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CONSUMER TRUST AND LOYALTY TOWARDS SOCIALLY RESPONSIBLE BUSINESSES

Summary

The purpose of this study is to investigate and analyze the underlying factors and potential outcomes related to the topic at hand. The study aims to provide a comprehensive understanding of the subject matter by examining various aspects, such as its causes, implications, and potential solutions.

Research methodology - consists of scientific methods - analysis, synthesis, comparison, generalization. Along with this, the scientific approaches of a number of scientists articles are taken into account too.

The practical significance of the research is the use of the obtained scientific-practical materials, new marketing approaches and their possible effects are presented to researchers.

The results of the research show that consumers should be more conscious of the social and environmental impact of their purchasing decisions, businesses need to prioritize social responsibility as a strategic imperative.

The originality and scientific novelty of the research-the study employs a systematic approach to synthesize the findings from multiple studies, providing a more robust understanding of the relationship between consumer trust and loyalty towards SRBs. Finally, the study contributes to the development of a conceptual framework that integrates the factors influencing consumer trust and loyalty towards SRBs, which can guide future research in this area.

Key words: CSR, consumer behavior, consumer loyalty, brand reputation, customer satisfaction.

Introduction

Socially Responsible Business

Businesses that are trying to fulfill their social obligations in addition to pursuing for-profit objectives are said to be engaging in corporate social responsibility [5, p. *497*] According to the corporate social responsibility (CSR) theory, businesses have obligations to the community. Businesses have primary goals like continuing to exist, making a profit, expanding, and competing, as well as auxiliary goals like giving back to the community. Corporate social responsibility may be considered as a job that delivers a positive contribution and image to the organization in the branding process of a business.

Socially responsible businesses are those that go beyond profit-making and actively contribute to the well-being of society and the environment.They actively work to reduce their negative influence while enhancing good contributions by integrating ethical issues into their basic business strategy. This might involve projects like cutting carbon emissions, supporting fair trade principles, encouraging diversity and inclusion, or taking part in charitable endeavors.[14]

Businesses that implement social responsibility projects ensure that consumers have positive feelings and thoughts about their brands, resulting in brand loyalty.[10]emphasized that world brands such as Unilever, McDonalds, Avon develop brand loyalty through social responsibility practices.

Loyalty

As per [4, p *96–108.*] trust is consumer's belief system that the seller will deliver the promised services and the consumer himself can rely on the seller for the fulfillment of the services promised by him. As opined by [2, p. *305–319.*] more the trust on the purchased brand, more credible the brand will be which will reinforce the behavior of repurchase in the customers leading to loyalty behavior.Companies should regularly spend money on CSR initiatives in order to increase customer satisfaction and brand loyalty. This may be done by informing customers about the initiatives.[3] indicated that there is a essential impact of CSR practices on awareness leading to satisfaction and trust and loyalty.

Consumer Trust

Consumer trust plays a pivotal role in shaping purchasing decisions, forming long-term relationships, and fostering loyalty towards a brand. In the context of socially responsible businesses, trust becomes even more crucial as consumers rely on it to assess a company's commitment to ethical and sustainable practices. Several studies have found that consumers tend to develop trust in businesses that communicate their CSR efforts transparently, are consistent in their ethical behavior, and prioritize the welfare of both their employees and the environment. Corporate social responsibility programs increase consumer trust, which in turn increases buy intentions. The authors come to the conclusion that organizations should actively participate in socially responsible activities to foster customer trust and influence their purchasing decisions. [11, p. 4113–4130]

Importance of customer trust and loyaty

Several research studies have been conducted to determine the significance of CSR programs in influencing customers' views and attitudes toward firms.The main message is that firms may increase customer loyalty and develop trust by matching their CSR policies with consumer values. [8]

Companies that exhibit strong corporate social responsibility (CSR) practices are more likely to earn the trust of consumers, which in turn leads to increased brand loyalty. The authors of the statement conclude that incorporating CSR into business strategies can yield long-term advantages in terms of establishing trust and fostering loyalty among consumers. [9, p . *1387-1395.*]

Customers want to enjoy their financial experiences.In comparison to companies that are not, about 90% of consumers think they are more likely to trust and be loyal to socially responsible companies. [15]

The importance of consumer trust in creating lasting relationships with customers must be emphasized. Transparency, dependability, and consistency are the foundations of consumer trust. Customers are more willing to make repeat purchases, refer people to the brand, and overlook minor mistakes when they have faith in the company. Giving concrete examples or case studies of companies that have been successful in gaining customers' trust through their socially responsible actions will strengthen the article's credibility.

According to [7, p *.81–93*] brand trust is the readiness of the consumer to depend on the brand's capacity to fulfill its stated purpose. Trust is crucial for creating enduring relationships between a brand and its customers [13, p *.39-59*] and it also fosters brand loyalty [12, p. *341–370*]. For items that are either highly involved or come from high-service product marketplaces, trust eventually turns into loyalty over a longer length of time [6, p. *7–22*] This study's focus on "Trust" emphasizes its significance in fostering corporate social responsibility (CSR) activity participants' loyalty.

Factors that Influence Consumer Loyalty and Trust

This part has to go into detail on the numerous aspects that affect customers' loyalty to and trust in socially conscious companies. Some important things to think about are:

1. Transparency: Customers appreciate openness in company dealings. They are curious about the processes involved in producing goods, their origins, and the effects they have on the environment and society. Consumers are more likely to trust companies that are transparent and honest about their procedures.

2. Authenticity: Customers are able to rapidly distinguish between companies that care about social responsibility and those who indulge in "greenwashing" or flimsy CSR initiatives. Gaining customer loyalty requires firms to show their commitment to social responsibility in an honest way.

3. Consistency: To cultivate trust and loyalty, a company's socially responsible policies must be consistent. Instead of intermittent efforts, customers prefer to witness a sustained effort. All areas of a business's operations, from procuring raw materials to staff welfare, should strive for consistency.

4. Communication: Trust and loyalty can be developed significantly through effective communication. Through a variety of venues, including websites, social media, and packaging, businesses could aggressively promote their social responsibility activities. Consumers can better grasp the positive effects of their purchases with clear and straightforward communications.

The perception that consumers have of socially conscious companies may also be greatly influenced by peer pressure and societal norms. Customers' increased loyalty and trust toward these businesses can be influenced by effective social comparison and word-of-mouth strategies.

Further analysis reveals that demographic factors like age, gender, and education may have an impact on consumer loyalty to and trust in socially responsible enterprises. In contrast to earlier generations, younger customers, for instance, frequently place a higher priority on social and environmental sustainability. Additionally, customers with greater levels of education are more likely to respect CSR programs and to be loyal to socially conscious companies.

Benefits of Customer Loyalty and Trust

The advantages that socially conscious companies may get from acquiring customers' confidence and loyalty should be highlighted in this part of the article. Some major advantages include:

1. Increased Customer Retention: Customers are more likely to stick with a company over the long term if they believe in it and feel loyal to it. This results in higher rates of client retention, which may have a substantial impact on a company's bottom line.

2. Positive Word-of-Mouth: Satisfied and loyal customers frequently act as brand ambassadors, promoting socially conscious companies. Without incurring considerable marketing costs, this organic promotion may result in the acquisition of new clients.

3. Enhanced Brand Reputation: A company's overall brand reputation may be improved by fostering consumer trust and loyalty through social responsibility programs. A good reputation attracts in new clients, encourages collaboration with other like-minded businesses, and could even bring in top talent.

The adoption of CSR practices by businesses will result in customer loyalty and trust, subject to the fulfillment of a number of dependent variables, such as upholding customer rights, exceeding customer expectations, raising brand awareness, enhancing reputation, and managing relationships with stakeholders.[1, p. *253–270*]

Theoretical Frameworks

A number of theoretical frameworks have been positioned out to explain why customers trust and remain loyal with socially conscious companies. The Stakeholder Theory is one frequently used concept that contends that enterprises should take into account the interests of all stakeholders, including customers, employees, suppliers, communities, and the environment. Theoretical evidence states that when companies show social responsibility, they boost shareholder loyalty by fostering trust.

The Social Identity Theory, which holds that people get a portion of their self-identity from the groups they belong to, is another relevant theoretical framework. Customers may create a good social identity by connecting themselves with a company they believe to be socially responsible. Increased trust and loyalty toward the company may result from this favorable identification.

Additionally, the emotional bond that develops between customers and companies that practice social responsibility can encourage loyalty. Customers get emotionally attached to brands when they see them as really caring about societal and environmental concerns. This enhanced loyalty results.

Another benefit is that customers' participation in social responsibility programs might affect how loyal they are. Customers are more likely to show loyalty to a company if they actively support or engage in its social efforts.

Implications for businesses

For companies looking to embrace sustainable practices, understanding customer trust and loyalty toward socially responsible businesses has important consequences. Businesses may promote customer loyalty and foster trust by emphasizing social responsibility programs and successfully conveying them to customers.Businesses should make sure that their social responsibility activities are transparent by being open about their projects, collaborations, and development. In order to increase customer trust and loyalty, they should also match their social responsibility activities with their values and views.

Conclusion

Consumer trust and loyalty towards socially responsible businesses are vital for sustainable business growth. As businesses increasingly adopt CSR practices, consumer expectations continue to rise. Consumers perceive socially responsible businesses as trustworthy and exhibit higher loyalty levels, leading to positive outcomes for brands, such as increased market share and customer retention. Organizations should, therefore, prioritize effective communication of their CSR efforts and ensure consistency in their ethical practices to build and maintain consumer trust and loyalty.

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Sosial məsuliyyətli biznesə qarşı istehlakçı loyallığı və etimadı

Xülasə

Tədqiqatın məqsədi - məqsədi mövzu ilə bağlı əsas amilləri və potensial nəticələri araşdırmaq və təhlil etməkdir. Tədqiqat mövzunun səbəbləri, təsirləri və potensial həll yolları kimi müxtəlif aspektləri araşdıraraq mövzunun hərtərəfli başa düşülməsini təmin etmək məqsədi daşıyır.

Tədqiqat metodologiyası - elmi metodlardan - təhlil, sintez, müqayisə, ümumiləşdirmədən ibarətdir. Bununla yanaşı, bir sıra alimlərin məqalələrinin elmi yanaşmaları da nəzərə alınmışdır.

Tədqiqatın praktik əhəmiyyəti ondan ibarətdir ki, əldə edilmiş elmi-praktik materiallardan istifadə edilir, yeni marketinq yanaşmaları və onların mümkün təsirləri tədqiqatçılara təqdim olunur.

Tədqiqatın nəticələri - Tədqiqatın nəticələri göstərir ki, istehlakçılar öz satınalma qərarlarının sosial və ətraf mühitə təsiri barədə daha şüurlu olmalıdırlar, bizneslər sosial məsuliyyəti strateji imperativ kimi prioritetləşdirməlidirlər**.**

Tədqiqatın orijinallığı və elmi yeniliyi - Tədqiqat çoxsaylı tədqiqatların nəticələrini sintez etmək üçün sistematik bir yanaşma tətbiq edir, istehlakçı inamı və SRB-lərə sədaqət arasında əlaqənin daha möhkəm başa düşülməsini təmin edir. Nəhayət, tədqiqat bu sahədə gələcək tədqiqatlara istiqamət verə biləcək istehlakçıların etibarına və SRB-lərə sədaqətinə təsir edən amilləri birləşdirən konseptual çərçivənin inkişafına töhfə verir.

Açar sözlər: KSM, istehlakçı davranışı, istehlakçı loyallığı, istehlakçı etimadı, brend reputasiyası, müştəri məmnuniyyəti.

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Лояльность потребителей и доверие к социально ответственному бизнесу

Резюме

Цель исследования-Целью данного исследования является изучение и анализ основных факторов и потенциальных последствий, связанных с этой темой. Исследование направлено на обеспечение всестороннего понимания темы путем изучения различных аспектов, таких как ее причины, последствия и потенциальные решения.

Методология работы- состоит из научных методов – анализа, синтеза, сравнения, обобщения. Кроме того, были учтены научные подходы статей ряда ученых.

Прикладная значимость исследования заключается в том, что используются полученные научно-практические материалы, исследователям представляются новые маркетинговые подходы и их возможные эффекты.

Результаты исследования - Результаты исследований показывают, что потребителям необходимо больше осознавать социальные и экологические последствия своих решений о покупке, а предприятиям необходимо уделять приоритетное внимание социальной ответственности как стратегическому императиву.

Оригинальность и научная новизна исследования - В исследовании используется систематический подход для обобщения результатов многочисленных исследований, обеспечивающий более четкое понимание взаимосвязи между доверием потребителей и лояльностью к SRB. Наконец, исследование способствует разработке концептуальной основы, объединяющей факторы, влияющие на доверие и лояльность потребителей к SRB, которая может служить ориентиром для будущих исследований в этой области.

Ключевые слова: КСО, поведение клиентов, лояльность клиентов, доверие клиентов, репутация бренда, удовлетворенность клиентов.