impact on customer loyalty and gave insights about the expectation of customers (Chapter 2.3.1.3). The present research did not confirm the impact on customer loyalty, but reported similar expectations on environmental, workplace, and economic brand activism. This is an indicator that findings from research might be misleading for marketers, as the effects of brand activism must be considered well, and further perspectives must be included. Three aspects that should be considered are the impact of brand activism, considering the trade-offs that are not reflected by surveys, and the consumer bias (Whitler, 2021).

   1)   Business impact of brand activism

It is crucial to invest in the right brand activism dimension and in the right issue. As customers have preferences and expectations about specific brand activism applications, they do not only support brands that communicate values and beliefs, but they also boycott a brand or stop purchasing a brand if they do not agree with the values communicated (Hong, 2018; Kam & Deichert, 2020). This is especially risky when it comes to polarising topics. Chapter 2.2.4 reviewed CSR in South Africa and the debate about the responsibility of companies during Apartheid. Such topics can easily result in negative customer reactions or boycott. This implies a risk in brand image, negative word-of-mouth, and a risk to sales (Whitler, 2021).

   2)   Implementation trade-offs

Another challenge to consider is that of trade-offs. Companies must make trade-offs when it comes to marketing decisions. Not all brand activism dimensions can be implemented authentically, therefore it is crucial to implement the right ones in an efficient way. Furthermore, the resources of companies to address socio-political topics are limited. Circling back to sub-section 1.2, the communication of brand activism messages was addressed in the framework of the Super Bowl and the high costs of this marketing activity. In the course of this research, primarily MNCs with a large marketing budget were looked at. The main argument for this was that MNCs are drivers for change in society. Even though MNCs have a relatively large marketing budget, expenses must be backed up

by achieving company goals. If company goals are not reached with brand activism implementation, a realistic scenario is a cut in budget for this type of communication.

3) Social desirability bias

A common problem in the survey methodology is the social desirability bias. This means that the consumer replies what they think you want to hear (Whitler, 2021). The measurement of customer expectation is therefore a challenge and a multi-step measurement should be implemented when it comes to the identification of brand activism topics. This research offers a multi-step approach that helps reduce the bias and observes which brand activism dimensions have the most impactful consequences for customer loyalty.

6.4.4 Summary of the Strategic Implementation

The strategic implementation of the results includes two approaches, a loyalty grid segmentation model and a customer stages and ladders model. Furthermore, it includes the challenges associated with brand activism implementation based on the results. The grid model visualises an expectation behaviour gap, because it directs at one fragment of attitude, namely the customer's expectation, and it includes the loyalty behaviour. This lay-over of variables led to the discovery that Volkwagens's best executed brand activism dimension is social brand activism, which aligns with Volkswagen's operative results in this marketing segment. The dimension with the highest potential to improve is environmental, which is aligned with the sustainable values of the millennial generation. In terms of the implementation of brand activism in the customer loyalty process, it was suggested that CSR and brand activism should be implemented as complementary, to achieve both, legitimacy and authenticity. Within the first stages of the stages model, CSR should be the focus, and in the latter stages brand activism should be applied. In the ladder model, CSR should serve as a basis to create customer loyalty and brand activism should be directed at communicating values of existing customers to sustainably increase customer loyalty. The challenges of brand activism implementation address the business impact of brand activism, the trade-off decision, and the social desirability bias. To implement these findings in practice and further research, the next chapter offers a conclusion and recommendations.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

This chapter will conclude the research study by summarising the key research findings in relation to the research aims and research questions, as well as the value and contribution thereof. Contributions to practice will be presented. This chapter will also review the limitations of the study and propose opportunities for future research.

7.2 RECONCILIATION OF RESEARCH OBJECTIVES

The aims of this research were to conceptualise brand activism and identify brand activism as an evolution of CSR (1); and to discover the impact of brand activism on consumer behaviour (2). The focus of the research study was to measure the impact of the brand activism dimensions on customer loyalty and identify differences in their effect (3). In extension, another aim was to find out in how far the measured impact of the brand activism dimensions and the perception of importance of the brand activism dimensions differ from each other (4). Ultimately, the aim of this research was to make generalisations for business implementation based on the findings.

To develop a robust theoretical body for the definition and conceptualisation of brand activism, the six dimensions were separately reviewed, and underlying theories were identified. Drivers for the dimensions brand activism were the social-identity theory, the social categorisation theory, the pro-social and pro-environmental consumption theory, and the fairness theory. Furthermore, the framework chapter produced a contextual, conceptual, and industry framework for brand activism application. Components, a possible effect on consumer behaviour, and an implementation scenario in the automotive industry of brand activism was developed.

Furthermore, this thesis identified brand activism as an evolution of CSR by developing a brand activism strategic implementation framework. The framework differentiates both concepts in its nature, the aim, tool, dimensions, operation-relation, benefits, and risks. Main differences are the activist approach of brand activism, the values-driven focus, the integration as a tool to shape brand identity, and the fact that brand activism is not necessarily related to core-operations. The dimensions of brand activism that are new to the concept and do not appear in commonly used CSR conceptualisations in literature are the environmental dimension, the political dimension, and the workplace dimension. Even though the concepts CSR and brand activism are distinct, the results of this thesis suggest that CSR and brand activism can be implemented as complementary to achieve a

stronger level of customer loyalty. The implementation of brand activism in addition to CSR makes sense in the conative phase of customer loyalty and in the stage of lifting customers from the client segment toward the advocate segment.

The focus of the study was to observe the relationship between brand activism and consumer behaviour. In more detail, the effect of the six different brand activism applications on customer loyalty was measured. This research goal was addressed by developing a SEM to measure path- and total effects and applying ANOVA to differentiate the effects of the six brand activism dimensions. The results show that brand activism is positively related to customer loyalty. However, the total effects and results of the variance analysis do not indicate a significant relation or variance in the case of Volkswagen South Africa. Ultimately, brand activism and customer loyalty are positively related, but the effect of brand activism on customer loyalty is not significant. The mediating variable CCI was found to be a strong predictor of customer loyalty within the framework.

The extended aim of measuring the impact of brand activism on customer loyalty was to identify in how far the measured effects and perceived importance of the brand activism dimensions correspond. Therefore, the perception of the importance of the six brand activism dimensions was inquired and graphically compared to the effect observed through the experimental study. The graph showed that the importance/expectation of customers is slightly higher in most dimensions except for political brand activism. All in all, the expectations of customers and implementation of Volkswagen South Africa are matching, which is an indicator for the high level of customer loyalty observed.

The final goal of the research was to make generalisable recommendations for business implementation. This goal was realised by offering a strategic implementation framework, introducing a customer grid segmentation model, and giving recommendations for the strategic implementation in the customer loyalty process. This is explained further in the section of this conclusion on contribution to research, practice, and recommendation.

7.3 RESEARCH CONTRIBUTION

This research study makes several theoretical and methodological contributions to literature in the field of marketing and consumer behaviour.

Firstly, the research contributes to CSR literature. CSR is delineated and defined in the context of the country South Africa. The novel findings, presented by an in-depth literature review, are the combination of various definitions with the era of CSR as well as the underlying theories. In respect of the ethical foundations of the CSR concept, this research merges the marketing and political lens of

CSR and sets the developed perception of CSR in the framework of South Africa. Subsequently, another contribution of this research is the CSR application in South Africa in the automotive industry. Besides the suggestion of a different structure of widely accepted CSR concepts in emerging countries like South Africa, this research elaborates on the implementation of CSI initiatives by creating an industry framework for CSI and brand activism. The framework is based on in-depth literature research, market research and guidance of Volkswagen South Africa representatives.

Secondly, this thesis contributes to qualitative brand activism literature. Brand activism is a phenomenon that is relatively new to literature. A robust theoretical body is developed and a contextual, conceptual, and industry framework is suggested. Furthermore, a strategic implementation framework is presented, and the differences of the concepts CSR and brand activism are elaborated.

Thirdly, this research contributes to literature on marketing and consumer behaviour. In more detail, it contributes to quantitative literature on brand activism by creating a relationship between the concepts brand activism and customer loyalty. Oriented at the measurement approaches of CSR and customer loyalty, a measurement model for brand activism and customer loyalty was developed. More precisely, this research contributes to the study of the effect of progressive brand activism on customer loyalty in target group millennials in South Africa. This is a field of research that has lacked investigation so far. Like studies about the effect of CSR on customer loyalty, mediators were used to investigate the relationship. In addition to existing literature, brand activism was investigated, and a different choice of mediating variables was made. A SEM including the mediating variables brand trust, CCI, and brand image was tested. The impact of CCI on customer loyalty in the framework of CSR and brand activism was supported. In contrast to studies that investigated the impact of CSR on customer loyalty, this research could not prove a significant positive effect from brand activism to customer loyalty. This adds to quantitative literature in this field by opening another perspective on the effects that brand activism has on customer behaviour. As introduced, qualitative research suggested a positive effect of brand activism on customer loyalty. The quantitative outcomes of this study lead to an opposing suggestion. This does not mean that brand activism has no effect on customer loyalty at all but motivates to continue with research about this relationship. Therefore, the researcher believes that presenting additional insights in the theoretical expansion and implications of this research can be useful for further quantitative studies in the effect of brand activism and consumer behaviour.

Lastly, regarding methodological contributions, this research applies a new conceptual construct (brand activism) and develops a measurement model to identify the impact on an existing construct

(customer loyalty) in literature. Not only the SEM is a new approach of measuring the impact of brand activism on customer loyalty, but the research design is also novel in the context of CSR/brand activism and marketing. First an experimental study was developed. Secondly, ANOVA was applied. Thirdly, CB-SEM and PLS-SEM were executed. Finally, the results were combined to layer the perception of customers over the results of the measured effects. None of the previously reviewed studies on CSR and customer loyalty included this kind of multi-stage process to observe the relationship in such detail. Finally, the comparison of perception and actual effect serves as a basis for the recommendations for business implementation.

7.4 CONTRIBUTION TO PRACTICE/POLICY

This research study also includes five main contributions to practice. First, the brand activism framework is developed and defined in a holistic manner. The framework development chapter gives detailed insights about the topics addressed within the six brand activism dimensions. Furthermore, a strategic brand activism framework is developed to differentiate CSR from brand activism and offer guidance for business implementation.

Secondly, the quantitative outcome represents valuable information for practice. Even though, a large number of MNC's is implementing CSR and brand activism, and initiatives are evaluated on a qualitative basis, companies are lacking quantitative performance indicators for CSR and brand activism. This thesis provides a measurement model as well as highlights influencing variables that mediate the relationship between brand activism and customer loyalty. With these insights, companies can not only measure the increase of customer loyalty but also work on the mediating variables such as brand trust, CCI and brand image. In detail, this thesis concludes that a company must know their target group as well as their interests very well in order to use brand activism to increase customer loyalty. Even though, making political statements as a company might be a major trend among other industries, it can be the case that does not apply to the specific customer group as seen in the Volkswagen example.

Thirdly, a customer loyalty grid model is developed, based on the research results. The grid model offers a clear visualisation of the comparison of brand activism implementation and brand activism expectations of customers. With the customer loyalty grid model, the optimal level of brand activism can be implemented. It serves as a guide to increase customer loyalty by selecting the relevant brand activism applications. With the customer grid model in the Volkswagen example it gets visible very easily, in what dimensions Volkswagen should get more engaged and what dimensions can be kept further with an unchanged engagement level. In the demonstrated Volkswagen case, it gets clear that

customers expect more when it comes to economic and environmental brand activism and reveals that the social brand activism dimension is well-balanced in this case.

Fourthly, this research contributes to the integration of brand activism in the customer loyalty stage process. The outcomes suggest that brand activism and CSR are implemented as complementary. Brand activism is effective in later stages of customer loyalty. It is a decision-influencing criterion when it comes to conative and behavioural loyalty. In the customer loyalty ladder conceptualisation, brand activism is effective to transform the customer from a client to an advocate. This serves as a guideline for customer loyalty performance. In the case of Volkswagen, the participants were satisfied with Volkswagen brand activism engagement in most cases. However, to make these clients to advocates Volkswagen can strengthen the relationship by engaging even more in social, legal, business, economic, and environmental activism.

Lastly, the outcomes of the study within this thesis can not only be adapted to CSR and brand activism, but also be used as a guideline for similar scenarios in practice. For example, the measurement model could be used to figure out if a company is working together with the right partners, initiatives, and invests in the right sponsorships. This can be done with testing those scenarios on the mediating variables, and full pathways to customer loyalty.

7.5 RECOMMENDATIONS

7.5.1 General recommendations:

- Implement CSR and brand activism complementary;

- Brand activism directs at shaping brand identity and authenticity;

- Brand activism implementation should direct at creating customer-company identification;

- Brand activism as a tool to change society rather than achieving business goals; and

- Examine the expectations of target group and adjust brand activism strategically.

7.5.2 Recommendations for Volkswagen South Africa:

- The next step is to transform clients into advocates;

- Segment clients into different target groups (Gen Z, Millennials, Baby-Boomers);

- Investigate on brand activism interests for each target group;

- Turn clients into advocates by using brand activism that is directed at the specific target group;

- Millennial customer group in South Africa: Focus on environmental brand activism;

- Millennial customer group in South Africa: Increase engagement in legal, workplace and economic brand activism

7.6 LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

This research included limitations regarding the theory, research scope, industry scope, content of the experimental treatments, and forms of brand activism treatments. First, the lack of theory, concept, and definitions of the phenomenon brand activism was a limitation. To create a solid basis for the study, the term brand activism had to be defined and conceptualised in more detail. This was done in the literature review and the framework development. However, the variety of scientific perspectives on the phenomenon brand activism was missing. Neither was there any existing quantitative research on brand activism, especially in relation to consumer behaviour. Therefore, the lack of comparison to other studies was also a limitation due to the lack of existing theory. Secondly, the research scope was a limitation to the study. The scope in terms of the market was limited to the automotive industry. The scope in terms of countries was limited to South Africa. Further, only one specific generation was observed, namely Millennials; thus it was not possible to make assumptions for the whole population. Thirdly, the research was also limited regarding the industry scope. Only one brand was selected to develop the treatments with. Therefore there is a lack of comparison to other brands. In more detail, Volkswagen South Africa is a leading brand in the South African automotive market. The results for a brand with lower scores of brand value could have turned out differently. Fourthly, the research was limited in terms of the content of brand activism. The treatments could not depict the full spectrum of brand activism topics and only included three to four issues per treatment. The choice of other topics could have resulted in a different outcome. Finally, the brand activism applications only depicted a positive, progressive scenario. Per definition, brand activism can be progressive, neutral, and regressive. Therefore, the study does not include the negative, regressive implementation of brand activism and also the neutral case, when brand activism is absent, is missing.

In general, this research study in the framework of the PhD program was limited in terms of time and money. Therefore, further research related to the topic of brand activism and consumer behaviour is suggested.

This research study built a holistic brand activism framework, differentiated it from CSR, and found that brand activism does not have a significant impact on customer loyalty. To develop an in-depth

knowledge of the brand activism phenomenon, further qualitative research and quantitative research must be implemented.

In terms of qualitative research, the concept of brand activism should be developed further. Especially, case study approaches that examine the practical applications should define the topics and issues that are addressed in the framework of brand activism. Also, the conceptualisation should be scrutinised. The majority of literature on brand activism is based on the conceptualisation of Kotler and Sarkar (2018). To the researcher's knowledge, there are no alternative concepts in literature that constitute the dimensions differently. Furthermore, research on the implementation of brand activism is missing. The present research project includes one strategic implementation framework. This can be developed further for different industries.

This research was executed in the emerging country context and data collection was carried out in South Africa. The model can be expanded and tested in a developed context with readiness for pro-social and liberal views, such as the USA and further first-world countries. A cross-country comparison could reveal exciting findings.

A large research gap is the quantitative approach on brand activism. The quantitative approach presented in this thesis should be applied to other brands and industries to depict a broader range of application scenarios. This enables better assumptions on the effect of progressive brand activism on customer loyalty. Moreover, not only the effect of brand activism on customer loyalty should be observed, but also the effect of brand activism on other components of consumer behaviour, such as buying behaviour and decision-making. Furthermore, the different forms of brand activism should be tested, namely the regressive and neutral form of brand activism implementation should be investigated to depict a holistic impact of brand activism on consumer behaviour.

7.7 CONCLUSION

Trust is the ultimate currency that companies build with their stakeholder. This research introduced the high level of distrust from stakeholders towards government and media. Therefore, business is the only trusted institution and the expectations toward companies are rising when it comes to socio-economic issues. Within the past decades, the answer of companies to the expectations of stakeholders was the implementation of CSR. The common business implementation of MNCs followed the theory of the firm perspective. Thereby, CSR was implemented as an integral business part, a strategic investment, and a form of reputation building. However, this application could not serve the increasing demand by stakeholders of socio-political engagements that aim at changing society. This research suggested that brand activism is a natural evolution of CSR. Even though there

is no significant effect on customer loyalty, it was discovered that brand activism is perceived as an important form of engagement by customers. Customer loyalty is only one business goal that can be targeted with brand activism implementation, namely a response to the increasing societal fears of the customer is to create societal leadership. To effectively build societal leadership, socio-political issues that are covered in the concept of brand activism must be addressed. This research revealed that in the automotive industry, the most important form of activism is environmental activism, therefore, automotive brands must strive at environmental change. Ultimately, the greatest potential of the brand activism phenomenon is to create an impact in society and this should be seen as the ability of business to cause environmental, societal, and political change. Eventually, emerging countries like South Africa can profit from MNCs that make use of their societal impact to create progressive socio-political change.

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APPENDICES

Appendix A: Volkswagen Treatment Description

Treatment Groups

ALL THE VISUALS + INFORMATION USED IS AVAILABLE TO THE PUBLIC

Group 1: Social Brand Activism

Def: "Social activism promotes social values. It includes topics like equality, societal and community issues, gender, LGBT, race, age, education, healthcare, social security, privacy and consumer protection" (Kotler & Sarkar, 2018).

Topics included in treatment:

- Cultural Engagement
- Female Empowerment
- Socio-Economic Support
- Education/Youth Development

Access: https://www.vw.co.za/en/volkswagen-experience/corporate-information/csi.html

Volkswagen Cultural Engagement

When we at Volkswagen support culture and the arts today, then we are taking responsibility for tomorrow.

Key CSI Focus Areas.

By investing in the following areas, we believe we can empower and equip communities with the tools and skills they need to further help themselves. These areas are as follows: **Education, Youth Development, our Employee Volunteer Program and Entrepreneurial Development.**

Women entrepreneurs roar with Volkswagen

Young South Africans need opportunities and mentorship to empower themselves and grow our economy in an innovative way. Young women in particular, have huge potential to change Africa. That's why we're proud to support the Lionesses of Africa. It's a social enterprise organisation that empowers women entrepreneurs by giving them the training and tools they need to take on the business world and prosper. Operating across 54 countries, Lionesses of Africa builds and delivers a wide range of the right tools like entrepreneurial development, mentoring programmes and many more.

Now with over 750 000 female entrepreneurs in the network, their impact has been vast; both on an individual level by helping launch and sustain start-ups as well as in the wider economies. Many of the business ideas are also focused on socio-economic needs and solving big problems. Life is a daily battle for women entrepreneurs and Volkswagen is proud to play its part in supporting this remarkable organisation that's already on target to reach its goal of helping 1 MILLION women entrepreneurs across Africa. With support from communities and the corporate sector, the Lionesses and Africa can go further, together.To read more about Lionesses of Africa, visit their website: **www.lionessesofafrica.com** 🔗

Blue Bike Project

As the maker of people's cars we, at Volkswagen, believe that people should be at the heart of everything we do. That's why we're committed to making a sustainable difference by investing in communities. In rural South Africa, many people have no access to transport – making basic services much more difficult to get to. With education being the foundation for the future, a child's learning should not be hindered by their lack of mobility.

Volkswagen for Good has partnered with Qhubeka and World Vision as part of the Bicycle Education Empowerment Programme (BEEP) to provide 1,100 bicycles to 20 rural schools in the Eastern Cape and KwaZulu Natal. Distance no longer needs to be a barrier to education. With each child gaining mobility, school attendance increases allowing the children to focus on their education. Every child deserves the very best chance at a better future. All it takes is one bicycle to make a big change.

Youth Development

Our youth development programmes are aimed at empowering young people and equipping them with the necessary skills so they can help themselves. 79% of our CSI focus is aimed towards the education and development of our youth.

KwaNobuhle loveLife Y-Centre

This recreational youth centre was built from scratch with an investment of R20m from VWAG. The centre offers youth programmes that empower and inspire positive lifestyles. The aim of the centre is to give the young people of KwaNobuhle and the Uitenhage area a safe haven where they can play organised sport and interact with their peers and adults. The centre focuses on developing long term supportive relationships through:

— Youth friendly clinics and counseling services
— Health and sexual education
— Comprehensive recreational facilities

Education

Early Childhood Development Ikhwezi Lomso

The Ikhwezi Lomso school was built by VWSA with generous donations from the workers, who contributed the equivalent of one hour's wages per month to the project. The school is situated in the heart of Kabah, a poverty-stricken township where residents face economic hardships on a daily basis. Run by a partnership between the Volkswagen Community Trust, "1Hour for the future" contributions and the local municipality, the school follows a Montessori curriculum and trains unemployed graduates as Montessori teachers.

Children of VW Bursary Fund

The Children of VW Bursary Fund was launched in 2012 and provides full bursaries for the children of Volkswagen shop floor workers who show academic potential. The bursary selects talented learners in Maths & Physical Science and places them in well-resourced schools where they are mentored and nurtured in order to excel in their studies. The bursaries provide full financial, academic & any other support necessary to succeed in school. 34 Students have been funded since inception with a total investment of R7.5m.

VW Legacy Literacy Programme

The Legacy literacy Programme was launched three years ago with a goal to ensure that all learners in Uitenhage are able to read with understanding by the age of ten. It is a comprehensive and holistic programme which focuses on the three main building blocks of an effective literacy programme (learners, teachers, parents & caregivers). Together with its partners, Edupeg, Shine Literacy and Nal'iBali, the VW Community Trust developed and implemented a literacy programme which aims to improve the literacy levels in 5 primary schools in Uitenhage.

Group 2: Legal Brand Activism

Def.: "Legal activism addresses laws and policies that impact companies, such as tax, citizenship, and employment laws" (Kotler & Sarkar, 2018).

Topics included in treatment:

- Whistleblowing
- Transparent Group Culture
- Integrity
- Corporate Guidelines (Human Rights, Labour Relations etc.)

Access: https://www.vw.co.za/en/volkswagen-experience/corporate-information/compliance.html

Volkswagen Integrity & Compliance.

Whistleblowing system.

Complying with statutory regulations and internal rules has top priority at Volkswagen. We can only avoid damage to our company, our employees and business partners if rules and standards are respected. Consequently, misconduct must be recognized swiftly, processed and immediately remedied.

That calls for vigilance on the part of everyone along with a willingness to draw attention to possible Serious Regulatory Violations on the basis of Reasonable Suspicion. We also value information of this nature from business partners, customers and other third parties. **Reports to the Investigation Office can be made at any time.**

The Whistleblower System guarantees the greatest possible protection for whistleblowers and Persons Implicated. An investigation is only initiated after very careful examination of the facts and Reasonable Suspicion of a Regulatory Violation. There will be strict confidentiality and secrecy throughout the investigative process. Information will be reviewed fairly, promptly and in a sensitive manner.

Group Culture 2.0: transparent and value-based
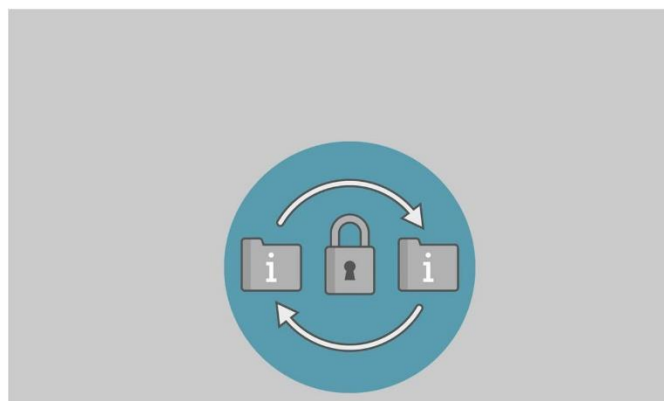
2020-01-14

The Together4Integrity (T4I) program is triggering a cultural change within the Volkswagen Group. Workshops and discussion rounds show where the Group currently stands and whether and how the established processes are having an impact.

Compliance

For a long term economic success it is crucial to comply with internal and external laws and regulations as well as self commitments.

Whistleblower System

The Whistleblower System is your first point of contact for reporting the suspicion of serious regulatory violations.

Business & Human Rights

Volkswagen fully commits to its corporate human rights responsibility. We primarily follow the UN Guiding Principles which refer in particular to the Universal Declaration of Human Rights.

Risk Management System & Internal Control System

The Volkswagen Group's RMS/ICS is based on the internationally recognized COSO framework for enterprise risk management.

Corporate Guidelines

Slavery and Human Trafficking Statement	2021-06-28
Partner-like Conduct at the workplace	2007-01-01
Mission Statement Biological Diversity	2008-12-31
Charter on Labour Relations	2009-10-29
Group Environmental Policy Statement	2020-12-15
Environmental Policy of the Volkswagen AG	2020-12-15
Occupational Safety Policy	2010-12-31
Declaration on Social Rights	2020-12-01
Charter on Temporary Work	2012-11-30
Environmental Group Principles production plants	2012-06-01
Charter on Vocational Training (German)	2015-06-05
Code of Conduct	2021-05-06
Principles and Guidelines for Public Affairs	2020-12-31
Tax and Duty policy	2018-05-04
Deaclaration on the Protection of Biological Diversity (German)	2015-12-31
Commitment to animal welfare	2020-11-09
Volkswagen Group Policy on Sustainable Raw Materials	2017-12-11
Code of Conduct for Business Partners	2019-05-29
Anticorruption Guideline	2019-05-31
Mission Statement Environment	2019-06-20
Customer Privacy	2021-05-19
Responsible Raw Materials Report 2020 (Englisch)	2021-07-16

Group 3: Workplace Brand Activism

Def: "Workplace activism directs at topics at the workplace like pay, workers rights and working conditions. It includes governance and deals with corporate organization, CEO pay, worker compensation, labor and union relations."

Topics included in the treatment:

- Skills development
- Diversity Management
- Employee volunteer program

Access: https://www.volkswagenag.com/en/group/diversity.html

"Integrity is everyone's business."

Grow professionally and personally.

Skills Development.

The Volkswagen Learning Academy (VWLA) is dedicated to human capital training and development and is an essential element in achieving our Human Resources and Divisional goals.

High-quality training has been provided to all levels of personnel within the Volkswagen plant for the past 25 years. VWLA is dedicated to high value-added training – based specifically on the needs of its customers, it also offers all its expertise and programmes to outside customers. Led by an experienced training management team, our highly skilled training personnel provide a wide variety of programmes and expertise. Based on its many achievements, VWLA is regarded as a very progressive and sophisticated training organisation, offering real value-for-money training services.

The VWLA supports the company's long-term strategic plan to ensure all levels of employees are equipped with the skills to build globally competitive cars in South Africa. These cars should be competitive in terms of cost, quality and schedule adherence. The VWLA aims to be the benchmark in employee skills growth and training in Production, National Sales Organisation, Technical, Commercial and Leadership Training Academies.

Our approach to skills development has enabled us to achieve 18.07 points out of 20 points. Our next BEE verification is set to reach the 20 point mark.

Volkswagen Group Diversity Management

As part of our DNA, we focus on diversity when it comes to cultural change: "**We live diversity**". The task of diversity management is to sensitize employees to the topic and to promote a culture in which diversity is a matter of course and visible in the company. Our conviction: diversity is no longer merely a soft success factor, but business-relevant added value and essential for the transformation of our group - worldwide.

We aim to be the leading supplier of sustainable mobility in the world. To achieve this, we need people who are diverse and think diversely, and who drive the transformation. So, every day we are working towards creating an ideal working environment in which our employees can apply their talent and skills. Diversity is not only part of the corporate principles, the management model and the code of conduct, it is also firmly anchored in our Group strategy 2030 "NEW AUTO - Mobility for Generations to Come". Diversity is essential for corporate success, required by law, and integral to our guidelines and processes.

If **the right person is in the right position in the right place at the right time** - regardless of their gender, cultural background, sexual orientation or other diversity dimensions – then we can say that we have achieved our goal. As such, our diversity strategy takes a holistic approach: we have established minimum standards around the world, which we track using a diversity index. We are committed to ensuring that our HR processes are fair and without prejudice. We offer training for management and employees. And we contribute to remaining an attractive employer for future generations by defining and offering measures for the management level and the workforce that make the issues of diversity and inclusion visible.

Diversity is a top priority for us!

"I am convinced that teams that include women are better teams."

Dr. Herbert Diess
Chairman of the board of directors at Volkswagen AG

"The best results are achieved when people of all ages, genders, backgrounds and nationalities work together on an equal footing."

Gunnar Kilian
Board Member for Human Resources at Volkswagen AG

"A variety of experiences, perspectives and other backgrounds are necessary if organizations want to make positive use of the rapid changes that are currently shaping our entire industry and society."

Elke Heitmüller
Head of Diversity Management

Our definition of diversity

We live diversity in terms of **age, cultural background, gender, sexual orientation** and are actively committed to **inclusion**.

Diversity of mindsets, competencies and background experiences enables **creativity, innovation, dynamism and resilience**.

We create an **environment that promotes the individuality** of each individual in the interests of the company.

Our diversity goals

- Measurable increase in diversity using the mood barometer and Group diversity index.

- Concentration on dimensions such as gender and internationality gives way to a focus on talent and experience (i.e. targeted quotas until a critical mass is reached).

- (HR) processes are consistently transparent and set up for equal opportunities.

- Brands, regions, companies, locations and departments live and manage diversity according to their business mandate.

- Diversity is reflected in all of our appearances, publications and advertising.

Employee Volunteer Programme

Our Corporate Social Investment strategic imperative is to impact South Africa through various social, economic development, and environmental initiatives. Volkswagen South Africa employees share our hope for a brighter future and are actively involved in giving time and money towards the development of our communities.

VW encourages and facilitate this by equipping employees with resources and a wide spectrum of opportunities from giving money, skills transfer through mentorship to being actively involved in improvements of facilities of various beneficiaries. We do this through:

- Show of hands EVP
- The VW Mentorship Programme
- One Hour for the Future

The VWSA Employee programme recently won the Beyond Painting Classroom Award - Partnering for Change category.

The Beyond Painting Classroom Employee Volunteer Programme awards recognise and celebrate inspiring examples of employee volunteering that go beyond traditional approaches to employee volunteering.

Group 4: Economic Brand Activism

Def.: "Economic activism is about wage and tax policies that impact income inequality and redistribution of wealth."

Topics included in the treatment:

- Volkswagen SA Transformation
- B-BBEE Trust
- Management Control
- Drive local – support local
- Fighting for the people

Access: https://www.vw.co.za/en/volkswagen-experience/corporate-information/transformation.html

Volkswagen South Africa Transformation.

V olkswagen Group South Africa supports the South African Government's Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice by ensuring the proactive involvement of Previously Disadvantaged Groups in current and future economic activities.

Volkswagen B-BBEE Initiatives Trust

B-BBEE has been identified by Volkswagen as a strategic programme at the core of all business activities. As part of the multi-national business community, our company will continue to support B-BBEE as a strategic initiative both at a national and local level.

The main goal of Management Control is to achieve greater representation at senior management level. Our leadership academy does this by developing talent at all levels of the organisation while succession planning enables BEE candidates to progress into management levels. Division heads regularly report on their National Economic Active Population (NEAP) status and present their representation improvement plans to the Board of Management. This progress is monitored at Board level. Along with greater senior-level representation, our recruitment strategy has enabled new starters to reflect our intensified focus on the creation of a diverse workforce.

Management Control.

Drive local. Support local.

Since opening our doors in South Africa in 1946, Volkswagen has been deeply invested in the local economy and its people. Now more than ever, we are committed to helping our country recover from the COVID-19 pandemic, by helping South Africans and their businesses get back on the road.

We support the buying of locally manufactured goods, support local businesses and help drive local initiatives that aid our communities. Volkswagen has also created the "Drive local" logo which will be used by VWSA and our Dealers on any projects, offers or initiatives that support this ethos.

The people's car, fighting for the people.

At Volkswagen, we believe actions speak louder than words. Which is why we have actively looked at ways to support South Africa during the global COVID-19 epidemic.

We have signed a partnership with the German government to convert our PE Plant into a temporary Covid-19 medical facility that can accommodate up to 4 000 patients.

As part of the National Government Task Force team, we are manufacturing medical equipment such as ventilators – making sure our resources are used to support our nation. VWSA are also proudly producing protective face masks in partnership with local NGO, Gusco.

Group 5: Political Brand Activism

Def.: "Political activism describes the case when a company makes political statements. It includes lobbying, privatization, voting, and policy" (Kotler & Sarkar, 2018).

Topics included in the treatment:

- Apartheid Statement
- B-BBEE
- Management Control & Supplier Day (B-BBEE)

Access: https://www.volkswagenag.com/en/news/stories/2021/02/we-need-strong-companies-and-more-free-global-trade.html

"We need strong companies and more free global trade"

CEO of Volkswagen Group Herbert Diess, 2021-02-26

Mr. Diess, how political can or should a Group CEO be today?
As Group CEO, I am accountable for the company. Politically, I get involved when Volkswagen or its stakeholders are affected.

You were also in times of military dictatorships in Latin America or in South Africa during apartheid. From today's perspective, was this not a serious mistake?
We made serious mistakes in Latin America, which we deeply regret. That's why we have come to terms with our role during the military regime and made compensation payments. In the long term, however, our presence in Latin America has brought more benefits to society than if we had turned our backs. And even Nelson Mandela said after liberation, after the end of apartheid: It's good that we, as foreign industry, stayed and represented Volkswagen's values at our sites. This is also confirmed by science: economic activity has a positive effect in such states; the automotive industry in particular, with its long value chain, promotes prosperity and the democratic opening of states.

Doesn't VW have a higher responsibility because of its history: The company was founded by the Nazis, so we should be particularly sensitive to moral issues.
Absolutely! Volkswagen must not allow itself to be abused and takes a clear stand against racism and anti-Semitism. It is precisely because of our history that we are so insistent on enforcing our values at our locations worldwide. We have all reason to say that we are a role model in that respect.

V olkswagen Group South Africa supports the South African Government's Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice by ensuring the proactive involvement of Previously Disadvantaged Groups in current and future economic activities.

Volkswagen B-BBEE Initiatives Trust

B-BBEE has been identified by Volkswagen as a strategic programme at the core of all business activities. As part of the multi-national business community, our company will continue to support B-BBEE as a strategic initiative both at a national and local level.

The main goal of Management Control is to achieve greater representation at senior management level. Our leadership academy does this by developing talent at all levels of the organisation while succession planning enables BEE candidates to progress into management levels. Division heads regularly report on their National Economic Active Population (NEAP) status and present their representation improvement plans to the Board of Management. This progress is monitored at Board level. Along with greater senior-level representation, our recruitment strategy has enabled new starters to reflect our intensified focus on the creation of a diverse workforce.

Management Control.

Enterprise & Supplier Development.

Volkswagen Group South Africa continues to contribute significantly to the growth of the automotive manufacturing sector in South Africa. We are committed to purchasing goods and services from new and existing suppliers who meet the B-BBEE profile while ensuring that our quality standards and competitive position are maintained.

The shortage of black-owned manufacturing companies in South Africa mean that our biggest challenge is in diversifying our supply chain to include Black female-owned & Black-owned suppliers. To encourage active participation by all the people of the South African economy, the Volkswagen Group South Africa offers operational assistance to Black-owned businesses as part of its B-BBEE Programme.

Volkswagen Black-owned Supplier Day

To stimulate the growth of black-owned manufacturing capacity in South Africa's automotive sector, the Volkswagen Group South Africa hosted the first Black Supplier Day in May 2016. We were able to make contact with 47 black-owned manufacturers, from this we now conduct business with 6 of them.

Group 6: Environmental Brand Activism

Def.: "Environmental activism deals with conservation, ecocide, land-use, air and water pollution, emission control, environmental laws and policies" (Kotler & Sarkar, 2018).

Topics included in the treatment:

- Go to zero strategy
- Mission statements (climate, resources, air quality, compliance)
- Battery charging
- Way to climate neutrality

Access: https://www.volkswagen-newsroom.com/en/stories/on-the-way-to-becoming-a-climate-neutral-company-5973

https://www.volkswagenag.com/en/sustainability/environment.html

Environment

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Willkommen Welcome
Bienvenue
Bienvenidos 欢迎
Добро пожаловать
Benvenuto Bem-vindo

Think of an environmental role model. Did you think of us at Volkswagen? Probably not. But that's exactly what we're aiming to be in the field of the environment: a model company. We want to deliver mobility for everyone around the world and, as we do so, to minimize the impact on the environment. Here on this site you'll find lots of examples of current projects through which we're pursuing this goal.

go to zero

Mission Statement Environment

For all our products and mobility solutions we aspire to minimize environmental impacts along the entire lifecycle – from raw material extraction until end-of-life - in order to keep ecosystems intact and to create positive impacts on society. Compliance with environmental regulations, standards and voluntary commitments is a basic prerequisite of our actions.

Climate change

We are committed to the 2° goal of the Paris Climate Agreement. We intend to become a **CO_2 neutral company by 2050**.

By 2025, we plan to **reduce our total life cycle Greenhouse Gas Emissions** of passenger cars and light duty vehicles **by 30%** compared to 2015. We actively contribute to the transition towards renewable energies along the entire life cycle.

Resources

We intend to maximize resource efficiency and promote circular economy approaches in the areas of materials, energy and water.

By 2025, we plan **to have reduced the production-related environmental externalities** (CO₂, energy, water, waste, volatile organic compounds) **by 45%** per vehicle compared to 2010.

Air quality

We are driving e-mobility forward to improve the local air quality.

By 2025, **the share of battery electric vehicles** in our model portfolio will be between **20 and 25%**. The share of electric vehicles in the Group fleet is to rise to at least **40%** by 2030.

Environmental compliance

We aim to become a **role model** for a modern, transparent and successful enterprise in terms of **integrity** by installing and controlling **effective management systems covering the environmental impacts** of our mobility solutions over all life cycle stages.

16
Projects
South Africa

Battery and rapid charging – key to success

By 2040, virtually 100 percent of Volkswagen vehicles in all of the world's core markets will be climate neutral. Key to achieving this are the internal battery supply and a comprehensive infrastructure, which allows rapid and simple charging. However, energy services are also success factors and generate additional sources of income in the new mobility world.

The biggest cost in electric cars is the battery. Internal battery production, including repair and recycling, significantly reduces these costs. This is where the new "unified cell" plays a central role. From 2023, one cell – rather than several different ones – will be used in the majority of the Group's models. High economies of scale also reduce costs.

In order to accelerate the market success of e-mobility, Volkswagen is expanding its extensive charging infrastructure with strong partners and establishing a complete energy ecosystem, with the car at its heart. The car itself will become a mobile, intelligent power bank. Whether an electric car is climate neutral depends 100 percent on green electricity. Here too, Volkswagen offers its own solution. In subsidiary Elli, it has an internal energy service provider for electrification on board.

273

On the way to becoming a climate-neutral company

The fight against global warming is one of the most important global challenges. We explain what Volkswagen is doing for climate protection.

Zwickau plant as a pioneer

Over and above this the Volkswagen Group is aiming to reduce CO_2 emissions in the production process by 30 per cent by 2030. The plan is therefore to increase by 2030 the proportion of externally procured electricity that comes from renewable energy step by step to 100 percent. Volkswagen also continues to press ahead with thousands of energy efficiency projects at its production facilities around the world.

Appendix B: Questionnaire (Online Survey)

Dear prospective participant,

I would hereby like to invite you to complete a survey about Volkswagen's Brand Activism efforts. The purpose of this survey is to study the impact of Brand Activism on Customer Loyalty.

I am doing this study as part of obtaining a PhD degree at the University of Stellenbosch Business School. My student number is 20834586 and the research is supervised by Professor Marlize Terblanche-Smit.

This study has been approved by the Research Ethics Committee: Social, Behavioural and Education Research (REC: SBER Stellenbosch University [(Ref No. 23622]) and is conducted according to accepted national and international ethics principles.

The survey platform provides anonymous data to the researcher. This ensures that your response cannot be linked back to you. Please also note that your participation is voluntary and you are free to decline to participate in this survey.

If you have any questions or concerns about this study, please feel free to contact me at _____ or my supervisor at _____.

If you are willing to participate and complete the electronic survey, please continue by clicking on the next button.

It will not take you more than 10 minutes to complete the questionnaire.

Best regards,

Carolin Welser

By clicking next you indicate your consent to take part.

RIGHTS OF RESEARCH PARTICIPANTS: You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research subject, contact Ms Maléne Fouché [mfouche@sun.ac.za; 021 808 4622] at the Division for Research Development.

Section A

Note: If you are younger than 20 years or older than 42 years, I want to thank you for the will to participate. The focus of the survey is on the group of millennials, so you do not need to complete it.

Please tick only <u>one</u> of the following responses.

Q1: What is your gender?

☐ Female
☐ Male
☐ Non-binary/ third gender
☐ Prefer not to say

Q2: What is your age?

☐ 20 – 25
☐ 26 – 30
☐ 31 – 36
☐ 37 - 42

Q3: What is the highest education level that you obtained?

☐ No schooling completed   ☐ Postgraduate degree
☐ High school completed   ☐ Some schooling completed
☐ Bachelor's degree

Section B

Look at the following information provided by the car brand Volkswagen. Volkswagen has a plant with 3,930 employees in Uitenhage, South Africa. Volkswagen implements activities that direct at the social situation in South Africa. Please watch the following video and take 3 minutes to read the provided information about their activities including CSI focus areas, women entrepreneurship efforts, the blue bike project, youth development and education initiatives.

VIDEO: Please click on the link provided:

https://www.youtube.com/watch?v=D8p9KMRSVXs&list=PLtF1SnI9iDCEtr4fvhTVT5ooUrv-p4VUa

Volkswagen
Lionesses Den-(240p)

Read the following information provided by the Car Brand VW.

e.g. Social Brand Activism

→ **Ethical Clearance:** Please find all treatments in the second document

Section C

Based on the information about Volkswagen's activities, please answer the following questions by indicating your answer on a scale from strongly disagree to strongly agree.

Brand Trust

Q4) Volkswagen has practices that show respect for the customers.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Q5) Volkswagen has practices that favour the customer's best interest.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Q6) Volkswagen considers the customer's welfare when making important decisions.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Q7) Volkswagen considers how future decisions and actions will affect the customer.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Brand Image

Q8) Volkswagen has an overall good reputation.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Q9) I think Volkswagen is open to consumers.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Q10) Volkswagen has good transparency.

Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Customer Identification

Q12) When someone criticises Volkswagen, it feels like an insult to me.

☐————☐————☐————☐————☐
Strongly   disagree   Neither   agree   Strongly
disagree   disagree   agree
                        nor agree

Q13) I am very interested what others think about the brand Volkswagen.

☐————☐————☐————☐————☐
Strongly   disagree   Neither   agree   Strongly
disagree   disagree   agree
                        nor agree

Q14) I believe that Volkswagen cultivates the values that I hold in esteem.

☐————☐————☐————☐————☐
Strongly   disagree   Neither   agree   Strongly
disagree   disagree   agree
                        nor agree

Q15) Owning a Volkswagen highlights my personal characteristics.

☐————☐————☐————☐————☐
Strongly   disagree   Neither   agree   Strongly
disagree   disagree   agree
                        nor agree

Section D

Based on the information about Volkswagen's activities, please answer the following questions by indicating your answer on a scale from strongly disagree to strongly agree.

Affective Loyalty

Q16) I am pleased to buy Volkswagen instead of other brands.

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Q17) I like the Volkswagen brand more than other brands.

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Q18) I feel more attached to Volkswagen than to other car brands.

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Q19) I am more interested in Volkswagen than other car brands.

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Conative Loyalty

Q20) I consider to buy a Volkswagen product in the future.

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Q21) I consider to buy various products from the Volkswagen brand.

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Action Loyalty

Q22) I recommend Volkswagen to those who ask my advice

☐———☐———☐———☐———☐
Strongly disagree   disagree   Neither disagree nor agree   agree   Strongly agree

Q23) I say positive things about Volkswagen to other persons.

| Strongly disagree | disagree | Neither disagree nor agree | agree | Strongly agree |

Q24) I consider Volkswagen my first choice when I want to buy a car.

| Strongly disagree | disagree | Neither disagree nor agree | agree | Strongly agree |

Cognitive Loyalty

Q25) To me, Volkswagen would rank first among the other brands.

| Strongly disagree | disagree | Neither disagree nor agree | agree | Strongly agree |

Q26) The Volkswagen brand reflects a lot about who I am.

| Strongly disagree | disagree | Neither disagree nor agree | agree | Strongly agree |

Q27) I will deal exclusively with the Volkswagen brand.

| Strongly disagree | disagree | Neither disagree nor agree | agree | Strongly agree |

Section E:

Brand Activism Perspectives

Please read the information provided about the different forms of Brand Activism. Then, answer the question from strongly disagree to strongly agree.

Social activism promotes social values. It includes topics like equality, societal and community issues, gender, LGBT, race, age, education, healthcare, social security, privacy and consumer protection.

Workplace activism directs at topics at the workplace like pay, workers' rights and working conditions. It includes governance and deals with corporate organisation, CEO pay, worker compensation, labor and union relations.

Political activism describes the case when a company makes political statements. It includes lobbying, privatisation, voting, and policy.

Environmental activism deals with conservation, ecocide (destruction of the natural environment), land-use, air and water pollution, emission control, environmental laws and policies.

Economic activism is about wage and tax policies that impact income inequality and redistribution of wealth.

Legal activism addresses laws and policies that impact companies, such as tax, citizenship, and employment laws.

	Q28) For me, the most important efforts a multinational company can make is:
Social Activism	☐ ☐ ☐ ☐ ☐ Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree
Workplace Activism	☐ ☐ ☐ ☐ ☐ Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree
Political Activism	☐ ☐ ☐ ☐ ☐ Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree
Environmental Activism	☐ ☐ ☐ ☐ ☐ Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree
Economic Activism	☐ ☐ ☐ ☐ ☐ Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree
Legal Actvism	☐ ☐ ☐ ☐ ☐ Strongly disagree — disagree — Neither disagree nor agree — agree — Strongly agree

Section F

Legitimacy – Authenticity Dimension

Please read the information provided about legitimacy and authenticity. Then, answer the question from strongly disagree to strongly agree.

Legitimacy is an organisation's social acceptance by constituents (various members) within its environment

Authenticity is the extent to which a company is faithful to itself, true to its consumers, motivated by caring and responsibility, and able to support consumers in being true to themselves.

	Q29) I think Volkswagen's communication and advertisement is directed at:
Legitimacy	☐ Strongly disagree — ☐ disagree — ☐ Neither disagree nor agree — ☐ agree — ☐ Strongly agree
Authenticity	☐ Strongly disagree — ☐ disagree — ☐ Neither disagree nor agree — ☐ agree — ☐ Strongly agree

Dear participant,

Thank you for participating in the study.

If you have any questions or concerns about this study, please feel free to contact me at _____ or my supervisor at _____.

Best regards

Carolin Welser

Appendix C: Cohen's (1992) Power Primer

Table 2

N for Small, Medium, and Large ES at Power = .80 for α = .01, .05, and .10

Test	α								
	.01			.05			.10		
	Sm	Med	Lg	Sm	Med	Lg	Sm	Med	Lg
1. Mean dif	586	95	38	393	64	26	310	50	20
2. Sig r	1,163	125	41	783	85	28	617	68	22
3. r dif	2,339	263	96	1,573	177	66	1,240	140	52
4. P = .5	1,165	127	44	783	85	30	616	67	23
5. P dif	584	93	36	392	63	25	309	49	19
6. χ^2									
1df	1,168	130	38	785	87	26	618	69	25
2df	1,388	154	56	964	107	39	771	86	31
3df	1,546	172	62	1,090	121	44	880	98	35
4df	1,675	186	67	1,194	133	48	968	108	39
5df	1,787	199	71	1,293	143	51	1,045	116	42
6df	1,887	210	75	1,362	151	54	1,113	124	45
7. ANOVA									
2g[a]	586	95	38	393	64	26	310	50	20
3g[a]	464	76	30	322	52	21	258	41	17
4g[a]	388	63	25	274	45	18	221	36	15
5g[a]	336	55	22	240	39	16	193	32	13
6g[a]	299	49	20	215	35	14	174	28	12
7g[a]	271	44	18	195	32	13	159	26	11
8. Mult R									
2k[b]	698	97	45	481	67	30			
3k[b]	780	108	50	547	76	34			
4k[b]	841	118	55	599	84	38			
5k[b]	901	126	59	645	91	42			
6k[b]	953	134	63	686	97	45			
7k[b]	998	141	66	726	102	48			
8k[b]	1,039	147	69	757	107	50			

Note. ES = population effect size, Sm = small, Med = medium, Lg = large, diff = difference, ANOVA = analysis of variance. Tests numbered as in Table 1.
[a] Number of groups. [b] Number of independent variables.

Appendix D: Descriptive analysis detailed results

Brand Activism on Cognitive Loyalty

	Descriptive Statistics (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08)			
Effect	Level of Factor	N	Cognitive Loyalty Mean	Cognitive Loyalty Std.Dev.
Total		372	3,78	0,96
group	Control	48	3,71	0,89
group	Economic	56	3,87	0,83
group	Environmental	54	3,65	0,99
group	Legal	54	3,71	1,01
group	Political Brand	53	3,94	0,99
group	Social Brand	56	3,87	0,94
group	Workplace	51	3,66	1,05

Brand Activism on Affective Loyalty

	Descriptive Statistics (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08)			
Effect	Level of Factor	N	Affective Loyalty Mean	Affective Loyalty Std.Dev.
Total		372	3,77	0,98
group	Control	48	3,6	1,11
group	Economic	56	3,85	0,81
group	Environmental	54	3,68	1,02
group	Legal	54	3,75	0,99
group	Political Brand	53	3,96	0,98
group	Social Brand	56	3,85	0,95
group	Workplace	51	3,65	1,04

Brand Activism on Conative Loyalty

Effect	Descriptive Statistics (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08)			
	Level of Factor	N	Conative Loyalty Mean	Conative Loyalty Std.Dev.
Total		372	4,26	0,79
group	Control	48	4,29	0,74
group	Economic	56	4,26	0,62
group	Environmental	54	4,26	0,89
group	Legal	54	4,2	0,89
group	Political Brand	53	4,36	0,67
group	Social Brand	56	4,29	0,68
group	Workplace	51	4,13	1,03

Brand Activism on Behavioural Loyalty

Effect	Descriptive Statistics (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08)			
	Level of Factor	N	Behavioural_Loyalty Mean	Behavioural_Loyalty Std.Dev.
Total		372	4,11	0,84
group	Control	48	3,99	0,83
group	Economic	56	4,18	0,68
group	Environmental	54	4,12	0,82
group	Legal	54	4,04	0,91
group	Political Brand	53	4,3	0,78
group	Social Brand	56	4,07	0,86
group	Workplace	51	4,03	1,02

Appendix E: Reliability and validity detailed results

Cronbach's Alpha for Customer Loyalty Stages

Cognitive Loyalty

	data file: Brand Activism Survey_December 12, 2021_08\Spreadsheet7 Valid N:372 Average inter-item corr.:0.66			
variable	Cronbach's Alpha (95% confidence interval)	Standardized alpha	Itm-Totl Correl.	Alpha if deleted
	0.85(0.82, 0.88)	0,85		
Cognitive_Loyalty_1			0,71	0,81
Cognitive_Loyalty_2			0,75	0,77
Cognitive_Loyalty_3			0,71	0,81

Affective Loyalty

	data file: Brand Activism Survey_December 12, 2021_08\Spreadsheet7 Valid N:372 Average inter-item corr.:0.77			
variable	Cronbach's Alpha (95% confidence interval)	Standardized alpha	Itm-Totl Correl.	Alpha if deleted
	0.93(0.91, 0.94)	0,93		
Affective_Loyalty_1			0,75	0,93
Affective_Loyalty_2			0,88	0,89
Affective_Loyalty_3			0,87	0,9
Affective_Loyalty_4			0,85	0,9

Conative Loyalty

	data file: Brand Activism Survey_December 12, 2021_08\Spreadsheet7 Valid N:372 Average inter-item corr.:0.70			
variable	Cronbach's Alpha (95% confidence interval)	Standardized alpha	Itm-Totl Correl.	Alpha if deleted
	0.82(0.74, 0.88)	0,82		
Conative_Loyalty_1			0,7	
Conative_Loyalty_2			0,7	

Behavioural Loyalty

	data file: Brand Activism Survey_December 12, 2021_08\Spreadsheet7 Valid N:372 Average inter-item corr.:0.72			
variable	Cronbach's Alpha (95% confidence interval)	Standardized alpha	Itm-Totl Correl.	Alpha if deleted
	0.87(0.83, 0.90)	0,88		
Behavioural_Loyalty_1			0,81	0,77
Behavioural_Loyalty_2			0,77	0,82
Behavioural_Loyalty_3			0,73	0,87

Appendix F: ANOVA detailed results

Brand activism and brand trust

group; LS Means
Current effect: F(6, 365)=.22714, p=0.97 Kruskal-Wallis p=0.97
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

	Levene's Test for Homogeneity of Variances (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Effect: group Degrees of freedom for all F's: 6, 365			
	MS Effect	MS Error	F	p
Brand Trust	0,51	0,47	1,1	0,36

	LSD test; variable Brand Trust (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Probabilities for Post Hoc Tests Error: Between MS = .89373, df = 365.00							
Cell No.	group	{1} 4,2031	{2} 4,2857	{3} 4,2593	{4} 4,3056	{5} 4,1274	{6} 4,2098	{7} 4,1912
1	Control		0,66	0,76	0,59	0,69	0,97	0,95
2	Economic	0,66		0,88	0,91	0,38	0,67	0,61
3	Environmental	0,76	0,88		0,8	0,47	0,78	0,71
4	Legal	0,59	0,91	0,8		0,33	0,6	0,54
5	Political Brand	0,69	0,38	0,47	0,33		0,65	0,73
6	Social Brand	0,97	0,67	0,78	0,6	0,65		0,92
7	Workplace	0,95	0,61	0,71	0,54	0,73	0,92	

Brand Activism and CCI

group; LS Means
Current effect: $F_{(6, 365)}=.60469$, p=0.73 Kruskal-Wallis p=0.83
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

	Levene's Test for Homogeneity of Variances (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Effect: group Degrees of freedom for all F's: 6, 365			
	MS Effect	MS Error	F	p
CCI	0,24	0,3	0,82	0,56

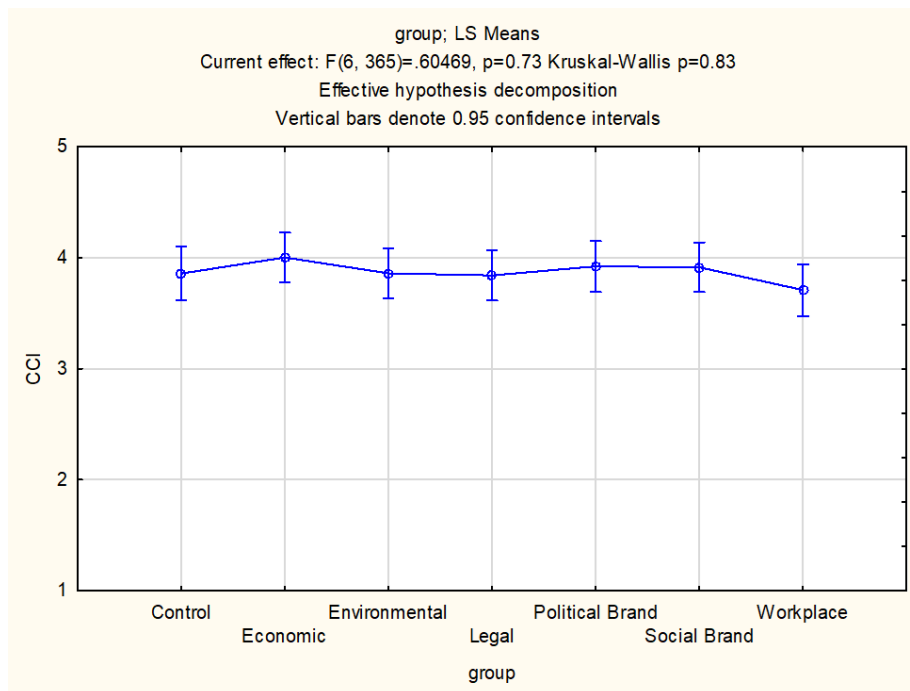|	LSD test; variable CCI (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Probabilities for Post Hoc Tests Error: Between MS = .72007, df = 365.00						
Cell No.	group	{1} 3,8594	{2} 4,0045	{3} 3,8611	{4} 3,8426	{5} 3,9245	{6} 3,9152	{7} 3,7108
1	Control		0,39	0,99	0,92	0,7	0,74	0,38
2	Economic	0,39		0,38	0,32	0,62	0,58	0,07
3	Environmental	0,99	0,38		0,91	0,7	0,74	0,36
4	Legal	0,92	0,32	0,91		0,62	0,65	0,43
5	Political Brand	0,7	0,62	0,7	0,62		0,95	0,2
6	Social Brand	0,74	0,58	0,74	0,65	0,95		0,21
7	Workplace	0,38	0,07	0,36	0,43	0,2	0,21	

Brand activism and brand image

	Levene's Test for Homogeneity of Variances (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Effect: group Degrees of freedom for all F's: 6, 365			
	MS Effect	MS Error	F	p
Brand Image	0,44	0,27	1,63	0,14

	LSD test; variable Brand Image (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Probabilities for Post Hoc Tests Error: Between MS = .57328, df = 365.00						
	group	{1} 4,4444	{2} 4,4643	{3} 4,3272	{4} 4,2963	{5} 4,4465	{6} 4,2679	{7} 4,2418
Cell No.							
1	Control		0,89	0,44	0,32	0,99	0,24	0,18
2	Economic	0,89		0,34	0,25	0,9	0,17	0,13
3	Environmental	0,44	0,34		0,83	0,42	0,68	0,56
4	Legal	0,32	0,25	0,83		0,31	0,84	0,71
5	Political Brand	0,99	0,9	0,42	0,31		0,22	0,17
6	Social Brand	0,24	0,17	0,68	0,84	0,22		0,86
7	Workplace	0,18	0,13	0,56	0,71	0,17	0,86	

Brand activism and customer loyalty

group; LS Means
Current effect: F(6, 365)=.71482, p=0.64 Kruskal-Wallis p=0.77
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
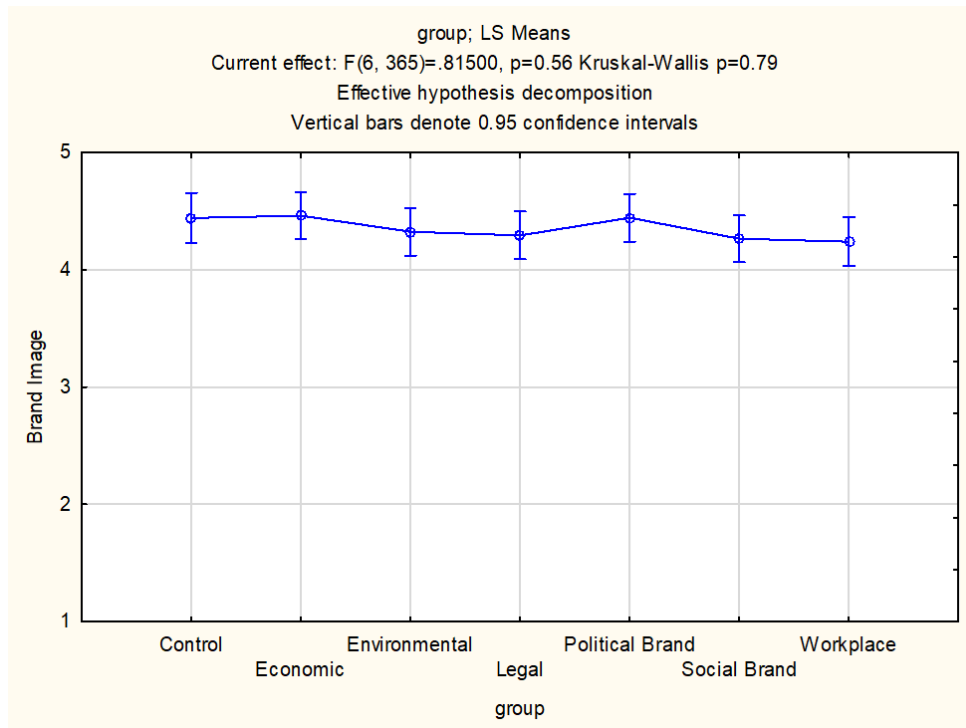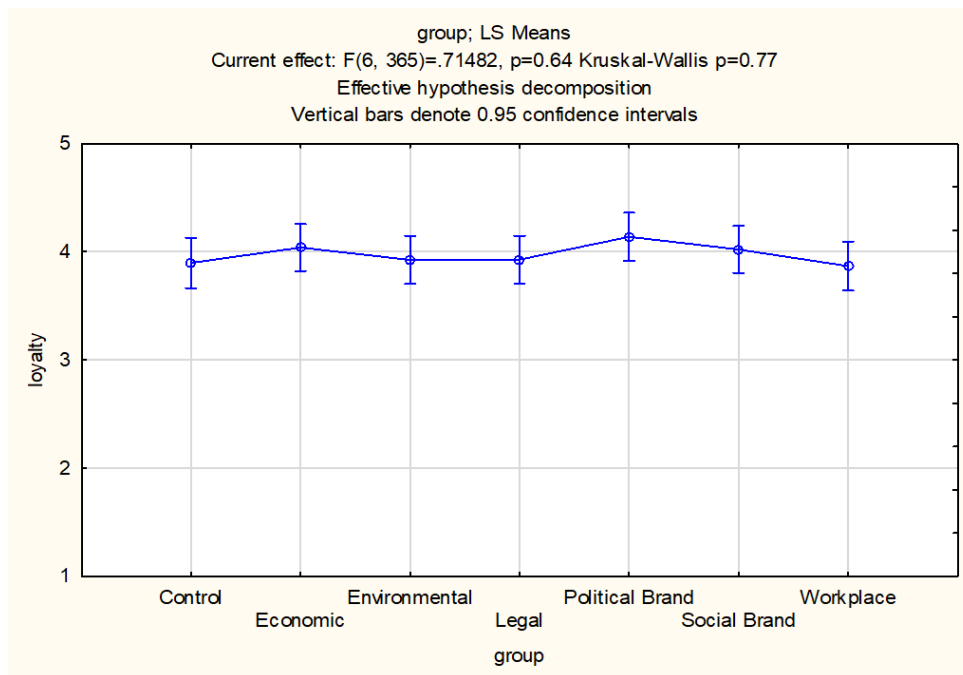
	Levene's Test for Homogeneity of Variances (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Effect: group Degrees of freedom for all F's: 6, 365			
	MS Effect	MS Error	F	p
loyalty	0,27	0,27	0,98	0,44

	LSD test; variable loyalty (Spreadsheet7 in Brand Activism Survey_December 12, 2021_08) Probabilities for Post Hoc Tests Error: Between MS = .67643, df = 365.00							
Cell No.	group	{1} 3,898	{2} 4,0398	{3} 3,9252	{4} 3,9279	{5} 4,1388	{6} 4,0219	{7} 3,8681
1	Control		0,38	0,87	0,85	0,14	0,44	0,86
2	Economic	0,38		0,47	0,48	0,53	0,91	0,28
3	Environmental	0,87	0,47		0,99	0,18	0,54	0,72
4	Legal	0,85	0,48	0,99		0,19	0,55	0,71
5	Political Brand	0,14	0,53	0,18	0,19		0,46	0,09
6	Social Brand	0,44	0,91	0,54	0,55	0,46		0,33
7	Workplace	0,86	0,28	0,72	0,71	0,09	0,33	

ANOVA for Customer Loyalty Stages

group; LS Means
Current effect: F(6, 365)=.81412, p=0.56 Kruskal-Wallis p=0.44
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

group; LS Means
Current effect: F(6, 365)=.89824, p=0.50 Kruskal-Wallis p=0.54
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

group; LS Means
Current effect: F(6, 365)=.44282, p=0.85 Kruskal-Wallis p=0.95
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

group; LS Means
Current effect: F(6, 365)=.78568, p=0.58 Kruskal-Wallis p=0.63
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

Appendix G: SEM detailed results

CB-SEM

	Matrix	lhs	op	rhs	est.std	se	z	pvalue	ci.lower	ci.upper	lhs_abbrev	rhs_abbrev
1	loading	Brand Trust	=~	Brand_Trust_1	0,915	0,015	59,062	<0.001	0,885	0,946	Br.T	B_T_1
2	loading	Brand Trust	=~	Brand_Trust_2	0,915	0,016	56,214	<0.001	0,883	0,947	Br.T	B_T_2
3	loading	Brand Trust	=~	Brand_Trust_3	0,906	0,016	56,966	<0.001	0,874	0,937	Br.T	B_T_3
4	loading	Brand Trust	=~	Brand_Trust_4	0,897	0,018	50,335	<0.001	0,862	0,932	Br.T	B_T_4
5	loading	CCI	=~	CCI_1	0,769	0,025	30,307	<0.001	0,719	0,819	CCI	CCI_1
6	loading	CCI	=~	CCI_2	0,677	0,032	21,252	<0.001	0,615	0,739	CCI	CCI_2
7	loading	CCI	=~	CCI_3	0,829	0,021	40,291	<0.001	0,788	0,869	CCI	CCI_3
8	loading	CCI	=~	CCI_4	0,856	0,019	45,645	<0.001	0,819	0,893	CCI	CCI_4
9	loading	Brand Image	=~	Brand_Image_1	0,86	0,025	34,086	<0.001	0,81	0,909	Br.I	B_I_1
10	loading	Brand Image	=~	Brand_Image_2	0,825	0,023	35,462	<0.001	0,78	0,871	Br.I	B_I_2
11	loading	Brand Image	=~	Brand_Image_3	0,88	0,019	46,056	<0.001	0,843	0,918	Br.I	B_I_3
12	loading	Loyalty	=~	Cognitive_Loyalty_1	0,821	0,018	45,111	<0.001	0,785	0,856	Lylt	Cg_L_1
13	loading	Loyalty	=~	Cognitive_Loyalty_2	0,862	0,016	55,244	<0.001	0,831	0,892	Lylt	Cg_L_2
14	loading	Loyalty	=~	Cognitive_Loyalty_3	0,842	0,016	54,016	<0.001	0,812	0,873	Lylt	C_L_3
15	loading	Loyalty	=~	Affective_Loyalty_1	0,872	0,014	60,646	<0.001	0,844	0,901	Lylt	A_L_1
16	loading	Loyalty	=~	Affective_Loyalty_2	0,921	0,009	105,99	<0.001	0,904	0,938	Lylt	A_L_2
17	loading	Loyalty	=~	Affective_Loyalty_3	0,926	0,009	105,775	<0.001	0,908	0,943	Lylt	A_L_3
18	loading	Loyalty	=~	Affective_Loyalty_4	0,912	0,01	92,479	<0.001	0,893	0,931	Lylt	A_L_4
19	loading	Loyalty	=~	Conative_Loyalty_1	0,795	0,024	33,496	<0.001	0,748	0,841	Lylt	Cn_L_1
20	loading	Loyalty	=~	Conative_Loyalty_2	0,8	0,023	34,469	<0.001	0,754	0,845	Lylt	Cn_L_2
21	loading	Loyalty	=~	Behavioural_Loyalty_1	0,891	0,014	62,259	<0.001	0,863	0,919	Lylt	B_L_1
22	loading	Loyalty	=~	Behavioural_Loyalty_2	0,856	0,017	49,805	<0.001	0,822	0,889	Lylt	B_L_2
23	loading	Loyalty	=~	Behavioural_Loyalty_3	0,905	0,01	89,596	<0.001	0,886	0,925	Lylt	B_L_3
24	path coefficient	Loyalty	~	Brand Trust	-0,038	0,058	-0,663	0,508	-0,151	0,075	Lylt	Br.T
25	path coefficient	Loyalty	~	CCI	0,912	0,079	11,532	<0.001	0,757	1,067	Lylt	CCI
26	path coefficient	Loyalty	~	Brand Image	-0,025	0,096	-0,26	0,795	-0,213	0,163	Lylt	Br.I
146	correlation	Brand Trust	~~	CCI	0,643	0,036	18,056	<0.001	0,573	0,713	Br.T	CCI
147	correlation	Brand Trust	~~	Brand Image	0,678	0,036	18,617	<0.001	0,606	0,749	Br.T	Br.I
148	correlation	CCI	~~	Brand Image	0,852	0,025	33,826	<0.001	0,803	0,902	CCI	Br.I

	R-Square
Brand_Trust_1	0,84
Brand_Trust_2	0,84
Brand_Trust_3	0,82
Brand_Trust_4	0,8
CCI_1	0,59
CCI_2	0,46
CCI_3	0,69
CCI_4	0,73
Brand_Image_1	0,74
Brand_Image_2	0,68
Brand_Image_3	0,78
Cognitive_Loyalty_1	0,67
Cognitive_Loyalty_2	0,74
Cognitive_Loyalty_3	0,71
Affective_Loyalty_1	0,76
Affective_Loyalty_2	0,85
Affective_Loyalty_3	0,86
Affective_Loyalty_4	0,83
Conative_Loyalty_1	0,63
Conative_Loyalty_2	0,64
Behavioural_Loyalty_1	0,79
Behavioural_Loyalty_2	0,73
Behavioural_Loyalty_3	0,82
Loyalty	0,75

Appendix H: Ethical clearance letter

USB ••
University of Stellenbosch Business School

24 November 2021

Dear Carolin

Re: Ethical screening: C Welser - Approved (USB-2021-23622)

US ID No	:	
Research programme	:	PhD in Business Management and Administration
Title	:	Brand activism as a concept of CSR and the impact on customer loyalty
Supervisor	:	Prof Marlize Terblanche-Smit

The Departmental Ethics Screening Committee of the University of Stellenbosch Business School (USB DESC) reviewed your application for the above-mentioned research. The research as set out in the application has been approved.

You as researcher are obliged to maintain the ethical integrity of your research. As such, you should adhere to the ethical guidelines of Stellenbosch University and remain within the scope of your ethical clearance application and the supporting evidence submitted to the USB DESC. Should any aspect of your research change from the information as presented to the USB DESC, you are under the obligation to report it immediately to your supervisor. Should there be any uncertainty in this regard, consult with the USB DESC.

Please note that this approval may still be subject to ratification by the Stellenbosch University Research Ethics Committee. For more information on this ratification, please contact Clarissa Graham at cgraham@sun.ac.za.

We wish you success with your research and trust that it will make a positive contribution to the quest for knowledge at the USB and Stellenbosch University.

Should any research subject, participating organisation or person affected by this research have any questions about the research, feel free to contact any of the following:

Researcher	:
Supervisor	:

Yours sincerely

Digitally signed by Prof Mias de Klerk
DN: cn=Prof Mias de Klerk, o=USB, ou,
email=mias.deklerk@usb.ac.za, c=ZA
Date: 2021.11.24 13:44:31 +02'00'

Professor Mias de Klerk
Chair: USB Departmental Ethics Screening Committee