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EXPLORING THE IMPACT OF EXPOSURE TIME TO IN-PROCESS CSR ON SATISFACTION AND BRAND EQUITY

Marissa Chantamas[1,*]

Abstract

This study examines the impact of ethical perceptions resulting from exposure to In-Process Corporate Social Responsibility (CSR). It has been found that this relationship is moderated by the duration of exposure to in-process CSR through online brand communications. The study was conducted under the context of a government bank tasked with a mission to assist customers in restructuring their debt. The study was conducted using a sequential mixed research methodology suitable for exploratory research. The initial qualitative phase was conducted using in-depth interviews from 14 respondents. For the quantitative study, data were collected from 208 bank customers. Using Structural Equation Modeling (SEM) for the analysis, it was found that ethical perception does have a significant impact on satisfaction, and brand equity, which reflects the in-process CSR. Also, satisfaction has a positive impact on brand equity. The impact on brand equity is moderated by the duration of exposure to in-process CSR, which is the theoretical implication of this study. As for managerial implications, it was found that ethical perception through in-process CSR, defined as taking to heart the benefits for customers and society, has an impact on brand equity. Thus, engaging in philanthropic activities is not sufficient, it is important for companies to have the best interests of customers and society in mind. The study was conducted on clients of a bank which has ethical consideration embedded in its mission and competency. Future studies could examine related constructs such as brand identification, brand trust, and social trust.

Keywords: In-process CSR, Exposure Time, Satisfaction, Brand Equity, Ethical Perception

BACKGROUND OF THE STUDY

Customer value creation is critical to the long-term financial benefits of a firm. Previous studies have identified that Corporate Social Responsibility (CSR) can contribute to customer value creation for consumers, leading to long-term financial benefits for the firm (Bhattacharya & Sen, 2009; Piercy & Lane, 2009). However, in addition to benefits for the firm, Kim, Taylor, Kim, and Lee (2015) explain that businesses should generate a net positive contribution to society (Kim, Taylor, Kim, & Lee, 2015). This could be done by creating meaningful delivery of relevant initiatives that resonate with the beliefs held by consumers (Bhattacharya & Sen, 2009). Sen and Bhattacharya (2001) explained that a consumer's relationship with a company can result from identification through a CSR campaign. Du, Bhattacharya, and Sen (2007) explained that identification is hence defined as an intense psychological link aligning behavior of consumers with the company objectives. Identification is thus the result of

[1,*] Dr. Marissa Chantamas obtains a Ph.D. in Business Administration (Marketing) from Assumption University, Bangkok, Thailand. Currently she is working as a lecturer in the Department of Marketing, Martin de Tours School of Management and Economics, Assumption University. Email: yukimari@gmail.com

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the perceived overlap between values, traits, and characteristics (Bergami & Bagozzi, 2001). Consequently, it leads to the achievement of personal defining needs in individuals (Bhattacharya & Sen, 2003). Hence the relationship with the firm is reinforced, as a consequence of congruence between personal goals and company objectives (Ashforth & Mael, 1989). According to Kristof (1996) consumers can relate to the company through shared values, personality and characteristics, common objectives, and satisfaction of individual needs. In addition, Vargo and Lusch (2006) explained that consumers today are more savvy, thus marketers must collaborate with them in creating marketing programs that deliver the best. Du, Bhattacharya, and Sen (2007) explained that involvement in what is defined as the process of enacting in CSR programs, affects the identification level of the organization. Thus, only the principles that are entrenched in society's values, or take into consideration the dynamic business and environmental challenges in the modern market, can enable CSR to contribute fruitfully to the firm (Perez & del Bosque, 2015). Previous researchers (Sierra, Iglesias, Markovic, & Singh, 2015) have explained that there are still only limited studies examining the impacts of ethical perception on branding. Sierra, Iglesias, Markovic, and Singh (2015) recommended in particular that studies should be conducted to examine the impact of ethical perception on brand equity. The goal of this study is to measure the impact of CSR exposure time, thus it was necessary to choose an industry in which there is a continuous dialogue, as explained by Bhattacharya, Korschun, and Sen (2009). Thus, the banking sector was selected for the study. Perez and del Bosque (2015) explained that the banking sector has scarcely been explored by previous studies in terms of CSR practices.

Recognizing the importance of CSR, the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) encouraged listed companies to operate in accordance with best practices in good corporate governance (Rajanakorn, 2012). Hence using qualitative data from existing business activities, SET broadly defined two types of CSR. The first is the in-process type, which integrates CSR into every process and activity that is conducted by the firm to make a profit. The second is the after-process type, which concerns how a firm chooses to use its profit to benefit society (Srisuphaolarn, 2013). CSR in Thailand is usually after-process CSR associated to charitable acts and volunteering (Prayukvong & Olsen, 2008), a fundamental Buddhist practice (Rajanakorn, 2012). Nonthanathorn (2015) explored the means by which CSR could become part of a firm's business strategy proposing that CSR should become an integral part of operations, in order to build equity; this is interpreted as in-process CSR. Furthermore, Kim and Lee (2012) explained that consumers are willing to accept CSR activities and give reputational credit to firms, as long as they believe the actions are sincere. CSR activities lead to identification, in particular when it is product or service related, because it is then entwined with satisfaction (Peloza & Shang, 2011 Du et al., 2007; Sen et al., 2006). Sen et al. (2006) conducted a field experiment on a Fortune 500 firm which gave a major endowment to a university, finding that it had less impact than had previously been acknowledged. The authors suggested that CSR success in creating value for the consumer is more multi-facted than previously identified. This is further supported by Peloza and Shang (2011), who classified CSR into philanthropy, business practices, or product and service related. Thus, this study proposes the examination of the impact of in-process CSR, which incorporates both business practices and the product or service related classifications proposed by Peloza and Shang (2011), creating a sense of ethical perception over time, on satisfaction and brand equity. Consequently, the contribution of this paper is in providing an exploration of the impact of ethical perception and satisfaction on brand equity, moderated by the duration of exposure to in-process CSR. Thus, the research objectives are as follows:

1. To examine the impact of in-process CSR on brand equity.
2. To examine the moderating impact of length of exposure to CSR on the impact of ethical perception, and of the impact of satisfaction on brand equity.

LITERATURE REVIEW

There have been many definitions of CSR developed over the years. The original definition proposed by Carroll (1979) was as the social responsibility of the business. This encompasses the economic, legal, ethical, and discretionary expectations that society has of an organization at a given point in time.

Carroll revised the original framework resulting in the proposition made by Schwartz and Carroll (2003), resulting in a Three-Domain Model of Corporate Social Responsibility still in line with the initial four-part model. The author created a Venn diagram to explain the relationship between the domains of CSR and put philanthropic activities under the ethical and/or economic domains. This fits with the definition of in-process CSR as used in this study.

By definition, the Economic Domain incorporates all of the activities that have a positive economic impact on the firm. The positive impact is based on two criteria (i) maximization of profits and (ii) maximization of share value (Schwartz and Carroll 2003). It is stipulated that a majority of the firm's activities will be economic in nature. The Legal Domain in the model is based on the mandatory legal requirements and social expectations in the form of federal, state, and local jurisdictions or legal principles such as case law. Finally, the ethical domain is the part wherein the firm is expected to be responsible to domestic and global ethical imperatives (Schwartz & Carroll 2003). As the model suggests the three domains overlap, thus business practices should encompass all of these domains. This contributes to the significance of in-process CSR.

Stakeholder Theory can be used to explain the survival of organizations based on their ability to integrate stakeholders' expectations into the business strategy. Furthermore, Donaldson and Preston (1995) explained that stakeholders provide resources that ensure successful functioning and survival. In this light, to better understand the practice of CSR, more definitions proposed by other researchers are examined. Kotler and Lee (2005) proposed that CSR is a firm's commitment to improve community well-being through discretionary business practices and contributions of corporate resources. Later, Bhattacharya, Korschun, and Sen (2009), defined CSR as an important part of the dialogue that goes on between a firm and its stakeholders. Thus, it can be said that researchers agree on the definition that CSR is a continuous dialogue between a firm and its stakeholders that is built upon the premise of putting the best interests of the public into value creation activities.

CSR has come to be considered as an integral part of value creation through the provision of long-term financial benefits (Bhattacharya and Sen, 2009; Piercy and Lane, 2009). CSR creates meaningful delivery of relevant initiatives that resonate with the values of consumers (Bhattacharya and Sen, 2009). Bhattacharya, Korschun, and Sen (2009) created a CSR model based on its functional and psychosocial benefits and values. Du, Bhattacharya, and Sen (2007) explained that involvement in what is defined as the process of enacting in CSR programs affects identification with the organization. This construct, defined as the cognitive link between the organization and an individual, is derived from social identity theory (Glavas & Godwin, 2012). Thus, the

Social Identity Theory could be used to explain the feeling of oneness with, or belongingness to, an organization (Ashforth & Mael, 1989). Defined by Dutton et al. (1994) this identification is the degree of aligning oneself with the attributes held by consumers, as representing the organization. Therefore, impact of CSR perception is influenced by the congruence of the values of the consumer and the company's goals (Park, Kim, & Kwon, 2017). This is supported by previous studies (Hur, Kim, & Wu, 2014; Lai, Chui, Yang, Pai, 2010), which found that perception towards a firm's social responsibility activities has an impact on brand equity. Thus, this added value contributes to brand equity, which is the subjective appraisal of the customer's brand choice resulting from satisfaction. Furthermore, numerous studies have found that CSR perception has an effect on satisfaction and brand equity (Poolthong & Mandhachitara, 2009; Lou & Bhattacharya, 2006; Bloemer, Ruyter, & Peeters, 1998).

Two types of consumer motives have been proposed, based on the focus of the organization, known as the organization's self-centered motives and the organization's other-centered motives (Bhattacharya and Sen, 2004). The organization's self-centered motive is defined as self-serving or egoistic motivations, where CSR initiatives are focused on increasing the firm's bottom line. Other-centered motivations include public-serving or social motives, perceived as actions taken out of genuine concern for better social welfare. Self-esteem could result from CSR initiatives that drive organizational commitment. Thus, there is an opportunity for firms to develop ethical behaviors based on other-centered or other-oriented intrinsic values (Peloza & Shang, 2011; Holbrook, 2006). This is supported by the work of Sen et al. (2006), which found that organization identification was stronger among those who perceived CSR as having genuine attributions. For the purposes of this study the firm's other-oriented CSR initiatives, which appear to genuinely have the consumer's interests at heart, are defined as ethical perception. However, as previous studies have implied, these processes take time to manifest; nevertheless the impact of the length of exposure to CSR has not been specifically examined.

RESEARCH HYPOTHESES

CSR activities have been found to have an impact on the brand. Lai, Chui, Yang and Pai (2010) found that perception towards a firm's social responsibility activities had an impact on brand equity. Furthermore, Luo and Bhattacharya (2006) and Sen and Bhattacharya (2001) found that CSR and the subsequent positive perception generated, had an impact on brand equity. This is reiterated in the study of Hur, Kim, and Wu (2014), which found that CSR has an impact on brand equity. Thus, it stands to reason to set the following hypothesis:

H_1: Ethical perception has a positive effect on brand equity.

Mano and Oliver (1993) found that functional or utilitarian attributes and hedonic or relationship aspects had an impact on satisfaction. The authors explained that satisfaction is a result of the comparison between the expected standard and the customers actual experience. Satisfaction includes customer relations with the brand. Crosby, Evans, & Cowles (1990) explained that satisfaction is derived from experience and communication, which is evident through in-process CSR activity. Sen and Bhattacharya (2001) found that CSR initiatives enhance evaluation of the firm. In addition, Mulki and Jaramillo (2011) explained that ethical perception is positively related to satisfaction. The authors explained that consumers are satisfied because they are associated with a firm that is known to be ethical. This is in line with the Social Identity Theory proposed by Tajfel (1982). Thus, it stands to reason to set the following hypothesis:

H_2: Ethical perception has a positive effect on satisfaction.

Luo and Bhattacharya (2006) and Sen and Bhattacharya (2001) explained that CSR creates a favorable context, improving customer evaluations and their consequent attitude towards the brand. Therefore, Luo and Bhattacharya (2006) posited that satisfaction mediates the effects of CSR on the market value of a firm using secondary data. Furthermore, Lee, Huang, and Hsu (2007) explained that satisfaction creates a bond with the brand. Thus, it stands to reason to set the following hypothesis:
H_3: Satisfaction has a positive effect on brand equity.

Lai et al. (2010) and Hur et al. (2014) found that CSR activities which create ethical perception have an impact on brand equity. Lou and Bhattacharya (2006) also found that CSR initiatives further enhanced satisfaction. Perez & del Bosque (2015) explained that satisfaction is increased when CSR activities demonstrate corporate equity through their actions, defined as in-process CSR. Such CSR perception has an effect on satisfaction and brand equity (Poolthong & Mandhachitara, 2009; Lou & Bhattacharya, 2006; Bloemer, Ruyter, & Peeters, 1998). CSR perceptions create a favorable evaluation for the company (Brown & Dacin, 1997). Fernando (2010) explained that CSR activities done in the right way could create positive impressions, while the reverse is also true. Thus, this study proposes the following hypothesis.

H4: Exposure time moderates the impact of ethical perception and satisfaction on brand equity.

RESEARCH METHODOLOGY

The goal of the study is to measure the impact of the length of exposure to CSR, thus it is necessary to choose an industry, where there is a continuous dialogue, as explained by Bhattacharya, Korschun, and Sen (2009). Thus, the banking sector was selected for the study. Previous studies by Perez & del Bosque (2015) indicated that different types of banks have different consumer behavior. The researchers suggested that commercial banks and banks operated by governments for specific financial functions, such as savings or refinancing, might elicit different responses from consumers. Thus, the research was designed to collect data from a bank, as this is one of the industries where ethical perception is important in the process of providing its services, lending it to the study of in-process CSR (Fatma, Rahman, & Khan, 2015; Perez & del Bosque, 2015; Lai et al., 2010). Therefore, data were collected from a government bank, as such, organizations are set up based on policies designed to help the people. Thai government banks have objectives such as promotion of savings, helping farming cooperatives, financing home loans, promoting small and medium enterprises,

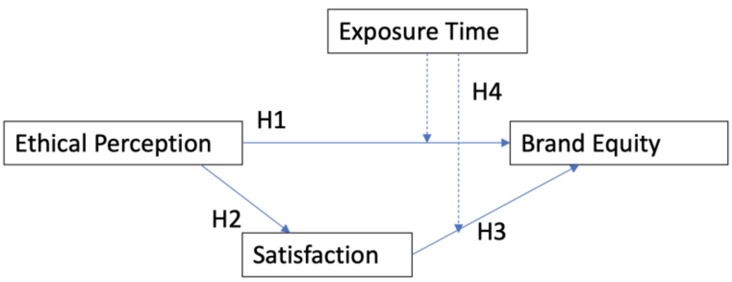

Figure 1: Conceptual Framework

and refinancing non-performing loans.

To explore the consequence of congruence between personal goals and company objectives (Ashforth and Mael, 1989), the aim was to identify a bank for the study, that has a mission and process aligned with consumers. A total of 19 stakeholders drawn from banks, government agencies, consumers, media, and consumer support groups, chose from government banks with differing objectives as mentioned in the previous paragraph. Rao and Perry (2003) explained that convenience sampling could be used for selecting the respondents for convergent interviewing. As a result, the bank chosen for the study is a government financial organization that has a mission and core competency in refinancing bad loans. The goal of this bank is to improve the financial situation of its customers by consolidating their debt and helping them to pay it off. The reason given by the respondents in selecting this bank is its positive record in doing in-process CSR through ethical practices, and its service in providing crucial advice for consolidating loans along with developing programs to help clients pay off their debts. Thus, this bank fulfils the criteria for selecting a firm for exploring the congruence between personal goals and a firm's objectives, defined as ethical perception for the purposes of this study.

The research methodology includes a sequential mixed methods design, which is recommended for exploratory studies. The sequential mixed methods design starts with a qualitative data collection procedure followed by a quantitative study. In the final stages of analysis, the data from the two separate streams should be integrated (Creswell & Clark, 2017). The qualitative study was used to assist in explaining the relationship between the variables in the proposed model; these variables are ethical perception, satisfaction, exposure time, and brand equity.

For the first phase of the qualitative study, in-depth interviews were used for data collection. The respondents were drawn using convenience sampling. The bank employees were asked to recruit their customers for the interview. A total of 14 respondents were interviewed using an in-depth interview. Based on convergent interviewing, the selection of new respondents was terminated as soon as no new information was derived from the respondents (Rao & Perry, 2003). Data was collected using a semi-structured interview guide, based on the examination of the concepts used for the model development, to be tested in the quantitative study.

The items in the questionnaire used as the quantitative data collection tool were selected from studies that were in line with the issues identified in the findings, ensuring the face validity of the items. The seven items for ethical perception were developed from Kim, Taylor, Kim, and Lee (2015). The satisfaction (5 items) and brand equity (7 items) were developed from Holehonnur, Rayomond, Hopkins, and Fine (2009). A probability sampling method was used, utilizing simple random selection by drawing every other name from a list provided by the bank. Based on the recommendation of Hair (1998) the minimum requirement for running Structural Equation Modelling is 200 to 400 respondents. Consequently, data were collected from 208 respondents.

RESEARCH FINDINGS

Qualitative Study

The 14 respondents selected for the qualitative study were recruited by the bank's employees using a convenience sampling methodology from a list of the clients that they were serving. In terms of demographics, about 57% were male, while the rest were female. They were aged between 40 and 55 years old, with 100% of them holding a bachelor's degree. All of them had been clients of the bank for a 1-5 year period, using the refinance service.

Respondents explained that the bank is known for its mission and competency in helping to refinance and help customers to restructure their debt. The bank is known for its convenience and quality of service. According to the respondents they were mostly satisfied with the employees, and their relationship with the bank improved over time. They explained that before coming to the bank they were afraid and embarrassed with their financial situation. However, the employees made them feel at ease. They said that the first year is the most crucial time since customers can choose to leave the bank. This is because they might not feel at ease with the recommendations. It takes time for customers to trust the bank enough to follow through with the bank's advice and see the actual improvement in their lives.

> *"At first I was reluctant to go to the bank. I felt embarrassed about my financial situation. But once I got to the bank and worked on my refinancing plan, it was not that bad. The bank employees have been very supportive. I am almost done with my refinancing. I have only two years left to go. I am very grateful for this new opportunity in life for me." (Male, aged 50, bank customer for 3 years)*
>
> *"I had no idea about the bank at all when I was first recommended to join this Debt Clearance Clinic. The employees have been very helpful. I feel more at ease and have hope in improving my financial situation." (Female, aged 42, bank customer for 6 months)*
>
> *"Understanding is very important especially for customers like us, who are in a sensitive financial situation. I really appreciate the bank employees, who have tried to offer solutions making it is easier to make the necessary decisions. I admit it was hard but since I have made it over a year, I am confident that I will eventually be able to get out of this condition." (Male, aged 47, bank customer for 2 years)*

The main channel of communication for raising awareness of CSR activities and an organization's values is the employees of the organization; this can be done through online channels such as a Line group. Knowledge sharing and updated information are also passed through online channels. Respondents explained that the in-process CSR was evident in the way the employees provided assistance by giving concrete advice that they could act upon. In addition, employees facilitated the process of refinancing. They felt that this was inherent in the competency and values of the organization. Duration of exposure is important in leading to brand equity perceptions, as although the ethical perception comes through in all communications with the organization, through the in-process CSR, it still takes time to develop.

The respondents explained that ethical perception is a result of in-process CSR within the organization operations protocol. Hence, ethical perception is defined as the transparency in operations and accountability in assisting customers with genuine good intent. In addition, brand equity is defined as having positive appropriate values and recognizable competency resulting in an attachment or relationship with the brand.

Quantitative Study

The respondents of the quantitative study were 41.5% male and 58.5% female, mostly ranging in age from 40 to 50 years of age (68.3%). The largest proportion of respondents were classified as those having less than 1-year experience using the organization's services (44.4%), while the remainder varied between 1 and 5 years of experience.

The questionnaire reliability was tested using Cronbach's Alpha. The result for ethical perception was 0.906, for satisfaction it was 0.901, and for brand equity it was 0.941, all of which exceed the reliability test criteria (Nunally, 1978).

Structural Equation Modeling (SEM) was used for analyzing the hypotheses as suggested by previous researchers (Park, Kim, & Kwon, 2017; Perez & del Bosque, 2015). The Structural Equation Model (SEM) was subject to absolute fit using the Chi-square test yielding a value of 3.546, and therefore showing an adequate fit (Kline, 2011). The RMSEA was 0.06, which is acceptable (Ho, 2006; Hu & Bentler,1999). The baseline comparison indices were NFI (0.906), RFI (0.885), IFI (0.942), TLI (0.926), and CFI (0.942). Although the rule of thumb suggests that these values should exceed 0.90, the adequacy for explanation should also be considered (Ho, 2006; Hu & Bentler,1999). Thus, the findings indicate that the hypothesized model fits the data, since it falls within the recommended value range. While some of the indicators may not be strong, the overall model fit is considered acceptable. The path estimates were significant regarding the values for ethical perception to satisfaction (0.767), satisfaction to brand equity (0.851), and ethical perception to brand equity (0.836).

The comparison of the group model shows the strength of the moderating variable duration of exposure. A cut-off point of one year, with one group of customers having less than one year experience, and all others having more than one year experience was drawn based on the findings of the qualitative study. The respondents indicated that the one-year point was when a customer either begins to improve their financials or terminates their dealings with the bank. In addition, it is almost an equal split between those having less than 1-year experience using the organization's service (44.4%) and those having one or more years of experience (55.6%). Those who had been with the bank for one year or more consisted of an equal number of males and females (50%). Most were aged 40 to 50 years (68.3%) and had an education level of bachelor's degree. Those who had been with the bank for less than one year were mostly female (66.7%). Most were aged between 46 and 50 years of age (60.4%) and had a bachelor's degree.

The Chi-square test for the group with more than one-year of exposure yielded a value of 2.613, which is less than 5, based on the rule of thumb (Kline, 2011). The Chi-square test for the group that had less than one-year experience yielded a value of 3.148. RMSEA was less than 0.06 for both models showing a good model fit (Ho, 2006; Hu & Bentler, 1999). The baseline comparison indices for the group with one-year or more of experience were NFI (0.798), RFI (0.802), IFI (0.905), TLI (0.881), and CFI (0.903). The baseline comparison indices for the group with less than one-year of experience were NFI (0.842), RFI (0.811), IFI (0.898), TLI (0.873), and CFI (0.896). Some of these values tend to be lower in models with many items explaining the constructs (Kenny & McCoach, 2003). Regarding the examination of the AIC test, Ho (2014) suggests that the lower the AIC value the better the model. Consequently, it was found that the AIC value for the less than one-year of experience model was 589, higher than the 418 calculated for the one-year or more model. This shows that the model for respondents who have more than one-year exposure to the company's CSR is better than the model for those who have less than one-year of experience. As a consequence, the models show the impact of the moderating variable.

Table 1: Two Model Comparison

INDICES	NFI	RFI	IFI	TLI	CFI
< 1 YEAR	.842	.811	.898	.873	.896
>= 1 YEAR	.798	.802	.905	.881	.903

Table 2: Summary of Hypothesis Testing

Hypothesis	Results
H_1:Ethical perception has a positive effect on brand equity.	Supported
H_2:Ethical perception has a positive effect on satisfaction.	Supported
H_3:Satisfaction has a positive effect on brand equity.	Supported
H4: Exposure time moderates the impact of ethical perception and satisfaction on brand equity.	Supported

DISCUSSION OF RESEARCH FINDINGS

In the tradition of sequential mixed methods design, the results of the qualitative findings contributed to the analysis. In-process CSR was evident in the way the employees provided assistance, giving concrete advice that customers could act upon. Satisfaction was derived from constant communications, clear advice, and the trust that grew out of the relationship. Furthermore, the findings support the importance of employees in the implementation of in-process CSR. Also, the mission and competency of the firm is an important aspect in the development of the in-process CSR. This is because in-process CSR that has appropriate ethical perceptions that resonate with the consumers must be derived from the firm's core competency.

The path estimate shows the strength of the effect of ethical perception on satisfaction (0.767). This is in line with Luo and Bhattacharya (2006) and Sen and Bhattacharya (2001). The other path estimate shows the strength of the impact of ethical perception on brand equity (0.836). These findings indicate that the effect of ethical perception has a stronger impact on brand equity than it does on satisfaction. This confirms that ethical perception does have an impact on brand equity, which is in line with previous studies (Hur, Kim, & Wu, 2014; Lai, Chui, Yang, & Pai, 2010). The effect of ethical perception through satisfaction on brand equity (0.851) is also evidenced, which is in line with Lee, Huang, and Hsu (2007), and is evidence of in-process CSR, where ethical perception is part of the mission and competency that is imbued in the service provided, resulting in satisfaction and a strengthening of brand equity.

The comparison of the two models, demonstrates the moderation effect of exposure to in-process CSR activities, and shows that the model for the respondents with one-year or more of exposure is better.

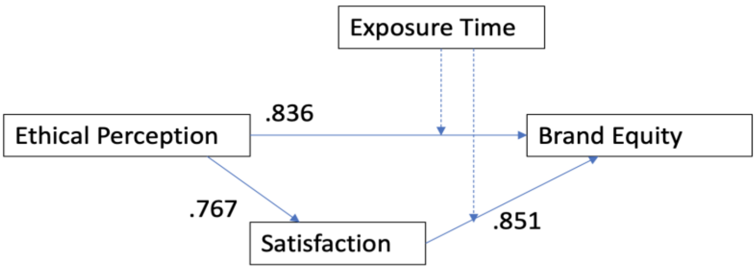

Figure 2: Path Estimates

This is based on the analysis of the AIC value of 418, which is less than the value of 589 calculated for the less than one-year model, as suggested by Ho (2014). The baseline comparison indices also confirm that the one-year or more exposure model is better. However, since some of the indices on both of these models are lower than 0.9, they appear weaker than the full model. This is likely due to the smaller sample size for the analysis in each model, which is a weakness of this study. Despite this limitation, the study provides evidence supporting the impact of exposure time to in-process CSR, which can be examined more stringently in future studies.

In line with the sequential mixed methods design, the qualitative and quantitative findings are presented and integrated to provide theoretical and managerial contributions.

Theoretical Contributions

This study has demonstrated the impact of ethical perception and satisfaction on brand equity, moderated by duration of exposure to in-process CSR activities. SEM was used to confirm the relationship between the variables that can be used to extend the model to better understand the impact of CSR on the firm's relationship with customers that ultimately leads to more profitability. The model shows that ethical perception derived from in-process CSR has a strong impact on brand equity and is strengthened through satisfaction. This is in line with the work of Bhattacharya, Korschun, and Sen (2009), who stated that CSR fulfils functional and psychosocial benefits, and values.

Managerial Contribution

As for managerial contributions, this study provides recommendations for organizations in implementing CSR. Insight from the qualitative study and confirmation in the quantitative study, prove that CSR should come from identification of values held by customers and society. As suggested by Kim and Lee (2012) consumers would favorably evaluate a firm that has goals that are congruent to their own or have their best interests at heart. Thus, this study extends the work of Kim and Lee (2012) by recommending that the firm can increase favorable evaluations by creating ethical perceptions regarding their operations through in-process CSR, which resonates with consumers. Generating ethical perceptions through concrete practices is a strategy that can be implemented with ease in a short period of time. These strategies should be based on the firm's competencies such as the bank doing a good job in helping to improve the financial situation of its customers through clear actions and consistent communications driven by dedicated employees.

Communication is a key aspect of the implementation of CSR activities, in line with the work of Peloza and Shang (2011) who stated that messages combining functional and social values are more appealing to consumers. Thus, the choice of communications channel is complimented by the benevolent nature of the message. Therefore, employees, who play a critical role in the implementation of CSR activities and communications, as presented in the qualitative study, should be able to identify values important to consumers and act accordingly. In addition, the company should identify employees with the best performance, learning from them in order to develop training so that more employees could effectively implement in-process CSR that is favorably perceived by customers.

LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

As explained in previous studies, trust is a key variable in long-term organizational performance (De Roeck & Delobbe, 2012; Colquitt et al., 2007). Brand equity has consequences that can be explored in future studies, including trust, loyalty, and brand advocacy. By adding these variables into the model, the impact of CSR can be further examined. Other moderating variables which can be studied include the frequency of contact. In addition, the government bank chosen for the study has a mission and competency that can be translated into a strategy for in-process CSR. However, future studies may examine the impact of ethical perception in firms from the private sector. Hirschman and Holbrook (1982) explained that consumption of products from different categories would result in different emotional states. Thus, the study of these different products, such as experiential, symbolic, or functional in regard to the needs being satisfied, would be a good area for future research. Another area of interest might be the aspect of identifying the values that resonate with consumers, and which can be used for in-process CSR. In addition, the qualitative study indicates the importance of employees in the operations of in-process CSR. Thus, future studies should include employee related constructs to better understand in-process CSR and its subsequent success.

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