Abstract: The aim of this research is to investigate the relationship between consumer perception of Corporate Social Responsibility (CSR), corporate brand trust, corporate hypocrisy, and corporate reputation. Based on the one-to-one interview method using a structured questionnaire of 560 consumers in South Korea, the proposed model was estimated by structural equation modeling analysis. The model suggests that consumer perception of CSR influences consumer attitudes toward a corporation (i.e., perceived corporate hypocrisy and corporate reputation) by developing corporate brand trust. This in turn further enhances corporate reputation while decreasing corporate hypocrisy. The findings of our study demonstrate that consumer perception of CSR is an antecedent to corporate brand trust, which fully mediates the relationship between consumer perception of CSR and corporate reputation. In addition, corporate brand trust has the role of partial mediator in the relationship between consumer perception of CSR and corporate hypocrisy. These results imply that to better understand the relationship between consumer perception of CSR and consumer attitudes toward a corporation, it is necessary to consider corporate brand trust as an important mediating variable. The theoretical and practical implications of this study are discussed, together with its limitations and potential for future research.
Keywords: consumer CSR perception; corporate brand trust; corporate hypocrisy; corporate reputation

1. Introduction

Many companies have become increasingly interested in Corporate Social Responsibility (CSR). When consumers make purchases, they consider the social responsibility of a company as an important attribute [1]. Previous studies have shown that through CSR activities, companies can improve consumer attitudes and develop favorable corporate images and reputations over time [2–4]. Consumer perception of CSR affects a corporation’s overall reputation because consumers typically want to be associated with companies that have good reputations [5,6]. However, there has been little research regarding how consumer perception of CSR influences corporate reputation, even though it is widely known that CSR itself plays an important role in building corporate reputation [7,8]. In addition, little research has explored the impact of consumer perception of CSR on negative outcomes of marketing, as most studies have focused on the positive outcomes, such as brand loyalty, reputation, and equity. However, it is important to research the consumer perception of CSR impact on negative outcomes, which are obstacles to developing consumer trust and often prevent repeat purchases [9]. Consumers would not be interested in hypocritical CSR engagement because they do not want a company to exploit social issues in its own interest. [10].

Corporate brand trust is important as it increases purchase intentions and reduces the potential damage from negative consumer evaluations [11]. A company’s CSR engagement is regarded as an effective marketing strategy to establish a trustful relationship between a company and its consumers [12]. Therefore, we introduce brand trust as a mediating variable that links consumer perception of CSR with corporate reputation and hypocrisy.

Thus, this study aims to examine the mediating effect of corporate brand trust on the relationship between consumer perception of CSR and corporate reputation and corporate hypocrisy. Consequently, by empirically testing the role of corporate brand trust in the company-consumer relationship, this study attempts to show the different extent to which brand trust can mediate the effects of consumer perception of CSR on the positive and negative outcomes of marketing. The results of this study can be applied to potential marketing strategies regarding CSR and can be used to validate the importance of building brand trust in a competitive market situation.

2. Literature Review

2.1. Corporate Brand Trust in CSR

Corporate brand trust is defined as “the belief which a consumer in a purchase situation characterized by uncertainty, vulnerability, lack of control and the independent-mindedness of the transaction partners relies on, to the effect that a company identified as a corporate brand will deliver a good or service at the quality which the consumer expects” [13] (p. 1001). Brand trust is founded on the expectation that a corporate brand does not take advantage of innocent consumers [14]. Since trust
involves two partners in an exchange, it is primarily a relational market-based asset [13,15]. The existence of corporate brand trust means the brand will likely deliver positive results to consumers [15]. Thus, corporate brand trust is an important factor when consumers make purchasing decisions, and works to establish a company’s reputation or image [16]. In other words, consumers would experience the betrayal of their own trust if a company exhibits opportunistic behavior [17].

The more positive experiences a consumer has with a corporate brand, the stronger their trust of the brand [13]. Thus, brands attempt to communicate to their consumers what they are, what they want to be, and what they value [18]. Consumers want to know whether a corporate brand would keep its promises and not behave in an opportunistic manner [13]. Consumers receive signals about brand products and services through a brand’s various marketing strategies and activities [19]. Previous research [20,21] suggests that consumers regard a corporate brand as more attractive and trustworthy when its brand identity is similar to their own preferences and beliefs. For example, the perceived CSR activities of a brand form a positive impression on consumers who are sensitive to those social issues, because trust is based on a personal level [22]. Vlachos et al. [23] have mentioned that consumers consider a company to engage in CSR activities from its sincere intentions.

2.2. The Effect of Corporate Brand Trust on the Relationship between CSR Perception and Corporate Hypocrisy

Corporate hypocrisy refers to “the belief that a firm claims to be something that it is not” [1] (p. 79), and arises when a company’s actual performance differs from its claims [24]. People perceive the hypocritical characteristics of another in the same way as their distinct characteristics, and they not only experience a feeling of betrayal, but also try to avoid the company of that person [1]. Therefore, corporate hypocrisy can negatively influence consumer attitudes toward a company [1]. However, when companies use a proactive communication strategy that positions them as actively engaging in CSR activities, they can create the image of being socially responsible and reduce the negative impact of any corporate hypocrisy [25,26]. Consumers are often unconvinced about such a practice because they believe that it mainly comes from egoistic motivations rather than genuine stakeholder-driven motivations [27]. Thus, brand trust in its connection with social causes is a key to avoid corporate hypocrisy in a CSR context [10].

As previously mentioned, the perceived CSR of a company positively influences corporate brand trust by making a favorable impression on consumers. Accordingly, many studies emphasize the benefit of CSR policies and procedures for increasing brand trust among consumers [23,24]. When a brand is trustworthy, consumers perceive less risk and gather less information when making purchasing decisions [28]. Furthermore, many studies have indicated that brand trust is a key factor in maintaining successful brand–consumer relationships [29,30]. Many companies now consider gaining consumer trust as a way to build relationships [15]. Brand trust creates a valued brand–consumer relationship that must be continuously maintained to contribute to brand loyalty [29,31]. Consequently, CSR could enhance brand trust and minimize consumer skepticism of corporate hypocrisy [22]. Bhattacharya and Sen [32] have also shown that consumers would trust and even forgive a company’s misbehavior when they identify themselves with the company. Therefore, we posit the following hypothesis:
H1: The relationship between a consumer’s CSR perception and corporate hypocrisy will be mediated by corporate brand trust.

2.3. The Effect of Corporate Brand Trust on the Relationship between Consumer Perception of CSR and Corporate Reputation

Corporate reputation refers to a stakeholder’s evaluation of a company, which is based on the everyday impressions consumers have of the company [33]. Reputation involves an assessment of the company’s success in performing social responsibilities as well as the company’s economic performance [34]. Therefore, it is a collective representation of a past performance by multiple stakeholders who assess the company’s ability [35]. This is a valuable intangible asset for the company and plays a role as one of the company’s key characteristics [4,36]. Moreover, a strong corporate reputation helps prevent negative consumer perceptions of information [37]. Therefore, companies often use CSR activities to improve their corporate image and establish a good reputation [38,39]. Fombrun [40] has suggested that corporate reputation would be enhanced by a company’s CSR activities. Lai et al. [8] and Hsu [7] have also shown that consumer perception of CSR is positively associated with corporate reputation. Consequently, a company’s engagement in CSR could be one of the most effective marketing strategies to gain competitive advantage [4].

However, it is not expected that corporate reputation primarily comes from a company’s CSR activities, even though CSR activities may generate overall goodwill [32]. Corporate brand trust plays an important role in the relationship between consumer perception of CSR and corporate reputation because a brand’s CSR engagement convinces consumers of an ethical corporate brand image. Corporate trust and a company’s position regarding CSR engagement significantly influence the success of business activities [41]. Since the level of brand trust affects a consumer’s psychological process, in which perceived quality infers objective quality, trustworthy brands enhance a consumer’s perception of quality [42]. That is, consumers are likely to reinforce a trustworthy company’s reputation, which provides the company with a competitive advantage [22]. Therefore, we propose that consumer perception of CSR influences corporate brand trust, and this, in turn, influences corporate reputation. This leads to the following hypothesis:

H2: The relationship between consumer perception of CSR and corporate reputation will be mediated by corporate brand trust.

3. Methodology

3.1. Data Collection and Participant Characteristics

One-to-one interviews were administered in person by trained fieldworkers from a marketing research agency in order to reduce non-systematic bias throughout the data gathering process. The appointed market research agency was commissioned to randomly select 560 consumers in the urban area of Seoul and five major metropolitan cities. In order to do this, a sampling framework listing every city block in these areas was first compiled. Based on this information, two-stage area sampling [43] (pp. 522–525) was employed to select a predetermined number of city blocks and 560 consumers within those blocks. Well-trained fieldworkers were employed to visit each respondent
to conduct the interview, and a token of appreciation was given to each respondent to encourage cooperation. Each of the respondents was then randomly assigned to Samsung, Hyundai Motors, SK, or LG, these being four of the major conglomerate companies operating in South Korea. These corporations account for 53% of the Gross Domestic Product (GDP) and approximately 35% of what is spent on CSR in South Korea [44]. Only individuals who identified themselves as being familiar with the CSR activities of these companies participated in the survey. A total of 520 questionnaires (Samsung: \( n = 133 \) (25.6%), Hyundai Motors: \( n = 122 \) (23.5%), SK: \( n = 125 \) (24.0%), and LG: \( n = 140 \) (26.9%)) were collected via data cleaning. A preliminary analysis indicated that 50.9% of the subjects were female, and they ranged in age from 18 to 60, with an average age of 23.97 years (SD = 6.84). A majority of the respondents (nearly 82.9%) had a university education or higher, 15.0% had a college education, and just 2.1% had a high school education or lower.

3.2. Measurement Scales

The questionnaire utilized existing English-based scales that required a double translation into Korean following the process recommended by Brislin [45]. Five-point Likert-type scales were used to measure the constructs (see Table 1). Consumer perception of CSR was measured using three items adapted from Berens et al. [46], Du et al. [25], and Wagner et al. [1]. Corporate hypocrisy was measured with four items based on Wagner et al. [1]. Corporate brand trust was measured with four items adapted from Sichtmann [13]. Corporate brand reputation was measured using three items adapted from Newburry [47].

4. Results

4.1. Reliability, Validity, and Common Method Bias

The reliability and validity of the resulting measurement scales were assessed. First, the reliability of the constructs was assessed using Cronbach’s alpha coefficient (see Table 1). The reliability coefficients for the constructs ranged from 0.73 to 0.87), which is considered satisfactory [48]. Confirmatory factor analysis (CFA), using Mplus 7.13 software (www.statmodel.com), was used to evaluate the convergent and discriminant validity of the measurement items.

<table>
<thead>
<tr>
<th>Construct</th>
<th>( \lambda )</th>
<th>( \alpha )</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility</td>
<td>0.74</td>
<td>0.81</td>
<td>0.83</td>
<td>0.63</td>
</tr>
<tr>
<td>XXX (corporate name; Hyundai Motors, LG, Samsung, SK) is a socially responsible company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XXX is concerned to improve the wellbeing of society.</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XXX behaves responsibly regarding the environment.</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Brand Trust</td>
<td>0.84</td>
<td>0.73</td>
<td>0.84</td>
<td>0.64</td>
</tr>
<tr>
<td>XXX is reliable.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XXX is trustworthy.</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XXX is dependable.</td>
<td>0.74</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The measurement model fits well with the data, as seen by the fit statistics for the model ($\chi^2_{(48)} = 113.13; p < 0.05, CFI = 0.98, TLI = 0.97, RMSEA = 0.05, SRMR = 0.03$). Across our measurement models, the factor and item loadings all exceeded 0.74, with all $t$-values greater than 2.58, demonstrating the convergent validity among our measures. All the measures provided high reliability, with composite reliabilities ranging from 0.82 to 0.87 (see Table 1). We investigated the qualification for discriminant validity among variables, as suggested by Fornell and Larcker [49]. The Average Variance Extracted (AVE) values were all larger than the squared correlation between the construct and any others (see Table 2). Overall, therefore, our constructs showed good measurement properties.

Table 2. Construct means, standard deviations, and correlations.

<table>
<thead>
<tr>
<th>Construct</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Corporate Social Responsibility</td>
<td>0.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Corporate Brand Trust</td>
<td>0.44 **</td>
<td>0.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Corporate Hypocrisy</td>
<td>–0.38 **</td>
<td>–0.77 **</td>
<td>0.70</td>
<td></td>
</tr>
<tr>
<td>4. Corporate Reputation</td>
<td>0.45 **</td>
<td>0.48 **</td>
<td>–0.47 **</td>
<td>0.61</td>
</tr>
<tr>
<td>Mean</td>
<td>2.85</td>
<td>2.86</td>
<td>2.95</td>
<td>3.43</td>
</tr>
<tr>
<td>SD</td>
<td>0.67</td>
<td>0.71</td>
<td>0.74</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Note: The number in the diagonal is the AVE; * $p < 0.05$, ** $p < 0.01$.

Most researchers agree that Common Method Variance (CMV) poses a potentially serious threat of bias in behavioral research, especially with a single time/source survey [50]. Common method variance (CMV) is the spurious “variance that is attributable to the measurement method rather than to the constructs the measures are assumed to represent” [50] (p. 879) or, similarly, as “systematic error variance shared among variables measured with and introduced as a function of the same method and/or source” [51] (p. 763). To address common method bias, we used a confirmatory factor-analytic approach to Harman’s one-factor analysis. Specifically, we compared the one-factor Harman’s confirmatory factor analysis solution to the four-factor solution, and found that the single-factor solution did not fit the data well ($\chi^2_{(54)} = 1117.97; p < 0.05, CFI = 0.66, TLI = 0.58, RMSEA = 0.20, SRMR = 0.12$) and was indeed significantly worse than the four-factor solution ($\Delta \chi^2_{(6)} = 1004.8412$, $p < 0.01$). Thus, we concluded that the factor method did not adequately represent our data, and that the data for investigating the hypotheses are unaffected by common method bias.
4.2. Hypothesis Testing

In the structural model analysis, we estimated all the path coefficients, simultaneously controlling for employee age, gender, education (years), marital status, and income \([9,52,53]\). Figure 1 shows the results. In our analysis model, we tested for two simple mediation effects \([54]\). This basic condition of mediation \([55]\) was tested with Standard Error of Measurement (SEM). Second, the mediation effect associated with corporate brand trust was investigated following Preacher and Hayes’s \([54]\) approach. The specific mediated effect represents the ability of corporate brand trust to mediate the effect of consumer perception of CSR on consumer attitudes toward a corporation (\(i.e.,\) corporate hypocrisy and corporate reputation) when the model includes corporate brand trust.

Our structural model fit the mediation model reasonably well: \(\chi^2\) \((93) = 175.16; p < 0.05, CFI = 0.96, TLI = 0.95, RMSEA = 0.05, SRMR = 0.05\). Overall, the hypothesized structural model was very useful in explaining variance \(R^2\) (corporate brand trust) = 30.4%, \(R^2\) (corporate hypocrisy) = 62.1%, and \(R^2\) (corporate reputation) = 33.5%). We tested the significance of mediation effects using bootstrapping \((n = 5000)\) \([56]\) (p. 111). Bootstrapping is a statistical resampling method that estimates the parameters of a model and their standard errors strictly from the sample \([55]\). As shown in Table 3, the indirect effect, which is of primary interest in a simple mediation model, is quantified for two paths: (1) the direct effect of consumer perception of CSR on corporate brand trust; and (2) the direct effect of corporate brand trust on consumer attitudes toward a corporation (\(i.e.,\) corporate hypocrisy and corporate reputation) while controlling for consumer perception of CSR.

![Diagram](image_url)

**Figure 1.** Parameter estimates for research model. (*\(p < 0.05\), **\(p < 0.01\).)

More specifically, the indirect effect from consumer perception of CSR on corporate hypocrisy through corporate brand trust was large \((b = –0.453)\), and a 95% confidence interval around the unstandardized, bootstrapped estimate of the indirect effect confirmed that it was statistically significant \((95\% \ CI [–0.602, –0.333])\). Furthermore, consumer perception of CSR did not have a significant direct effect on the level of hypocrisy \((b = –0.046, p > 0.05)\). In sum, we confirmed that the relationship between consumer perception of CSR and corporate hypocrisy was fully mediated by corporate brand trust and Hypothesis 1 was supported.
In addition, the indirect effect from consumer perception of CSR to corporate reputation through corporate brand trust was medium \((b = 0.238)\), although the bootstrapped estimate of the indirect effect confirmed that it was statistically significant \((95\% \text{ CI } [0.139, 0.362])\). However, we demonstrated that consumer perception of CSR had a significantly direct effect on the level of corporate reputation \((b = 0.306, p < 0.05)\). Therefore, we confirmed that the relationship between consumer perception of CSR and corporate reputation was partially mediated by corporate brand trust and Hypothesis 2 was supported.

### Table 3. Result of hypotheses testing.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
<th>Path</th>
<th>Value</th>
<th>CI low</th>
<th>CI high</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Direct</td>
<td>Consumer’s CSR Perception → Corporate Hypocrisy</td>
<td>–0.046</td>
<td>–0.196</td>
<td>0.096</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consumer’s CSR Perception → Corporate Brand Trust → Corporate Hypocrisy</td>
<td>–0.453</td>
<td>–0.602</td>
<td>–0.333</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Consumer’s CSR Perception → Corporate Hypocrisy</td>
<td>–0.499</td>
<td>–0.655</td>
<td>–0.351</td>
</tr>
<tr>
<td>H2</td>
<td>Direct</td>
<td>Consumer’s CSR Perception → Corporate Reputation</td>
<td>0.306</td>
<td>0.124</td>
<td>0.504</td>
</tr>
<tr>
<td></td>
<td>Indirect</td>
<td>Consumer’s CSR Perception → Corporate Brand Trust → Reputation</td>
<td>0.238</td>
<td>0.139</td>
<td>0.362</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Consumer’s CSR Perception → Reputation</td>
<td>0.544</td>
<td>0.377</td>
<td>0.719</td>
</tr>
</tbody>
</table>

*Note: CI = 95% confidence level (bootstrapping).*

### 5. Conclusions

The purpose of this study was to examine how consumer perception of CSR affects corporate brand trust, corporate reputation, and corporate hypocrisy, and whether corporate brand trust plays a role as a mediator between consumer perception of CSR and consumer attitude toward a corporation \((i.e., \text{corporate reputation and corporate hypocrisy})\). The results and findings supported our two hypotheses. We found that corporate brand trust has the role of full mediator in the relationship between consumer perception of CSR and corporate hypocrisy. In addition, this study indicates that the positive relationship between consumer perception of CSR and corporate reputation was partially transmitted by corporate brand trust.

#### 5.1. Theoretical and Managerial Implications

This study establishes a critical linkage between consumer perception of CSR and corporate reputation and corporate hypocrisy by including corporate reputation as a key mediator. Therefore, this study contributes to the study of the relationship between consumer perception of CSR and its consequences in several ways.

First, our research demonstrates that the relationship between consumer perception of CSR and corporate hypocrisy is fully mediated by corporate brand trust. Wagner *et al.* [1] showed that corporate hypocrisy has positively influenced consumer perception of CSR. However, this study has confirmed that the reverse relationship is also significant. In addition, this research also implies that corporate brand trust is a crucial mediator in explaining the relationship between consumer perception of CSR and corporate hypocrisy. Second, the findings of this study also indicate that corporate brand trust is a meaningful mediator in the relationship between consumer perception of CSR and corporate
reputation. This result is partially consistent with the work of Hur et al. [44], which shows that consumer perception of CSR and corporate reputation were fully mediated by corporate brand credibility. In addition, Hsu [7] employed customer satisfaction as a mediator in the relationship between consumer perception of CSR and corporate reputation, but failed to verify its impact. Therefore, CSR researchers need to pay attention to cognitive mechanisms (e.g., trust and credibility) and explore the possibility of other affective mechanisms (e.g., satisfaction) [44].

Our study also suggests important implications for CSR managers who seek to foster high-quality consumer–corporate relationships via CSR initiatives. As CSR initiatives have reduced corporate hypocrisy, as well as increased corporate reputation through corporate brand trust, corporate CSR managers therefore should consistently monitor whether their CSR initiatives have increased the level of corporate brand trust. Furthermore, compared to corporate reputation, corporate hypocrisy has been more strongly affected by corporate brand trust. Therefore, CSR managers should pay attention to corporate brand trust as a more efficient means of reducing negative consumer attitudes toward corporations, such as corporate hypocrisy.

Finally, many companies have already recognized the crucial role of CSR and are heavily investing in CSR initiatives to enhance positive corporate reputation. However, they should pay more attention to CSR initiatives to reduce negative consumer attitudes, as the importance of managing negative outcomes of marketing is recently being emphasized. In this situation, various CSR initiatives (e.g., donations to charity, cultural support, and public services) could be implemented [7].

5.2. Limitations and Future Research Directions

The limitations of our study offer several opportunities for future research. First, this study failed to investigate the effect of the specific dimensions of CSR. Thus, future research could identify the different effects of the specific dimensions of CSR (i.e., economic, legal, ethical, and philanthropic) and their interactions. Second, future research could examine the effects of consumer demographic characteristics (e.g., gender, age, income, and education) and brand level (e.g., brand category and brand position in the marketplace) characteristics to predict the relationship between consumer perception of CSR and corporate marketing outcomes. Third, future research could examine customers of other countries or conduct cross-national research to generalize these results. Finally, conclusions about causal relationships could not be generalized because the participants were recruited at a single time. Therefore, longitudinal designs could be employed to investigate these relationships.

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Author Contributions

Hanna Kim and Won-Moo Hur conceived and drafted the paper; Won-Moo Hur analyzed the data; Hanna Kim and Junsang Yeo reviewed related studies. All authors wrote, reviewed and commented on the manuscript. All authors have read and approved the final manuscript.
Conflicts of Interest

The authors declare no conflict of interest.

References


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