Impact of corporate social responsibility on brand extension success via organizational trust: moderating role of the CSR communication

Saba Qasim*, Mohammad R.A. Siam*, Salniza Bt Md. Sallaeh*, Osaid Rabieb

a School of Business Management (SBM), College of Business (COB), University Utara Malaysia (UUM), Sintok 06010 Kedah, Malaysia. *Email address: sabaqasim90@yahoo.com (Corresponding author) bOthman Yeap Abdullah Graduate School of Business (OYAGBS), University Utara Malaysia (UUM), Sintok 06010 Kedah, Malaysia & Lahore Business School (LBS), University of Lahore (UoL), Pakistan.

ARTICLE HISTORY:
Received: 31-Jul-2017
Accepted: 2-Nov-2017
Online available: 16-Nov-2017

Keywords:
Corporate social responsibility, Brand extension, Organization trust, Pakistan

ABSTRACT
This study investigated the moderated mediation mechanism through which corporate social responsibility affects brand extension success. This study posits that organizational trust mediates the relationship between corporate social responsibility and brand extension success. We further hypothesized that the CSR communication would moderate this process; high CSR communication would strengthen the effect of CSR on brand extension success. The findings showed that CSR positively affects brand extension success via organizational trust. Data were obtained from 316 consumers who have knowledge of the CSR actions of various organizations operating in Pakistan and brand extension. We have selected those organizations for our data collection which are doing CSR in Pakistan. Results are discussed in terms of their implications for both research and practice.

Contribution/ Originality
This study investigated the moderated mediation mechanism through which corporate social responsibility affects brand extension success. Results are discussed in terms of their implications for both research and practice.

DOI: 10.18488/journal.1007/2017.7.11/1007.11.269.283
ISSN (P): 2306-983X, ISSN (E): 2224-4425


© 2017 Asian Economic and Social Society. All rights reserved
1. INTRODUCTION

Since the last couple of decades, increased numbers of firms are extending their brands through adopting multiple strategies to introduce their multiple products. However, for launching a new brand an approximate cost of 50 million dollars have incurred, which has only 5% chance of being successful (Rangaswamy et al., 1993). The use of this strategy has increased (Aaker and Keller, 1990; Batra et al., 2010) because managers take extension strategy as less expensive, safer and much easier instead of launching altogether a new product. Today, almost 90 percent of the products launched in the market are based on brand extension strategy (Fannin et al., 1989). However, still brand extension success is not certain as it depends upon the multiple factors. The failure rate for brand extensions is eighty percent (Völckner and Sattler, 2006), that suggests that for better predictions of failure or success of extended brands needs multiple methodologies. Scholars have paid little attention to identify the processes through which brand extension success rates can be determined. Scholars were thus encouraged to explore the determinants of brand extension success. Therefore, in this study I am going to explore the determinants of a brand extension success. This study proposes that the Corporate Social Responsibility (CSR) can influence consumer behavior regarding the success of extended brand.

The most extant research on the CSR generally focuses on its consequences on different firm level outcomes. For instance, previously conducted research has examined the effect of corporate social responsibility on financial performance (Barnett and Salomon, 2012; Orlitzky et al., 2003; Waddock and Graves, 1997), consumers (Deng and Xu, 2017; Marin et al., 2009; Sen et al., 2006) and have examined how CSR perceptions of consumers influence their attitude and behaviors (e.g. Ghauri et al., 2015; Öberseder et al., 2013; Raman et al., 2012). For instance, the existing literature show that the CSR actions of a firm influence consumer loyalty (Martínez and Bosque, 2013), trust and satisfaction (Zhu et al., 2014). However, there is a dearth of studies that explain the CSR actions on the success of their brand extension. The CSR is not a new concept of the social role of business it can be traced back for centuries (Carroll, 1999). The Shareholders as well as the different stakeholders are increasingly demanding responsible attitude by firms and products that are developed by following minimum standards of social and environmental responsibility (Farooq et al., 2014). The firms’ adoption of the CSR practices are different in different countries which is apparently due to its dependence on the economic, political and social conditions of a country (Chapple and Moon, 2005). The literature (Chapple and Moon, 2005; Maignan, 2001; Welford, 2005) found a substantial country difference in CSR activities. Similarly, the literature (Farooq et al., 2014; Welford, 2005) has also pointed out that the Asian firms are far behind their Western counterparts in the CSR practices. However, recently CSR activities have gained increased public attention in Asia too (Farooq et al., 2016). This study focuses upon Pakistani consumers’ attitudes and buying behavior with respect to the CSR activities of firms while taking trust as mediator. Apart from a considerable body of literature on the CSR and consumers, a comprehensive conceptualization of CSR has still infancy (Öberseder et al., 2013). Therefore, this study tends to open a new avenue in the CSR literature by exploring how and when CSR action of organization influence the success of an extended brand. Drawing on the trust framework, we propose that the CSR actions of an organization positively influence the firm’s brand extension.

Despite of the fact that recent research has significantly enhanced our understanding of the corporate social responsibility by explaining the different mechanisms, there is dearth of research that explores the alternative mediating mechanisms through which CSR actions of company influence their consumers’ attitude towards their new brand extension. An enhanced theoretical understanding of the phenomenon, exploration of mediating mechanisms always provides a clear perspective to managers for designing organizational CSR actions to stimulate consumer attitudes and behaviors. Because overlooking possible alternative mechanisms limits the practical implications of research and leaves the question of causality unaddressed (Peloza, 2009). Therefore, this study uncovers the underlying multiple mediating mechanisms that examine the brand extension success of a parent brand through CSR actions of a firm. By integrating trust framework (Mayer et al., 1995), we propose that the CSR actions can have a strong role in influencing the consumers’ attitude towards the success of their brand.
extension. As, this stream of research is new, researchers have also paid a little attention towards potential boundary conditions under which CSR actions of organization strengthen or weaken the relationship for successful brand extension. Therefore, we proposed the CSR communication as a potential moderator that may strengthen or weaken the relationship of CSR and brand extension success in the Pakistani context.

2. LITERATURE REVIEW

2.1. Corporate social responsibility
The CSR is defined as “the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time” (Carroll, 1979). The CSR is not a new concept social role of business can be traced back for centuries (Carroll, 1999; Bowen, 1953) firstly provided the modern definition of the CSR according to which businesses are not only responsible for their financial statements but they are also responsible for the consequences of their actions in the wider sphere. The Shareholders as well as the different stakeholders are increasingly demanding responsible attitude by firms and products that are developed by following minimum standards of social and environmental responsibility (Fisher et al., 2009). Many consumer surveys claim that consumers are influenced by the CSR activities of a firm (Smith et al., 2010). Similarly, the consumers have also claim that the CSR activities of a firm has an impact on their purchase decisions (Castaldo et al., 2009). However, these surveys are not backed by empirical research about the actual consumer behavior. Some studies have found a relationship between reputation of a firm and the consumer intentions. However, other found that these intentions are dependent on many other factors (Bhattacharya and Sen, 2004). Castaldo et al. (2009) found that sometimes consumers are unable to consider or even fail to notice unacceptable social behavior of a firm while making purchase decisions. Similarly, according to Castaldo et al. (2009) “if the impact of the CSR reputation on consumers were universal and significant, we would see a clear impact on the bottom line of the firms with a strong social performance”.

Consumer CSR is the corporate of an organization not only towards products and consumers but also include handling consumer complaints, satisfying consumer needs, customer care and product safety beyond the law.

Community CSR is the moral obligation of an organization toward non-governmental agencies, future generations, natural environment and society.

Employee CSR activities of an organization ensures the support and well-being of its employees, including union relations, job security, family-friendly policies, organizational injustice and career opportunities.

Environment CSR represents the responsibility of a business towards the environment, the society and the culture.

The literature has additionally distinguished two diverse methodologies about the CSR examine (Gray et al., 1995). The main approach regarded CSR as supplement for the monetary movement and subsequently attempted to develop a connection between the CSR exercises and the money related execution of a firm. The constraints of the extension and adequacy of this approach has been talked about by Gray et al. (1995). The later way to deal with CSR put social and natural announcing as an inside of examination. Be that as it may, later examination has called attention to a fit between the association’s center procedure and its CSR endeavors.

2.2. Attitudes towards Repurchase behavior (Purchase intentions and brand extension)
The attitude has been defined in many ways. Among various definitions of attitude, some are more prominent and are widely recognized. The attitude is defined as “a learned pre-disposition to respond in a consistently favorable or unfavorable manner with respect to a given object” (Fishbein and Ajzen,
While Fishbein and Ajzen (1975) used 'predisposition' as a feature of attitude, Eagly and Chaiken (1993) proposed slightly different elements, by proposing a more abstract definition of the attitude that posits three essential features: evaluation, attitude object, and tendency. The object of attitude is construal and can range from product, brand, or store, to person, issue, or even behavior. The consumers' exposure to a particular object (i.e. product, brand, people, and action) would evoke an evaluation either favorable or unfavorable of the object. Since attitudes are learned, therefore, feelings of favorability or un-favorability are also learned through information about the attitude object (i.e. publications in the media), or through direct experience with the attitude object. In defining attitude, Eagly and Chaiken (1993) invoked the term’s tendency, instead of disposition (which implies greater permanence) or state (which implies temporariness), to emphasize that an attitude can either be a short term or a long term and not necessarily enduring, as early theorists such as Allport (1935) and Krech and Crutchfield (1948) have suggested. Thus, attitude can change along with newly acquired information and/or experience. Two theoretical orientations emerged in the study of attitude: the tripartite view and the unidimensional view of attitude; both of which basically share the same components but differ in their conceptual status. Both orientations recognize same elements: cognitive (i.e. beliefs), affective, and conative (i.e., intentions, behaviors). The cognitive element refers to a belief that an individual holds about an attitude object (e.g., "I believe that Quaker Oatmeal has cholesterol-reducing agent"); while the affective element refers to the resulting emotional reactions to the attitude object (e.g., "Therefore, I like Quaker Oatmeal"). The conative component encompasses the intended and actual behaviors (e.g. "I intend to purchase and consume Quaker Oatmeal"). From the tripartite view, attitude is made up of the three components; as such, if a consumer believes that a particular object brings benefits, the consumer will have a positive feeling to it, and therefore, the consumer will or intend to purchase it. Using the unidimensional view, on the other hand, attitude is seen as being made up by one component: affective; while cognition and conation are antecedent and consequence, respectively (Fishbein and Ajzen, 1975). Therefore, attitude towards brand extension success is treated as a separate construct, which may lead to a subsequent behavior or behavioral intentions, for instance, purchase intentions. The unidimensional view is the view that will be used in this study as it reflects a closer representation to the reality in which consumers may, at times, like a product but decides not to purchase it as purchasing it will cause their financial resources to decrease.

2.3. Brand extension success
As per Aaker and Keller (1990), brand extension is a technique that uses a set up brand name to enter another item classification. Brand extension happens when an organization use its built up brand name for its new image or when the recently presented mark is joined with the current set up mark. Brand expansion can likewise be as a sub mark (Aaker and Keller, 1990). On the off chance that current brand produce new expanded brand than it is known as parent mark and if parent or existing brand is as of now connected with numerous brands through brand extension, at that point it is otherwise called a family brand.

In expanding their brands, firms "enter a totally extraordinary item class" (Aaker and Keller 1990), which implies that brand expansions are, by definition, advancements. Since mark expansions are new market offerings (Connelly et al., 2011). As per Kotler and Armstrong (2010), mark augmentation implies broadening the set up effective brand name for another item, either in an alternate or in a similar item classification. Brand expansion is a successful instrument for lessening the cost of dispatch of new items, and client's acknowledgment of broadened mark likewise increments in a such a case. In spite of the benefits of a brand augmentation, similar to minimal effort advancement, high worthiness, and nearly less disappointment possibilities, organizations are confronting challenges in mark expansion and the quantity of broadened brands that got flopped, hugely extension. Keller arranged the brand augmentation into two classifications; first is the line extension, which happens when the parent brand brings forth another item, which focuses on another market fragment, yet in a similar item classification in which the parent mark as of now serves. The line augmentation more often than not adds to the attributes, fixing varieties, littler size or frames, or distinctive applications. Second classification is, where the parent brand enters in an alternate item classification, in which the parent brand does not as of now serves. A brand augmentation procedure can be in two essential
structures. To start with is the vertical brand expansion and the second is the flat brand augmentation (Volckner and Sattler, 2006; Abidin et al., 2016; Azam et al., 2016; Haseeb et al., 2014a; Haseeb et al., 2014b). The vertical brand expansion implies that another item is presented, and the parent mark has a similar item classification, however the distinction lies in its quality and value level (Keller and Aaker, 1990). The level brand augmentation implies another item is presented utilizing a current brand name, yet not in a similar item classification (Aaker and Keller, 1990).

The past research on brand extensions (Aaker and Keller, 1990; Chakravarti et al., 1990; Farquhar et al., 1990) managed with the hidden procedures that caused brand augmentations to profit by a center brand. Farquhar et al. (1990) built up a social model of brand augmentations which noticed that brands could identify with classes, classifications can identify with brands, and classifications can identify with different classifications. At the point when particular classifications are contrasted with or identify with each other, it is using superordinate or more theoretical affiliations. The social model likewise imagined that the connections amongst brands and classes are directional. Essentially in light of the fact that a brand is an individual from a classification does not suggest that it is normal of that class. For instance, a Ferrari is emphatically connected with yet not ordinary of the class autos.

3. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

In consumer research, the significant way of consumer trust for organization is the quality of their product or services and parent brand quality. The trust in their product is dependent on the company’s similarity, likability and expertise to the customer (Doney and Cannon, 1997). For brand extension success, this study proposed that organizational trust mediates the relationship between the corporate social responsibility and consumers’ intention to purchase the product of an extension brand. Organizations gather the trust of their consumers by showing that they value them and they safeguard their interest by providing them innovative services (Ganesan and Hess, 1997).

3.1. CSR and trust

Previous studies have examined the impact of CSR on consumers (Brown and Dacin, 1997; Luo and Bhattacharya, 2006), but not many have investigated the effect of CSR on consumers’ attitudes, especially on consumer attitude towards the success of brand extension (Ghauri et al., 2015). Consumers’ perceptions of CSR are likely to have a positive effect on organizational trust because CSR activities elevate consumers’ self-image and morale by helping align personal identities with those of the corporation’s. Trust is the belief that the product or service provider can be relied on and a long term interests of the consumers will be served (Mayer et al., 1995). Influence of CSR on consumers has been explored in literature in the variety of ways (Luo and Bhattacharya, 2006). However, the focus towards understanding of relationship between CSR and customer trust has been shifted recently (Perrini and Castaldo, 2008). Castaldo et al. (2009) found that trust can have an impact on the success or failure of a socially responsible company in the marketplace. Similarly, Pivato et al. (2008) have identified that CSR activities can help to generate trust in consumers. Customers show greater satisfaction and trust towards products that do not harm the environment. This finding is likely to be somewhat overstated, given the existence of a strong social desirability bias. Therefore, we hypothesize that:

H1: There is a positive relationship between CSR and trust.

3.2. Trust and brand extension success

Trust is vital for any successful social exchange. Therefore, firms try to build a trustworthy relationship with their stakeholders including customers. To enhance self-esteem and self-confidence, customers try to identify themselves with trustworthy organizations only. The response of customers toward a company is based on their perception about the identity of that company as trustworthy (Bhattacharya and Sen, 2003). Many studies (Chaudhuri and Holbrook, 2001; Delgado-Ballester & Munuera-Alemán, 2001; Singh and Sirdeshmukh, 2000) have identified the importance of trust in explaining consumer behaviors. Similarly, according to Singh and Sirdeshmuk (2000) “to gain the loyalty of
customers, you must first gain their trust”. The empirical investigations about the marketing relationship theory have also identified trust as an important mediator between corporate activities and consumer behavior (Chaudhuri and Holbrook, 2001).

Smith and Andrews (1995), in a business to business context, find that the relationship between “fit”; and brand extension evaluation is mediated by “customer certainty”, or, “belief in” a company’s ability to deliver a product that meets his/her expectations, and notes the importance of trust in reducing perceived risk and thereby facilitating “relationship enhancement” in buyer-seller interactions. Accordingly, this study hypothesized that:

H2: There is a positive relationship between trust and brand extension success.

3.3. CSR and brand extension success via trust
The organizational trust is utilized as an intervening variable in this investigation. Administration assessment writing has recognized the intervening part of put stock in satisfaction and unwaveringness relationship (Sirdeshmukh et al., 2002). In this examination the principle center is to link CSR credits to shopper results through trust. Trust here depends on “the expectation of morally legitimate conduct” (Hosmer, 1995). As CSR is tied in with building moral capital, trust as indicator of good esteems is a focal point of nexus in evaluating CSR and its effect on shopper out comes (buy aims and brand augmentation success). Since dependable brands typically show high awareness, it is likewise like the brand put stock in develop. Coordinate impacts on expansion state of mind are normal from CSR and backhanded ones through hierarchical trust. In the first place, people will have a superior beginning impression of the CSR activities they know about (Low and Lamb, 2000). As talked about above, trust can likewise directly affect mark augmentation achievement. Shoppers are more disposed to purchase results of associations they have beforehand expended (Swaminathan and Tayur, 2003) and know better, unless the experience has been unsuitable. We in this manner contend that authoritative trust may in a roundabout way impact the connection amongst CSR and brand expansion achievement. It remains that the aggregate of hypothetical and experimental contentions articulated above legitimize the accompanying theory:

Hypothesis 3: Organizational trust mediates the relationship between CSR and brand extension success.

3.4. Moderating role of CSR communication
CSR communication can be clarified as a ‘stream or trade of data from one gathering to another’ (Hoeven and Verhoeven, 2013). CSR can be powerful just when it is declared through proper channels. In spite of the fact that CSR correspondence is a fragile procedure, its part is urgent in arriving necessary changes. Purchasers’ state of mind and conduct is formed by the correspondence they get. The connection amongst associations and purchasers are controlled by the correspondence patterns (Hoeven and Verhoeven, 2013). At the point when an organization takes part in the CSR activities towards different partners, however don’t effectively speak with its partners, it may not prompt uplifting state of mind towards the association (Alon et al., 2010; Hoeven and Verhoeven, 2013). Concurring to correspondence is proposed as a predecessor of trust. They made in concentrate the impact of correspondence on consumer loyalty and trust. Numerous associations neglect to impart their CSR endeavors to their partners by not theorizing the results of it. The genuine test with any association lies on correspondence methodology as opposed to on negligible the CSR exercises.

Thus, the benefits of CSR activities are contingent upon how well it is communicated. Therefore, we believe that organizational CSR communication may strengthen the relationship between CSR activities and brand extension success. This leads to the following proposition:

Hypothesis 4: CSR communication positively moderates the strength of mediating effect of organizational trust between CSR and brand extension success in such a way that mediating effect of organizational trust will be stronger when it will be high than when it is low.
3.5. Research method
We will practice quantitative research approach in this study which targets specifically on collecting primary research data with help of questionnaire data collection techniques. The quantitative research method has been used for this study due to the nature of topic and problems with the help of a structured questionnaire with detailed information in dependable way. Furthermore, the study conducted to explore the impact of CSR on brand extension success. We also concentrated on the factors that are linked with consumer behavior. This study requires collection of reliable data for conducting research on large scale with extensive information. Amaratunga et al. (2002) studied that quantifiable data is generally intended to give feedback on “what is happening now” but the reality of situation and problem to examine and gathered thorough facts and figures as well. In the light of the above-mentioned information our study will test hypothesis and theories by analyzing and developing the relationship with different variables. Collection of data is to be made with help of the established structured questionnaire.

In this study, we selected those companies who have recently made extension in their brands. We selected seven companies from Pakistan. Data were collected to gain insight of factors affecting their brand extension success. Data were collected from 350 Pakistani consumers. The convenient sampling technique was used for sampling procedure. To get generalized results, information was collected from the respondents belonging to different age groups, marital status and source of income. The sample size comprised of 350 Pakistani consumers; however, questionnaires from 34 respondents amongst these 350 respondents were disqualified because of some missing values. Therefore, at the end only 316 questionnaires were left out for data analysis.

3.6. Confirmatory factor analysis
This study has used Confirmatory Factor Analysis (CFA) for the evaluating of the validity of instruments. The CFA is carried out to examine whether items of a construct are in accordance with the researcher understanding.
Figure 1: Confirmatory factor analysis

Table 1: Fit Indices of alternative CFA models

<table>
<thead>
<tr>
<th>Model</th>
<th>Description of model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\chi^2$/df</th>
<th>GFI</th>
<th>NFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Single Factor CFA</td>
<td>4253.57</td>
<td>779</td>
<td>5.460</td>
<td>0.48</td>
<td>0.59</td>
<td>0.62</td>
<td>0.64</td>
<td>0.12</td>
</tr>
<tr>
<td>Model 2</td>
<td>Five Factor CFA</td>
<td>1274.31</td>
<td>448</td>
<td>2.844</td>
<td>0.81</td>
<td>0.84</td>
<td>0.88</td>
<td>0.89</td>
<td>0.077</td>
</tr>
</tbody>
</table>
This study used the established instruments to measure the constructs. We performed CFA to test the reliability, convergent validity and discriminant validity of all constructs used in the study. We used four concepts of the CSR, organizational trust, attitude toward brand extension and purchase intentions. Firstly, we performed one factor CFA and loaded the items on one factor. The model fits at different indices on one factor (Anderson and Gerbing, 1988). We analyzed the loading of all items to one factors were between 0.039 to 0.65 (Kline, 2011). The model fit does not good then we performed all factor CFA and loaded the items on their respective factors. The model fits at different indices on 4 factors (Anderson and Gerbing, 1988). This study analyzed the loading of all items to their respective factors were between 0.532 to 0.87 (Kline, 2011). The model fit of all items CFA loading was not good as shown in Table 1.

3.7. Model testing
The established hypotheses used structural equation modeling. The first study tests the data for direct and mediation effects without incorporating the proposed moderator (CSR communication). To test for mediation, it is recommended that the direct and indirect paths be specified simultaneously so as to estimate either effect while partialing out the other (Iacobucci et al., 2007). We, therefore, specified an SEM model by incorporating the hypothesized effects as well as direct effects of CSR components on identification. This model produced good fit with the data ($\chi^2=962.78$, $P<0.001$; $df=420$; $\chi^2/df=2.29$; CFI= 0.89; GFI= 0.82; TLI=0.89; RMSEA=0.077). The test of our hypothesized model demonstrated that all expected relationships were significant except the effect of CSR on trust (Table 2). However, this study found a positive direct effect of organizational trust on purchase intentions and attitude towards brand extension. The results of this study found no significant relationship between the CSR and brand extension success. We calculated the significance of the indirect effects in SEM using a bootstrap with 5000 bootstrap samples (Preacher and Hayes, 2008).

Table 2: Direct and indirect effects

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Direct Effects</th>
<th>Dependent Variables</th>
<th>Indirect effect on Purchase Intentions Via Organizational Trust</th>
<th>Indirect effect on Attitude towards Brand Extension Success Via Organizational Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>0.499***</td>
<td>n.s</td>
<td>0.149***</td>
<td>0.290***</td>
</tr>
<tr>
<td>Org. Trust</td>
<td>0.847***</td>
<td>0.736***</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

The results support hypothesis 1, 2 and 3, as the CSR positively affect brand extension success via mediating mechanism of organizational trust. Both the components (environment and society) have strong positive effects on organizational trust which in turn has strong positive influence on brand extension success. The results of this study found that a full mediation for both components of the CSR. Similarly, hypothesis 2 was supported by the data as the organizational trust directly influence purchase intentions and attitude towards brand extension success. In fact, both the CSR components exert a strong effect on consumer trust, which in turn positively influences the brand extension success (purchase intentions and attitude towards purchase intentions) as shown in the Table 3.

3.8. Moderation analysis
The different forms of the CSR influence brand extension success via different paths. The hypothesis 4 predicts boundary conditions on these effects. The mediating effect of trust was proposed to be moderated by the CSR communication. To assess moderated mediation, we used the PROCESS Macro in SPSS (Preacher and Hayes, 2008).
Table 3: Moderation of CSR communication on the relationship of independent variable with dependent variable

<table>
<thead>
<tr>
<th>Model No.</th>
<th>Independent Variables</th>
<th>Organizational Trust</th>
<th>Attitude towards Brand Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Constant</td>
<td>0.739</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR</td>
<td>0.245*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR communication</td>
<td>0.601***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR x CSR communication</td>
<td>0.007</td>
<td></td>
</tr>
<tr>
<td>Model 2</td>
<td>Constant</td>
<td>0.121</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organizational Trust</td>
<td>0.798***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR</td>
<td>0.029</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR communication</td>
<td>0.109</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organizational trust x CSR communication</td>
<td>0.002</td>
<td></td>
</tr>
</tbody>
</table>

Table 3a: Moderation of CSR communication on the relationship of independent variable with dependent variable

<table>
<thead>
<tr>
<th>Model No.</th>
<th>Independent Variables</th>
<th>Organizational Trust</th>
<th>Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Constant</td>
<td>0.739</td>
<td>1.901**</td>
</tr>
<tr>
<td></td>
<td>CSR</td>
<td>0.245*</td>
<td>0.392*</td>
</tr>
<tr>
<td></td>
<td>CSR communication</td>
<td>0.601***</td>
<td>0.123*</td>
</tr>
<tr>
<td></td>
<td>CSR x CSR communication</td>
<td>-0.007</td>
<td>-0.229</td>
</tr>
<tr>
<td>Model 2</td>
<td>Constant</td>
<td>1.901**</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>Organizational Trust</td>
<td>0.392*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR</td>
<td>0.123*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CSR communication</td>
<td>-0.229</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organizational trust x CSR communication</td>
<td>0.06</td>
<td></td>
</tr>
</tbody>
</table>

In the model 1 it is identified that the CSR communication does not moderate the direct relationship of CSR and organizational trust because of the interaction value 0.007 and (p>0.005). In the model 2 (Table 3), we recognized that the CSR communication does moderate the direct relationship of the organizational trust and attitude towards brand extension (interaction= 0.002, p>0.05). In the Table 3a, where we tested the moderation of the CSR communication on the path of the CSR and purchase intention via trust, this study did not find moderated effect. Therefore, the fourth hypothesis was rejected as findings of this study did not show moderated effect of the CSR communication.

4. DISCUSSION, CONCLUSION AND FUTURE RESEARCH DIRECTIONS

The study was conducted to test the effect of the perceived the CSR on consumer-related attitudes (trust) and its effect on brand extension success. We explained that the CSR does not directly affect the brand extension success. Instead, it has impact on brand extension success through organizational trust. The existing literature on the relationship between the CSR and brand extension success is very limited, and according to the researchers’ knowledge this study has not found any scholarly work that explain the said relationship. Trust framework compliments this study, perhaps for the first time to explain the relationship of the CSR on brand extension success through organizational trust. Not only this, we also contributed to the brand extension literature by examining the boundary condition of the CSR communication on our research framework.

The gathered information halfway supported our theoretical model. It was discovered that there is not immediate relationship exists amongst CSR and brand expansion achievement; rather, it is through the intervention of authoritative trust. We found that authoritative trust intervenes the connection amongst CSR and brand augmentation achievement. Shockingly, the information have not demonstrated the control of CSR communication in current setting. The developed outcomes bolster the traditional
perspective of a restricted business duty, which is to fulfill client needs by giving quality products prompting benefit boost inside the tenets of the amusement. The current writing on purchaser conduct has demonstrated the connection between consumer loyalty and trust. A delightful involvement with the organization consoles as well as improves the trust in the organization (Singh and Sirdeshmukh, 2000).

This study has contributed to the existing literature in many ways. First, the study has introduced a new mechanism in the CSR-consumers research. The results show that the trust framework (Mayer et al., 1995) significantly enhances our understanding that how consumers behave towards the brand extension. These findings have opened a new avenue in the CSR-consumer research. It will help the future researchers to think beyond other theoretical lenses such as social exchange and social identity theories. Second, most of the studies on the CSR have been conducted in Western context, to the best of our knowledge it would be the first study of its nature, which is conducted in the scenario of Pakistan. Thus, the findings of this study have contributed to the body of the existing literature on this topic. Thirdly, this study has proposed boundary condition of the CSR communication in this study.

From a managerial point of view, it is critical to comprehend that a brand extension's success can shift amongst societies, and that a successful brand extension in one society won't succeed in other societies. Extensive body of literature on CSR and brand extension success, our research gives managers different perspectives of culture as far as a likely success of brand extension's. Together with assessments of every business sector's engaging quality, such a positioning ought to end up some portion of business entry strategies in new markets for brand extensions. Conversely, if future brand extensions’ target markets are already fixed, the findings of this study offer practical guidance as well. Our analyses can help identify which aspect in CSR and consumer behavior should be highlighted to increase the likelihood of a successful brand extension in the chosen country through effective and visible CSR campaigns.

There are some limitations of our study. Firstly, we have collected the data from the consumers in Pakistan, it could also have been collected from the consumers of other cultures or countries too. The sample size can be increased for better results and the qualitative data can also be collected like interviews of the consumers. Unwillingness to respond on the questionnaire by some of the respondents can also be the limitation of this study.

The time limit is also a big limitation. In the limited time, this study analyzed and investigate this research study. The sample size is also another limitation. But it is linked with time. For large sample size time is required. Our results are analyzed by sample size of 316 respondents. For data collection purposes, close ended questions were used that inherent limitations like their might be chance that respondents do not find it convenient to respond on the selected anchor points or it may happen that they do not want to respond certain questions in the questionnaire.

This research can provide an interesting avenue for marketing researchers. The Findings may not be same for all brand extensions so developed model should also be tested for different types of extensions i.e. related and unrelated brand extensions. The established model should also be tested for other target populations to get more generalized results. Moreover, dimensions of culture should also be considered for further research. The future research should focus on exploring more and more ways of positioning a brand in a better way in the eyes of its customers.

Funding: This study received no specific financial support.
Competing Interests: The authors declared that they have no conflict of interests.
Contributors/Acknowledgement: All authors participated equally in designing and estimation of current research.

Views and opinions expressed in this study are the views and opinions of the authors, Asian Journal of Empirical Research shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.
References


Bowen, H. R. (1953). *Social responsibilities of the businessman* (No. 3). Harper. view at Google scholar / view at publisher


