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Contents lists available at ScienceDirect

Journal of Retailing and Consumer Services

journal homepage: www.elsevier.com/locate/jretconser

A study of the impact of Corporate Social Responsibility and price image on retailer personality and consumers' reactions (satisfaction, trust and loyalty to the retailer)

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ARTICLE INFO

Article history:

Received 15 April 2013

Accepted 30 November 2013

Key words:

Retailer personality

Corporate Social Responsibility (CSR)

Price image

Consumer satisfaction

Consumer trust

Consumer loyalty

ABSTRACT

This study investigates the impact of a retailer's Corporate Social Responsibility (CSR) policy and its price image on retailer personality, along with the impact of these two variables on the consequences of retailer personality: consumers' satisfaction, trust and loyalty toward the retailer (measured by their attitude and future behavioral intentions). Data were collected on a convenience sample of 352 consumers of a French grocery retailer. Using Partial Least Squares analysis (PLS), we show that perceived Corporate Social Responsibility and price image have a significant positive/negative influence on retailer personality traits ("agreeableness" and "conscientiousness"/"disingenuousness") and that Corporate Social Responsibility has also a significant positive influence on the "sophistication" personality trait. For the consequences examined (satisfaction, trust and loyalty to the retailer), we show that Corporate Social Responsibility, price image and retailer personality have a direct or indirect impact on these dependent variables.

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1. Introduction

By acquiring notoriety, a strong image and hence significant brand equity, retailers have become full-fledged brands (Achenbaum and Bogda, 1997). From both a theoretical standpoint and that of various retail market actors (distributors, consumers and manufacturers), retailers have become brands that convey messages, promises and value (Fleck and Nabec, 2010). Zentes et al. (2008) define the retail brand as "a group of the retailer's outlets which carry a unique name, symbol, logo or combination thereof". It is crucial for retailers to possess powerful brands that can help them thrive in their often highly competitive market (Henderson and Mihas, 2000). The retail brand strongly influences consumers' perceptions and guides their choices, and builds their loyalty to the retailer and its points of sale, in a relationship established between the retailer and its customers (Ailawadi and Keller, 2004). The retailer, like the brand, is a milestone, a source of benefits and a vector of a preferred attitudinal and behavioral relationship between consumer and retailer (Fleck and Nabec, 2010).

In France, food retailers suffer from poor consumer confidence (58%) at two main levels: price image and Corporate Social Responsibility (CSR)¹ policy. Nonetheless, these retailers have recently intensified their efforts to integrate CSR in their analyses and actions, either driven by the market, the competition and their executives, or to reduce costs (Binninger, 2010). If price remains a major element of food retailers' strategy, it is no longer a sufficient differentiation factor, in a context where gaps between retailers' price images are constantly shrinking.² Retailers are thus seeking to develop or reinforce their image of being a responsible company while preserving their price image to better position themselves and meet the expectations of the consumers, who, in the current economic and ecological crises, are seeking both low prices and more responsible consumption modes.³

The main objective of this study is therefore to examine the influence of the retailer's CSR policy and price image on its personality. The influence of these two variables on the consequences of retailer personality – consumer satisfaction, trust and loyalty to the retailer (measured by their attitude and future behavioral intentions) – is also analyzed. This study will thus

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¹ LSA (a magazine for professionals in France), no. 2205 (17/11/2011), pp. 12–15.

² Points de Vente (a magazine for professionals in France), no. 1110 (5/3/2012), pp. 22.

³ Marketing Magazine (a magazine for professionals in France), no. 152 (01/10/2011), pp. 34–37.