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The Business of Doing Good: An Empirical Analysis of Corporate Social Responsibility and Consumer Perceptions in Latvia

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Abstract

Corporate social responsibility (CSR) has long become a fundamental component of business strategies, affecting consumer behaviour, brand loyalty, and competitive advantage. This study assesses the influence of consumer perceptions of CSR initiatives in Latvia. The study uses mixed methods, combining elements of quantitative and qualitative research to answer the research questions. The empirical phase included a survey of 502 Latvian consumers, utilising both closed- and open-ended questions to gather insights on perceptions related to economic, legal, ethical, and philanthropic dimensions of CSR. The study develops a causal model to establish key hypotheses of the effects of CSR initiatives on perceived legitimacy, brand trust, long-term sustainability, and consumer value, including the mediating roles of key constructs and the moderating effects of demographic factors. The methods include descriptive statistics, exploratory factor analysis, reliability analysis, regression analysis, and PROCESS mediation/moderation models, with findings indicating that CSR actions substantially improve perceived legitimacy, brand trust, and sustainability, thus improving perceived CSR value. The level of education proved to be a more significant predictor of CSR perceptions compared to age, which showed limited influence; meanwhile, gender differences were identified across various CSR-related constructs. The thematic analysis of qualitative data underscored the significance of authenticity, transparency, and stakeholder engagement in shaping consumer attitudes. The findings highlight the significance of CSR integration for companies in Latvia, as it improves consumer loyalty and brand reputation, supporting CSR as a crucial factor in achieving competitive advantage. This study contributes to the academic discussion on CSR's role in business strategy as a significant driver of competitive advantage and provides a basis for future research on emerging CSR trends.

Keywords: corporate social responsibility, consumer perceptions, sustainable development, Latvia, competitive advantage

1 Introduction

Corporate social responsibility (CSR) has become an integral part of many companies' business models, as it offers a variety of benefits beyond mere compliance, such as improving a company's image and brand value by demonstrating a commitment to ethical standards, societal fairness, and environmental sustainability (Moon & Parc, 2019). An effective CSR strategy improves organisational culture by promoting values like social responsibility, sustainability, and ethical business practices, enhances customer perceptions of the company and offers a competitive advantage in rapidly growing economies (Muralidhar et al., 2024). Studies indicate a significant positive association between CSR initiatives and corporate reputation, customer satisfaction, and customer trust, highlighting the necessity of CSR practices for overall organisational success (Islam et al., 2020).

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In the current business environment, ethical, social, and societal responsibilities are evolving into broader value orientations, and companies' legitimacy is mandated by changing and ambiguous norms, making ethics, communicative competencies, and practices crucial for effectively navigating an increasingly dynamic and diverse society (Rendtorff, 2019). Consumer perceptions of CSR are shaped by the companies' marketing and communication strategies, encompassing branding, reputation management, and communication practices. Consumer trust and loyalty mitigate the perceived risk associated with purchasing and utilising products, highlighting the necessity for companies to enhance their focus on ethical commitments and long-term reputation improvements (Stanaland et al., 2011). Consumers perceive CSR actions as either positive, indicative of value-driven or strategic motives, or negative, suggesting stakeholder-driven or egoistic motives. The brand identity of a company, the social or environmental causes it supports, its corporate capabilities, and the level of interpersonal trust all positively affect the motives consumers link to CSR; in contrast, corporate hypocrisy has a detrimental effect (Marín et al., 2016).

Studies indicate that companies located in regions with stronger social norms exhibit elevated social responsibility scores after accounting for various demographic, regional, and economic variables. This highlights the significance of social norms of responsibility in influencing CSR and underscores the necessity of researching CSR and customer perceptions in particular regions (You, 2024). A significant research gap pertains to the investigation of the correlation between CSR and customer loyalty in developing nations (Islam et al., 2020). Notwithstanding the heightened interest in CSR research, a globally recognised methodology for assessing consumer perceptions and reactions to CSR efforts is still lacking (Öberseder et al., 2013). Contemporary models predominantly emphasise the corporate aspects of CSR, including reporting and compliance, while neglecting consumer opinions and attitudes towards CSR projects. This disparity impedes organisations' capacity to assess the efficacy of their CSR programs and modify them to align with customer expectations. Measurement of CSR should prioritise consumer perceptions, considering factors such as trust, emotional engagement, and perceived authenticity (Fatma & Rahman, 2015; Fatma et al., 2016). Alvarado-Herrera et al. (2017) elaborate that CSR measurement tools frequently lack comprehensive frameworks that encompass consumer perceptions of CSR initiatives, as many prior models have concentrated on corporate reporting or financial performance instead of consumer-driven expectations.

The aim of this study is to evaluate the influence of CSR initiatives on consumer perceptions of CSR value and subsequent purchase intentions in Latvia, emphasising the mediating roles of perceived legitimacy, brand trust, and long-term sustainability, along with the moderating effects of demographic factors.

Objectives:

1. To explore the impact of various aspects of CSR on consumer perceptions and behaviours in Latvia.
2. To test a causal model that examines how perceived legitimacy, brand trust, and long-term sustainability mediate the relationship between CSR and perceived CSR value.
3. To assess how demographic factors like age and the level of education influence the impact of CSR initiatives on consumer perceptions.

Research questions:

- RQ1. In what ways do various dimensions of CSR (economic, legal, ethical, and philanthropic) affect consumer perceptions and behaviours in Latvia?
- RQ2. What mediating roles do perceived legitimacy, brand trust, and long-term sustainability play in the relationship between CSR initiatives and perceived CSR value?
- RQ3. In what ways do demographic factors, including age and education level, influence the direct and indirect effects of CSR on consumer perceptions and value?

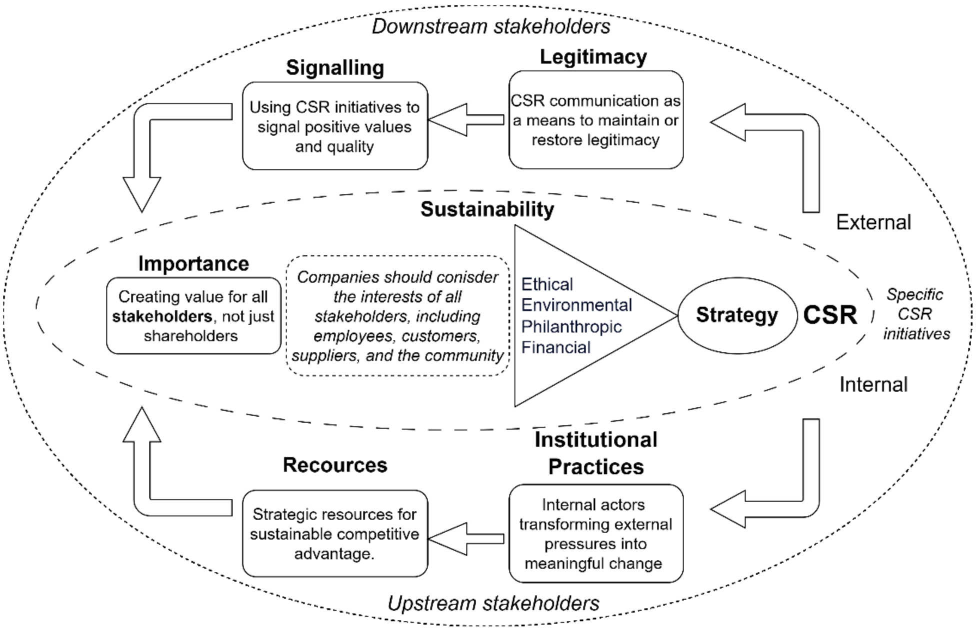
The study employs a mixed-methods approach, combining quantitative survey data with qualitative examination of open-ended responses. This study design facilitates an in-depth analysis of the influence of CSR initiatives on consumer perceptions and behaviours in Latvia, providing both statistical evidence and contextual insights to strengthen the validity and depth of the findings.

2 Literature Review

2.1 Review of the CSR-Related Theories

CSR is a well-known and used concept in the business environment, which dates to 1953 when it was first coined (Bowen, 2013). During this period, CSR began to get more attention due to the expansion and growth of large multinational corporations and changing customer expectations and demands. CSR became a prominent topic in the 1980s with important contributions including Freeman's Strategic Management - A Stakeholder Approach (Freeman & McVea, 2001) the seminal work of Carroll and the pyramid of CSR (Carroll, 1991), Drucker and his approach to CSR and the necessity of balancing social responsibility with the strategic demands of a successful business (Drucker, 1984). Elkington's Triple Bottom Line (TBL) concept expands the traditional view of business success beyond financial performance (Profit) to include social (People) and environmental (Planet) considerations (Elkington, 2018). The established theories and frameworks allowed the development of a more holistic approach to business management by reviewing organisational strategies regarding CSR and proposing a structured framework for the theory of stakeholder identification and salience, thus enabling companies to respond to the needs and expectations of the stakeholders more effectively (Mitchell,1997). Resource-based view (RBV) theory made a significant contribution to the CSR theory and approach, suggesting that companies can achieve a competitive advantage by using their unique resources and capabilities (Barney, 1991). CSR goes beyond altruism and philanthropy; it focuses on value creation for businesses by integrating social responsibility into core business strategies. The VRIO framework (Value, Rarity, Imitability, Organisation) is developed for assessing resources and their capacities to manage the companies strategically and to attain sustainable competitive advantage (Barney & Hesterly, 2015). In contemporary management discussion, legitimacy theory is primarily regarded as a foundational understanding of legitimacy as a perception or a belief that the behaviours of a company are desirable, proper, or appropriate within a certain socially established framework of norms, values, convictions, and interpretations (Suchman, 1995). The theory contends that companies must align their actions with societal norms and values to secure continued acceptance and trust from stakeholders. Signalling theory provides a framework for understanding how individuals convey their quality or capabilities to potential employers in scenarios of information asymmetry (Spence, 1973). This theory offers valuable insights into CSR by explaining how companies employ costly and credible signals to mitigate information asymmetry with external stakeholders.

Fig. 1. Conceptual Manifestation of Key CSR Theories and Strategic Implications



The theoretical model of the study (See Figure 1) is constructed upon established CSR-related theories discussed above, such as Freeman's stakeholder theory, Carroll's CSR pyramid, Elkington's TBL framework, and the stakeholder identification and salience theory proposed by Mitchell, Agle, and Wood (Carroll, 1979; Freeman, 1984; Mitchell et al., 1997; Elkington, 2018). Freeman's stakeholder theory promotes a model of corporate governance that emphasises the importance of considering the interests of all stakeholders rather than focusing solely on shareholders (Freeman, 1984). Carroll's CSR Pyramid offers a systematic approach for examining CSR through economic, legal, ethical, and philanthropic angles, positioning the model as essential for comprehending corporate social performance (Carroll, 1979, 1991, 1999, 2008, 2021). Elkington's TBL framework incorporates sustainability into corporate strategy, emphasising the interconnected aspects of People, Planet, and Profit. This idea prompts organisations to assess their influence beyond monetary results and integrate ecological and societal factors into their decision-making processes (Elkington, 2018). Mitchell et al. (1997) theory of stakeholder identification and salience highlights the importance of managerial decision-making that is influenced by stakeholder salience, which is characterised by power, legitimacy, and urgency. The integration of these components establishes a strong basis for the creation of CSR measurement tools, enhancing corporate strategies that harmonise stakeholder interests, sustainability, and social accountability. Institutional theory suggests that companies implement CSR practices as a reaction to *external institutional pressures*: coercive, normative, and mimetic, to achieve legitimacy and ensure their long-term sustainable development (DiMaggio & Powell, 1983;

Campbell, 2007). Within the framework of CSR, institutional pressures frequently force companies to adopt socially responsible strategies, not only for financial gains, but also to achieve legitimacy and social endorsement from essential stakeholders (Meyer & Rowan, 1977). CSR is integrated into organisational strategy in response to external pressures and industry changes (Brammer et al., 2012), and is perceived not only as voluntary or altruistic, but as a strategic approach to institutional practices that influence organisational behaviour. While institutional theory primarily underscores external pressures that drive organisations towards CSR adoption (Battilana et al., 2009; Brammer et al., 2012), recent findings emphasise *the importance of internal actors* in mediating these institutional influences.

The model summarises the key theoretical perspectives and schools of thought that support CSR, integrating external legitimacy-based and stakeholder-driven motives with internal strategic and value-creation objectives. The model fundamentally defines CSR strategy as a multifaceted construct, incorporating ethical, environmental, philanthropic, and financial facets and outlines both external and internal influences on CSR initiatives. External mechanisms, including signalling and legitimacy, demonstrate how companies can utilise CSR to convey positive values to downstream stakeholders while aiming to uphold or regain legitimacy through transparent CSR communication. The stakeholder approach highlights the component of "Importance", which asserts that value creation should encompass all stakeholders instead of being limited to shareholders. This aligns with the principles of stakeholder theory and stakeholder salience theory. The sustainability central element emphasises the necessity for companies to address the interests of various stakeholders, under the principles of the TBL and sustainability frameworks. The model addresses the internal dimension by referencing the RBV, viewing resources as strategic assets required to achieve sustainable competitive advantage. Additionally, the model operationalises institutional theory through institutional practices, highlighting the significant role of internal actors in interpreting and implementing external pressures to facilitate meaningful organisational change. This model highlights the *interconnectedness of external expectations and internal capabilities*, positioning CSR as a reactive mechanism to societal demands as well as a proactive strategic asset, thereby driving organisations towards legitimacy, stakeholder trust, and long-term sustainability and competitive advantage.

2.1. Linking CSR Initiatives and Consumer Outcomes

Developing a conceptual model that synthesises key CSR theories with consumer perceptions necessitates an analysis of the cognitive processes involved in assessing a company's motives. Attribution theory, initially proposed by Heider and subsequently developed by Kelley and Weiner (Ryan & Connell, 1989), explains how consumers interpret CSR activities by categorising motives as authentic, commercially driven, or altruistic. Attribution theory distinguishes between internal (dispositional) and external (situational) attributions, linking behaviour to either personal traits or contextual factors. Kelley (1973) posited that individuals formulate attributions by analysing three categories of information: 1) consensus, which evaluates the extent to which others exhibit similar behaviour; 2) distinctiveness, which investigates whether the individual acts this way across various contexts; and 3) consistency, which assesses the reliability of the individual's behaviour over time. Moehl and Friedman (2022) find that in the scenario when CSR initiatives are distinctive, consistent, and seamlessly integrated throughout operations, consumers draw significant conclusions regarding the company's intentions, considering these efforts as authentic and aligned with fundamental values. However, when CSR communication lacks distinctiveness, it might lead to symbolic interpretations, indicating motives that may be perceived as superficial or driven by marketing strategies, reinforcing the significance of uniqueness and uniformity in CSR communication to foster consumer trust, loyalty, and a competitive advantage. The findings highlight the importance of attribution theory in determining consumer reactions to CSR initiatives by assessing how consumers perceive a company's motives; if they are viewed as genuine and aligned with the company's core values, they lead to favourable results, including heightened consumer trust, loyalty, and brand identification (Min et al., 2023). In contrast, assigning self-serving or profit-oriented motives may impede the efficacy of CSR and purchasing intention (Gyver & Setin, 2022); elements like consumer trust and the alignment between a company's identity and the genuineness of its CSR initiatives can affect these outcomes, with heightened perceived trust and alignment improving positive perceptions (Min et al., 2023). The patterns of attribution are influenced by factors such as message consistency, brand image, and the internal perceptions of employees, highlighting the complex dynamics of CSR communication (Yin et al., 2025). The findings highlight the importance for organisations to ensure that their CSR initiatives are perceived as authentic and strategically aligned to improve positive outcomes for stakeholders.

The theory of consumer behaviour explains the processes how consumer develop attitudes, establish beliefs, and make purchasing decisions, outlining three fundamental stages: 1) Input, which includes external influences such as marketing and socio-cultural factors; 2) Process, where cognitive and affective responses influence decision-making; and 3) Output, which involves purchase behaviour and post-purchase evaluation (Schiffman and Kanuk, 1987). The assessment of consumer behaviour focuses on how individuals decide to distribute their resources, time, money, and effort on consumption activities, highlighting the psychological, social, and cultural factors that influence purchasing choices (Schiffman & Kanuk, 2004). The dynamics of consumer behaviour are influenced by a blend of rational and emotional factors, with external elements like branding and advertising significantly impacting decisions. This highlights the necessity of understanding consumer motivations to improve the effectiveness of CSR communication. Companies should customise their CSR approaches to align with consumer expectations and psychological drivers (Mohr et al., 2001). While there is an increasing demand from consumers for more information on CSR, this information has a limited impact on their purchasing choices. In-depth interviews reveal that consumers evaluate CSR initiatives using a hierarchical approach, where fundamental product attributes, such as quality and price, outweigh the secondary CSR signals (Öberseder & Schlegelmilch, 2011). Perez and Rodriguez del Bosque (2013) indicate that when customers view a company's CSR efforts favourably, they are likely to develop a stronger psychological connection with the company. The sense of connection significantly impacts crucial behavioural outcomes; customers who feel a stronger affiliation with a company are more likely to repurchase its products or services and to promote the brand through positive word-of-mouth recommendations. Studies have demonstrated that CSR initiatives can significantly influence consumer attitudes, product assessments, and purchasing intentions, especially when there is a strong perceived alignment between the company's values and its CSR efforts (Brown & Dacin, 1997; Sen & Bhattacharya, 2001; Becker-Olsen et al., 2006). Companies must understand that consumers do not simply consume CSR information; they engage with it and assess these messages actively, with their views on authenticity and fairness significantly impacting their buying decisions. Additionally, utilising digital platforms and social media for communicating CSR can enhance the connection between consumers and companies, encouraging positive electronic word of mouth and expanding the influence and effectiveness of CSR initiatives (Fatma et al., 2020). The findings confirm that the application of consumer behaviour theory in the context of CSR yields practical insights for organisations aiming to foster brand loyalty, promote advocacy, and foster long-term consumer relationships.

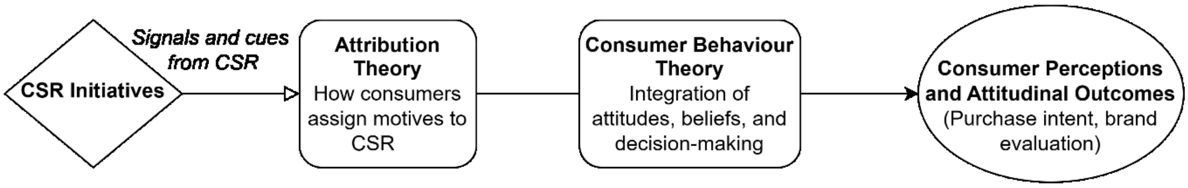


Fig. 2. A Conceptual Pathway Linking CSR Initiatives to Consumer Outcomes

Figure 2 demonstrates a conceptual pathway of the impact of CSR initiatives on consumer perceptions through the cognitive processing pathway. The process begins with CSR initiatives that act as stimuli, input signals, or cues. Attribution theory proposes that consumers evaluate CSR initiatives by attributing motives, determining whether a company's actions are viewed as authentic, self-serving, or altruistic. This assessment affects perceptions of CSR initiatives and influences the level of trust or scepticism. The theory of consumer behaviour illustrates how the attributed motives engage with wider attitudes, beliefs, and the decision-making process of the consumers, when combining their perceptions of CSR with various personal and contextual factors before forming a conclusion. The process leads to insights regarding consumer perceptions and attitudinal outcomes, such as purchase intent and brand evaluation. The effectiveness of CSR initiatives depends on consumer perceptions of the underlying motives and how these perceptions influence their overall attitudes and behaviours towards the brand. This suggested pathway highlights the necessity for companies to not only adopt meaningful CSR initiatives but also to execute them transparently and authentically, as consumer perceptions of intent and the resulting attitudinal outcomes are important for the effectiveness of CSR strategies and would lead to favourable behavioural intentions, such as increased loyalty, purchase intentions, and a tendency for word-of-mouth advocacy.

3 Model and Hypotheses

As discussed previously, CSR has emerged as a crucial factor influencing brand value, stakeholder trust, and competitive advantage. The present study proposes a causal model that is grounded in a multi-theoretical framework that integrates stakeholder theory, stakeholder salience theory, Carroll's CSR pyramid, the Triple Bottom Line, legitimacy theory, the resource-based view, institutional theory, signalling theory, attribution theory, and consumer behaviour theory, which were previously conceptually manifested in Figure 1. The proposed causal model combines various theoretical justifications to explain the processes by which CSR affects consumer behaviour. The frameworks interact in a way that strengthens each other and together support the latent and observable constructs, mediators, and moderators within the model (See Table 1).

Table 1. Theoretical Foundations and Roles in the CSR Causal Model

Theory	Foundation	Role in the Model
Carroll's CSR pyramid	CSR as economic, legal, ethical, and philanthropic dimensions	Independent Variables: Economic (ER), Legal (LR), Ethical (EthR), Philanthropic (PR)
Stakeholder theory	Organisations must consider the interests of various stakeholders	Mediators: Perceived Brand Trust (PBT), Perceived Long-Term Sustainability (PLS), Perceived Legitimacy (PL)
Signalling theory	CSR conveys quality, credibility, and accountability to consumers	CSR actions (e.g., ER, PR) > signal > PBT, PL, PCV
Legitimacy theory	CSR legitimises organisations by aligning them with societal norms and legal expectations	CSR dimensions (especially LR, PR) > Perceived Legitimacy (PL), Brand Trust (PBT) > PCV
Triple Bottom Line	CSR promotes economic, social, and environmental sustainability	Mediators: PLS (environmental/social continuity) > PCV
Institutional theory	Internal CSR initiatives as a response to external pressures	External/contextual factors influence CSR and mediators (PL, PBT, PLS), as well as moderation by demographics
Resource-based view (RBV)	CSR-related resources, such as reputation, trust, and capabilities, improve sustainable advantage	Mediators: PL, PBT, PLS represent intangible assets linking CSR to value creation (PCV)
Attribution theory	Consumers assess the authenticity of CSR activities based on motives	Influences how CSR (esp. PR, EthR) affects Trust (PBT), Legitimacy (PL), and PCV
Consumer behaviour theory	Consumer beliefs, including trust, legitimacy, and sustainability, significantly influence purchasing intentions.	Mediators: PBT, PL, PLS > determine Perceived CSR Value (PCV)

The author hypothesizes that the influence of the CSR Composite Index (CSRI), an aggregate index encompassing economic responsibility (ER), legal responsibility (LR), ethical responsibility (EthR), ethical communication (EthC), and philanthropic responsibility (PR), on perceived CSR value (PCV) is mediated by competitive advantage factors such as perceived legitimacy (PL), brand trust (PBT), and perceived long-term sustainability (PLS). Furthermore, this mediated effect is proposed to be moderated by demographic variables, with age and education shaping the strength and direction of these relationships. The model suggests that, by enhancing competitive advantages, overall CSR perception (CSRI) ultimately predicts higher perceived CSR value (PCV), even when *PCV serves as an attitudinal or evaluative outcome rather than a direct behavioural measure.* The eight hypotheses in this study correspond to the relationships depicted as H_1 - H_8 in the causal model (see Table 2).

Table 2. Study Hypotheses: Relationships, Mediation, and Moderation in the CSR Causal Model

Nr.	Study Hypothesis (H_1)	Null Hypothesis (H_0)
H_1	There is a positive relationship between CSR initiatives and perceived legitimacy.	There is no relationship between CSR initiatives and perceived legitimacy.
H_2	There is a positive relationship between CSR initiatives and perceived brand trust.	There is no relationship between CSR initiatives and perceived brand trust.
H_3	There is a positive relationship between CSR initiatives and perceived long-term sustainability.	There is no relationship between CSR initiatives and perceived long-term sustainability.
H_4	The effect of CSR initiatives on perceived CSR value is mediated by perceived legitimacy.	Perceived legitimacy does not mediate the relationship between CSR initiatives and CSR value.
H_5	The effect of CSR initiatives on perceived CSR value is mediated by perceived brand trust.	Perceived brand trust does not mediate the relationship between CSR initiatives and CSR value.
H_6	The effect of CSR initiatives on perceived CSR value is mediated by perceived long-term sustainability.	Perceived long-term sustainability does not mediate the relationship between CSR initiatives and CSR value.
H_7	CSR initiatives have a direct positive effect on perceived CSR value.	CSR initiatives have no direct effect on perceived CSR value.
H_8	The relationship between CSR initiatives and perceived CSR value is moderated by demographic factors (age, education), both directly and indirectly through the mediating variables.	Demographic factors (age, education) do not moderate the direct or indirect effects of CSR initiatives on perceived CSR value through the mediating variables.

Table 2 summarises the study's hypotheses H_1 - H_8 alongside their corresponding null hypotheses H_0. The table delineates eight research hypotheses that specify the proposed direct, indirect/mediated, and moderated relationships among the CSR Composite Index (CSRI), mediating variables, perceived legitimacy (PL), perceived brand trust (PBT), perceived long-term sustainability (PLS), and the outcome variable, perceived CSR value (PCV). Each hypothesis is paired with a null hypothesis that posits no significant relationship or effect. This dual structure is essential for rigorous statistical hypothesis testing, providing a clear framework for empirical investigation, enabling statistical analysis to either reject or fail to reject the null hypothesis in favour of the alternative hypothesis (Creswell & Creswell, 2018).

Table 3. Classification of Variables

Latent or Observable Variable	Role in Model	Categories of Indicators / Theoretical Emphasis
Economic Responsibility (ER)	Independent Variable	Financial contributions, resource efficiency, employment practices, and value creation
Legal Responsibility (LR)	Independent Variable	Adherence to legal frameworks, regulatory requirements, and internal governance structures
Ethical Responsibility (EthR)	Independent Variable	Equity, clarity, moral principles, consideration for stakeholders, prioritisation of values over profit
Philanthropic Responsibility (PR)	Independent Variable	Volunteering, donations, community development, and CSR-driven brand positioning are critical components of CSR
CSR Composite Index (CSRI)	Independent Variable	Composite index derived from chosen items across the ER, LR, EthR, and PR dimensions
Perceived Legitimacy (PL)	Mediator	The degree to which consumers perceive a company's actions, policies, and CSR initiatives as appropriate, credible, and consistent
Perceived Brand Trust (PBT)	Mediator	Reliability of brands, trust among stakeholders, consistency in ethical practices, and certification
Perceived Long-Term Sustainability (PLS)	Mediator	Environmental and social continuity, responsible sourcing, and sustainability strategy
Perceived CSR Value (PCV)	Dependent Variable	Consumers evaluate the value of CSR practices according to their impact, public image, ethics
Moderators (Age, Education)	Moderating Variables	The influence of the strength or direction of CSR and mediator pathways on PCV

In this study, moderators or observed variables, specifically age and the level of education, are essential in the causal model as they outline the conditions under which the dimensions of CSR affect mediating variables and perceived CSR value (PCV). Their function is to uncover diverse reactions across consumer groups, thus enhancing the understanding of how variations in demographic traits affect the perception and impact of CSR initiatives (See Table 3). Age serves as a perspective that shapes how consumers interpret CSR messages. Individuals from younger groups often demonstrate a heightened responsiveness to efforts that prioritise ethical communication and philanthropic responsibility (Bhattacharya & Sen, 2004). In contrast, older individuals may prioritize economic and legal responsibilities (Mohr et al., 2001). The emphasis on stability and regulatory compliance corresponds with a commitment to reliability and consistent performance, which is evident in improved perceptions of long-term sustainability and competitive advantage. This age-related difference suggests that identical CSR signals can provoke different mediating responses, thereby influencing the overall effect on PCV. The level of education plays a crucial role in influencing the way consumers interpret intricate details regarding CSR initiatives. Bhattacharya and Sen (2004) contend that individual differences, such as education level, significantly influence the reception and processing of CSR messages. Individuals with advanced education levels are more likely to engage in a thorough and critical analysis of CSR communications. According to Mohr et al. (2001), consumers with higher education levels tend to inspect CSR claims rather than accepting them at face value, engaging in a critical assessment of the underlying ethical and legal responsibilities. They will likely assess ethical responsibility (EthR) and legal responsibility (LR) claims critically, potentially strengthening relationships with mediators like perceived brand trust (PBT) and perceived long-term sustainability PLS). For these individuals, a thoughtfully constructed narrative about CSR can enhance cognitive engagement, leading to a more favourable evaluation of long-term sustainability and, consequently, increased perceived value.

The proposed causal model (See Figure 3) incorporates both observable and latent variables. The *CSR Composite Index (CSRI)* is evaluated using survey items that cover economic, legal, ethical, and philanthropic responsibilities. It is based on Carroll's pyramid, the Triple Bottom Line (TBL), and stakeholder theory, reflecting the intricate understanding of CSR among respondents. The dimensions act as the independent variable and are hypothesised to impact three mediating variables that represent perceived competitive advantage: *perceived legitimacy (PL), perceived brand trust (PBT), and perceived long-term sustainability (PLS)*. Hypotheses H_1, H_2, and H_3 outline the positive relationships proposed between the CSR Composite Index and these mediating variables, predicting that CSR initiatives are positively associated with perceived legitimacy (H_1), brand trust (H_2), and long-term sustainability (H_3). The survey items aligned with these constructs reflect consumer perceptions of legitimacy, trust, and ethical reputation, as well as sustainable advantage. The mediating variables represent the evaluative processes described by the consumer behaviour theory, where attitudes, beliefs, and emotional responses are synthesised in the decision-making process. The outcome, *perceived CSR value (PCV)*, is formed by combining these cognitive and emotional evaluations, in alignment with consumer behaviour theory and institutional perspectives on the creation of organisational value. Hypotheses H_4, H_5, and H_6 outline the mediating roles of perceived legitimacy, brand trust, and long-term sustainability in the relationship between CSR initiatives and perceived CSR value, respectively. Hypothesis H_7 examines the direct influence of the CSR Composite Index on perceived CSR value, whereas H_8 considers the moderating effects of demographic factors.

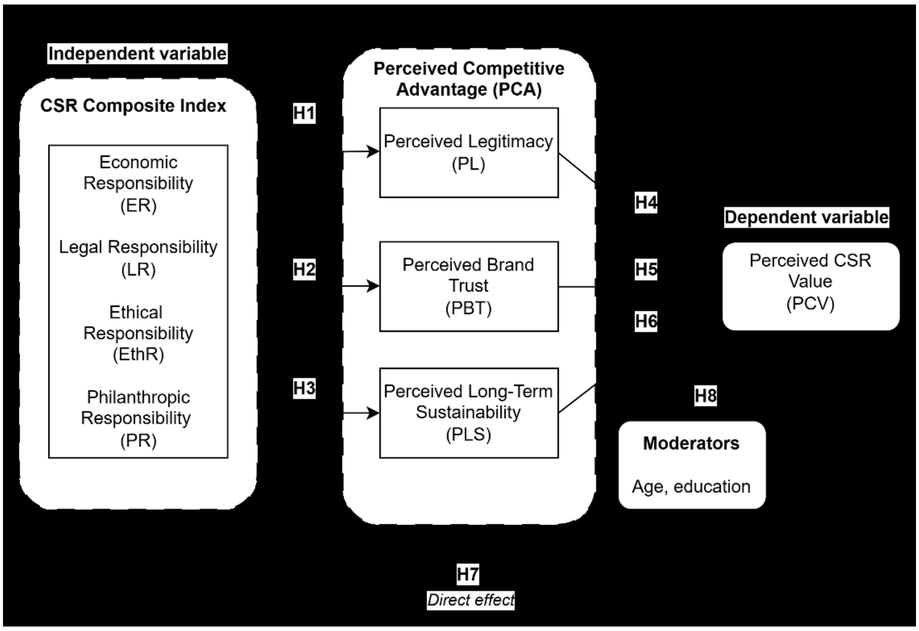


Fig. 3. Conceptual Causal Model Linking CSR Composite Index to Perceived CSR Value

Age and education act as moderators, reflecting institutional theory and stakeholder salience, facilitating the examination of how demographic factors influence perceptions and either enhance or weaken proposed effects. The alignment between survey items and theoretical constructs guarantees that each stage of the model is grounded in empirical evidence and supported by theoretical justification, facilitating a detailed understanding of how CSR activities are converted into consumer value through intricate attitudinal and cognitive processes. The integration of these theories offers a clear justification for the framework and connections within the model that associate CSR with consumer behaviour. The model effectively captures both the direct and indirect effects of CSR on consumer value. The *direct effect* of CSR initiatives on consumer perceptions of CSR value is measured through the direct effects observed. *Indirect effects* occur when CSR initiates influences on consumer perceived CSR value through mediators like perceived legitimacy, brand trust, and long-term sustainability.

4 Methodology

The study was conducted in Latvia between January 2025 and May 2025, with pilot data gathered in April-May 2024, concentrating on consumers to ensure that the results are contextually relevant and methodologically sound. Data was collected using a structured survey that included validated 10-point Likert-scale items designed to evaluate each construct within the model. The QuestionPro survey was disseminated to 15272 potential respondents through email, with a total of 846 recipients accessing the survey link, resulting in 701 responses. The completion rate was 61.77%, accompanied by 268 documented dropouts. The mean duration for survey completion was approximately 8 minutes. The final sample is deemed sufficient for multivariate analysis and conforms to established guidelines for behavioural research (Hair et al., 2019; Krejcie & Morgan, 1970). The questionnaire included items related to the economic, legal, ethical, and philanthropic aspects of CSR, consisting of five open-ended questions aimed at gathering participants' qualitative insights, attitudes, and perceptions concerning CSR practices. After the data screening and cleaning to eliminate incomplete or inconsistent entries, 502 fully completed responses were retained for analysis, using a validated CSR perception scale encompassing economic, legal, ethical, and philanthropic dimensions (Ņikadimovs, 2025). Convenience and snowball sampling methods were employed to achieve a diverse representation of consumers. Demographic characteristics such as age, gender, and education level were gathered to assess the diversity of the sample. This study investigates consumer perceptions of CSR within the general population of Latvia, comprising approximately 1.8 million residents (Central Statistical Bureau of Latvia, 2025). A sample size of n=502 is considered adequate for achieving statistical representativeness and reliability. A sample size of 384 is adequate for a population greater than 100,000 to achieve a 95% confidence level with a 5% margin of error, according to established sampling principles (Krejcie & Morgan, 1970).

This present study utilises the reassignment of selected items to newly defined constructs, which is methodologically justified, as it is guided by robust theoretical frameworks, and the substantive content of the survey items remains consistent and conceptually relevant (Hinkin, 1998; Netemeyer et al., 2003). The exploratory factor analysis is used to validate both the internal consistency and unidimensionality of the newly established constructs. The methodology follows recognised standards for construct adaptation, supported by theoretical frameworks and factor analysis (Diamantopoulos & Siguaw, 2000; Hinkin, 1998). Methods included descriptive statistics, exploratory factor analysis, and reliability analysis to validate the measurement model. Spearman's correlation, t-tests, one-way and Welch's ANOVA, and Games-Howell post hoc tests were used to assess group differences and associations among demographic variables. Multiple linear regression tested direct effects, while the PROCESS macro for IBM SPSS Statistics was used for mediation, moderation, and moderated mediation analyses with bootstrapping to estimate confidence intervals. Additionally, open-ended responses were analysed using thematic analysis to identify and visualise key qualitative themes.

5 Data Analysis and Results

5.1. Descriptive Statistics

The descriptive statistics of the CSR-related items reveal consistent and interpretable patterns throughout the sample. The means varied from 5.28 to 8.89, with "Adapt to market" (mean = 8.89, Std. Error of Mean (SEM) = 0.06) and "Improves reputation" (mean = 8.77, SEM = 0.06) demonstrating the highest scores, indicating a strong consensus regarding the strategic and reputational advantages of CSR. "Resource efficiency" (mean = 5.28, SEM = 0.09) and "Improves finances" (mean = 6.01, SEM = 0.09) demonstrated lower overall scores, indicating their less apparent or indirect nature to consumers. SEM demonstrated consistently low scores, ranging from 0.06 to 0.10 across all items, signifying a high level of precision in the mean estimates. The standard deviations ranged from 1.4 to 2.4, indicating a moderate level of variability in the attitudinal responses measured on a 10-point scale. The medians were closely aligned with the means, and in most instances, the modes exhibited a comparable pattern, suggesting that the distributions were symmetric or nearly symmetric. Specific elements, including "Rules and regulations" and "Internal policies", demonstrated diverse response patterns, indicating variations in consumers' comprehension or perception of relevance.

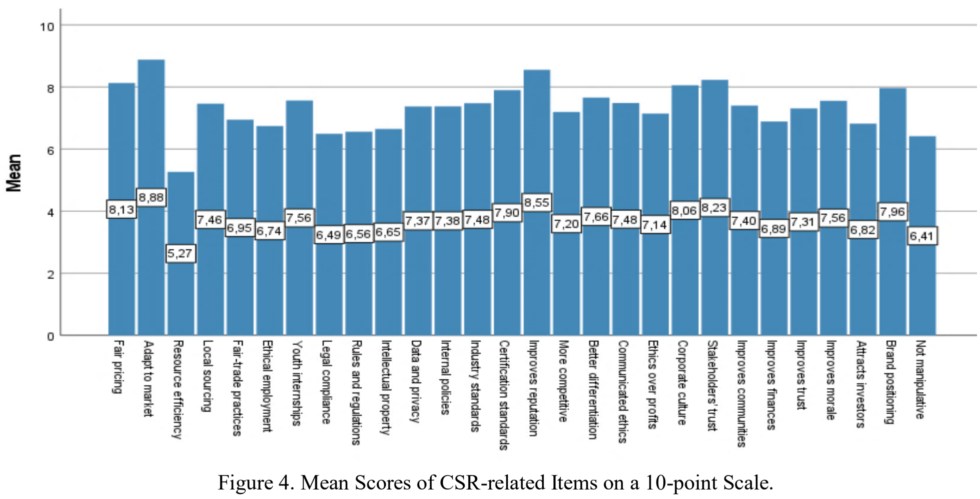


Figure 4. Mean Scores of CSR-related Items on a 10-point Scale.

Figure 4 presents the distribution of mean values across the 28 CSR-related items, indicating generally favourable perceptions among respondents, with all scores exceeding the midpoint of the 10-point scale. The results demonstrate that participants place considerable emphasis on the external and reputational dimensions of CSR. The value distribution exhibits moderate variation, with a significant concentration of items in the 7.0 - 8.5 range, suggesting predominantly positive attitudes. The results correspond with the multidimensional CSR framework employed in this study and emphasise the varying levels of significance among CSR components. Items associated with ethical conduct and social engagement consistently demonstrated a better performance compared to those linked to compliance or internal operations, highlighting the significance of visibility and perceived consumer benefit in influencing CSR perceptions.

5.2. Exploratory Factor Analysis and Scale Reliability

An exploratory factor analysis (EFA) utilising Principal Axis Factoring was performed to uncover the underlying structure of the CSR perception scale, using IBM SPSS Statistics, following guidelines outlined in Sarstedt and Mooi (2019). The analysis identified six factors with eigenvalues greater than 1, consistent with the Kaiser criterion. The six extracted factors accounted for a cumulative 63.29% of the total variance, which meets the acceptable threshold for exploratory research in the social sciences (Hair et al., 2019; Tabachnick & Fidell, 2013). The initial eigenvalue of the first factor was 10.86, accounting for 38.79% of the variance, which suggests a significant underlying construct. Varimax rotation was employed to improve interpretability and mitigate the dominance of the first component (Sarstedt & Mooi, 2019). Following the rotation, the variance exhibited a more balanced distribution: the first rotated factor accounted for 15.06%, the second for 13.04%, and the third for 10.64% of the variance. The last three rotated factors contributed between 4.36% and 5.42%, resulting in a cumulative variance explained of 53.54% after rotation.

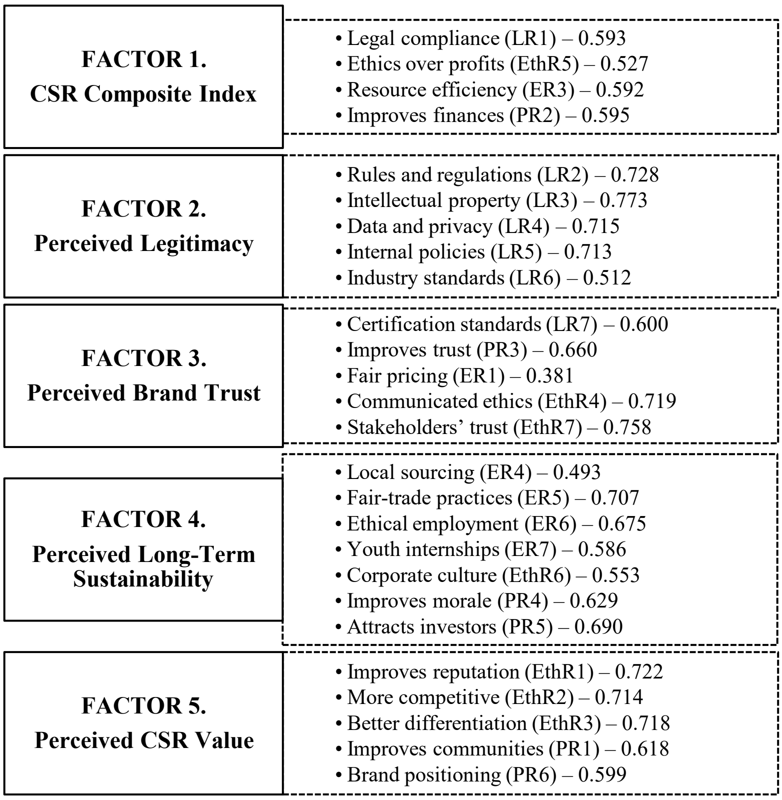


Fig. 5. Identified Factors with Items and Loading Values (Principal Axis Factoring)

EFA revealed six distinct factors; however, this study maintains five constructs for theoretical coherence and model parsimony, and due to their significance and consistency with CSR literature and theories (Carroll, 1991; Freeman, 1984; Hair et al., 2019). Recent methodological developments indicate that constructs can be effectively measured with as few as three or four indicators, given that these items exhibit high reliability and factor loadings (Hair et al., 2010; Hinkin, 1998). CSR comprises various dimensions; however, prior studies suggest that consumers tend to form a unified overall perception rather than distinguishing its components (Brown & Dacin, 1997; Sen & Bhattacharya, 2001; Fatma & Rahman, 2016; Pomering & Dolnicar, 2009). This facilitates the incorporation of perceptual indicators into a composite CSR index (CSRI), which reflects consumers' comprehensive assessment of a company's legal, ethical, sustainable, and financial responsibilities (Hair et al., 2019). The CSRI assesses perceptions rather than objective company performance, making it suitable as an independent variable in analysing consumer responses to CSR. Defining perceived competitiveness necessitates the inclusion of economic and legal dimensions of CSR, especially when competitiveness is viewed broadly to encompass market credibility, compliance, and CSR signalling, underpinned by robust theoretical justification. *The aggregation of five theoretically grounded factors* facilitates analysis and enables efficient testing of CSR's effects on key mediators: perceived brand trust (PBT), perceived legitimacy (PL), perceived long-term sustainability (PLS), and the outcome variable, perceived CSR value (PCV). Two items, “Not manipulative” and “Adapt to market”, did not load distinctively into any of the identified factors and were excluded from the development of the composite scale. However, because of their conceptual importance, they were retained for the follow-up qualitative and thematic analysis.

Based on the results of the EFA and the theoretical model alignment, the following constructs and factors were identified in the CSR-related items. Each factor is listed with the associated items and their loading values (See Figure 5). Most item loadings surpassed the 0.50 threshold, confirming convergent validity (Hair et al., 2019; Sarstedt and Mooi, 2019). “Fair pricing” (ER1) was kept with a reduced loading of 0.460 due to its theoretical importance to brand trust. Loadings greater than 0.30 are deemed acceptable in exploratory studies, provided they are backed by conceptual significance and scale consistency (Costello & Osborne, 2005; Nunnally & Bernstein, 1994; Sarstedt & Mooi, 2019). This approach aligns with recognised standards in the creation of social science scales (Hinkin, 1998; Tabachnick & Fidell, 2013).

The concept of Perceived CSR Value (PCV) demonstrates strong psychometric properties. Cronbach’s alpha is 0.802, exceeding the established threshold for internal consistency (Hair et al., 2019). The corrected item-total correlations vary between 0.528 and 0.630, surpassing the minimum threshold of 0.30 (Nunnally & Bernstein, 1994), thus confirming item convergence. The KMO value is 0.808, and the Bartlett’s test is significant (χ^2 = 1044.571, df = 21, $p < 0.001$), confirming the sample's adequacy for factor analysis. Principal Axis Factoring (PAF) identified one factor, with all loadings surpassing 0.52, thereby confirming unidimensionality (See Table 4). The CSR Index yielded a Cronbach’s alpha of 0.660, which is considered acceptable for theoretically based constructs. While marginal, it meets the minimum criteria established by DeVellis (2017) and Nunnally and Bernstein (1994), who recommend alpha values exceeding 0.60 when supported by conceptual justification. The EFA indicated unidimensionality, with loadings between 0.527 and 0.595. The KMO value was 0.722, and Bartlett’s test produced significant results (χ^2 = 266.470, df = 6, $p < 0.001$), supporting its role as a latent variable, despite moderate reliability. The concept of Perceived Legitimacy (PL) demonstrates strong psychometric characteristics. Cronbach’s alpha is 0.818, and EFA confirms unidimensionality (KMO = 0.802; Bartlett’s test: χ^2 = 612.255, df = 10, $p < 0.001$), with item loadings between 0.512 and 0.773, supporting its mediating role. The concept of Perceived Brand Trust (PBT) demonstrates notable reliability and unidimensionality. Cronbach’s alpha is reported at 0.757 (DeVellis, 2017; Hair et al., 2019), with item-total correlations varying between 0.336 and 0.632 (Nunnally & Bernstein, 1994). The KMO value is 0.808, and the results of Bartlett’s test (χ^2 = 583.399, df = 10, $p < 0.001$) confirm the adequacy of the data. A single factor was identified, with all loadings surpassing 0.38, thereby confirming the construct validity. The concept of Perceived Long-Term Sustainability (PLS) also exhibits reliability. Cronbach’s alpha is measured at 0.814, with all item-total correlations exceeding 0.44 (Nunnally & Bernstein, 1994). The KMO value is 0.808, and the results of Bartlett’s test (χ^2 = 844.508, df = 10, $p < 0.001$) confirm the factorability of the data. The PAF analysis revealed one factor, with loadings greater than 0.49, indicating a reliable unidimensional structure.

Table 4. Reliability and Validity Statistics for Key Constructs

Construct	No. of Items	Cronbach’s Alpha	Item Loadings	KMO	Interpretation
Perceived CSR Value (PCV)	5	0.802	0.528 - 0.630	0.808	Strong reliability and unidimensionality
CSR Index (CSRI)	4	0.660	0.527 - 0.595	0.722	Acceptable reliability, additional theory-based support
Perceived Legitimacy (PL)	5	0.818	0.512 - 0.773	0.802	Robust psychometric support
Perceived Brand Trust (PBT)	5	0.757	0.381 - 0.758	0.808	Good consistency and structure, additional theory-based support
Perceived Long-Term Sustainability (PLS)	7	0.814	0.493 - 0.707	0.808	Reliable and coherent factor structure

EFA confirmed all constructs, revealing variance explained ranging from 33.34% to 48.19%, which is consistent with acceptable thresholds in behavioural and marketing research. A higher variance may be preferred; however, values above 30% are considered acceptable for constructs influenced by theory and perceptions in social sciences (Hair et al., 2019; Tabachnick & Fidell, 2013; Nunnally & Bernstein, 1994). This is particularly significant for complex concepts like CSR. A variance range of 35 - 45% is frequently noted for unidimensional constructs in these contexts (Diamantopoulos & Siguaw, 2000; Hinkin, 1998). Furthermore, single-factor solutions exceeding 33% maintain robustness for early-stage validation, despite the presence of consumer perception heterogeneity (Costello & Osborne, 2005; Netemeyer et al., 2003). The CSR index accounts for 33.34% of the variance, which is within an acceptable threshold and indicates the multidimensional nature of the construct. The remaining constructs, PL (48.19%), PCV (45.74%), PBT (40.66%), and PLS (38.85%), demonstrate good internal consistency and are suitable for analysis.

5.3. Correlation Analysis

Normality Kolmogorov–Smirnov and Shapiro–Wilk tests indicated that none of the CSR-related items followed a normal distribution, with p-values < 0.001 for all items. That is a common finding for Likert-scale data in behavioural studies (Hair et al., 2019; Tabachnick & Fidell, 2013). As a result, the decision in favour of non-parametric methods is made, such as Spearman's correlation, which is an appropriate method for non-normal, ordinal data. Spearman's rank-order correlations serve to evaluate the strength and direction of relationships between constructs, although traditional parametric ANOVA and t-tests are used in group comparison procedures.

To assess the connections among the five main constructs, CSR Composite Index (CSRI), Perceived Legitimacy (PL), Perceived Brand Trust (PBT), Perceived Long-Term Sustainability (PLS), and Perceived CSR Value (PCV), Spearman's rank-order correlations were calculated using bootstrapped 95% Bias-Corrected and Accelerated (BCa) confidence intervals, derived from 1.000 resamples. The results indicated statistically significant positive correlations among all variables ($p < 0.001$), with coefficients ranging from $\rho = 0.628$ to $\rho = 0.801$, indicating moderate to strong relationships (See Figure 6).

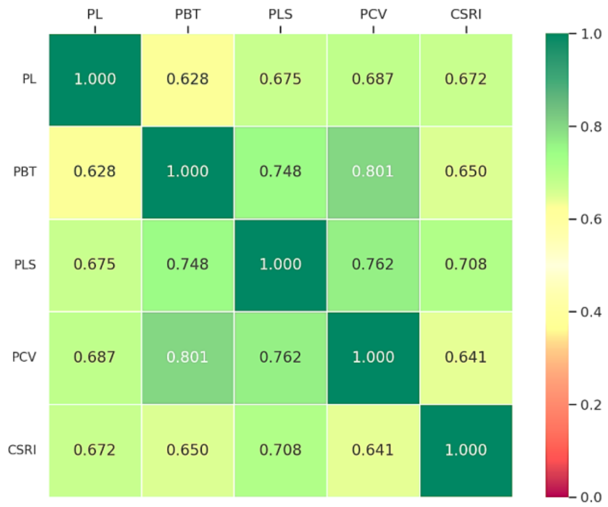


Fig. 6. Spearman Correlation Coefficients Among Key Constructs

A significant correlation exists between Perceived Brand Trust (PBT) and Perceived CSR Value (PCV) ($\rho = 0.801$, BCa CI [0.759, 0.834]), indicating that brand trust functions as a vital mediator in influencing consumer value perceptions of CSR initiatives. This validates the proposed conceptual model and highlights the significance of trust-based CSR signals. Significant correlations were identified between Perceived Long-Term Sustainability (PLS) and PCV ($\rho = 0.762$, CI [0.717, 0.802]), in addition to the relationship between Perceived Legitimacy (PL) and PCV ($\rho = 0.687$, CI [0.635, 0.733]). The findings support theoretical assumptions that strategic (sustainability) and normative (legitimacy) evaluations significantly affect stakeholders' value derivation from CSR. The correlation between the CSR Composite Index (CSRI) and PCV was significant ($\rho = 0.641$, CI [0.580, 0.694]), supporting the hypothesis that perceived CSR practices directly influence consumer-perceived value. The correlation between PL and PBT, while the lowest at $\rho = 0.628$ (CI [0.565, 0.684]), remained statistically significant, suggesting a meaningful relationship between perceived regulatory legitimacy and trust in CSR-driven brand behaviour. This implies that although legitimacy and trust are interconnected, they may represent distinct dimensions in the perception of CSR. CSRI demonstrated significant positive correlations with PL ($\rho = 0.672$), PBT ($\rho = 0.650$), and PLS ($\rho = 0.708$), suggesting that perceptions of CSR substantially affect key mediators and establish a basis for further mediation analysis. All bootstrapped 95% bias-corrected and accelerated (BCa) confidence intervals were narrow and excluded zero, thereby confirming the statistical significance and robustness of these correlations. These results validate the structural coherence of the proposed model and justify the use of regression-based techniques for testing mediation and direct effects in the following stages.

5.4 Group Differences

Every demographic group included in the one-way ANOVA met the minimum recommended group size of 30 participants (Hair et al., 2019), which supports the reliability of parametric testing even in the presence of non-normal distribution of the variables. The Levene's test indicated a potential violation of the homogeneity of variances assumption for Perceived Brand Trust (PBT) across age groups ($p = 0.024$), suggesting that the variances among groups are unequal, which may lead to unreliable results in the standard one-way ANOVA for this variable (See Table 5). As a result, Welch's ANOVA will be used for PBT analysis. For all other variables (PCV, PL, PLS, CSRI), Levene's test yielded a non-significant result ($p > 0.05$), confirming that the assumption was satisfied, thus standard ANOVA is considered appropriate.

Table 5. Levene's Test Results for Homogeneity of Variance by Demographic Group

Variable	Levene's Statistic (Age)	df1 (Age)	df2 (Age)	Sig. (Age)	Levene's Statistic (Education)	df1 (Education)	df2 (Education)	Sig. (Education)
PCV	1.999	6	516	0.064	1.463	6	516	0.189
PL	0.603	6	529	0.728	1.411	6	529	0.208
PBT	2.449	6	570	0.024	2.085	6	570	0.053
PLS	0.617	6	570	0.717	1.493	6	570	0.178
CSRI	0.786	6	570	0.581	0.823	6	570	0.552

Independent samples *t-tests* were conducted to evaluate differences based on gender (1 - male, 2 - female) across the five main constructs. The findings indicated notable differences across four constructs, with female participants consistently showing elevated scores. The findings indicate that perceived legitimacy ($t(526) = -2.362$, $p = 0.019$), perceived brand trust ($t(567) = -4.267$, $p < 0.001$), perceived long-term sustainability ($t(567) = -3.839$, $p < 0.001$), and perceived CSR value ($t(514) = -3.123$, $p = 0.002$), scored significantly higher among females. The results indicate that *female respondents place a higher importance* on CSR-related initiatives regarding legitimacy, trust, sustainability, and CSR value's impact. While the CSR composite index ($t(567) = -1.865$, $p = 0.063$) did not produce a statistically significant difference (See Table 6). Cohen classified effect sizes varied from -0.209 to -0.381, indicating small to moderate effects, and consistently favouring the female group.

Table 6. t-Test Results for Gender Differences Across Key Constructs

Variable	t-value	df	Sig. (2-tailed)	Mean Difference
Perceived Legitimacy (PL)	-2.362	526	0.019	-0.335
Perceived Brand Trust (PBT)	-4.267	567	< 0.001	-0.496
Perceived Long-Term Sustainability (PLS)	-3.839	567	< 0.001	-0.466
Perceived CSR Value (PCV)	-3.123	514	0.002	-0.386
CSR Composite Index (CSRI)	-1.865	567	0.063	-0.264

One-way ANOVA test results on education level indicated statistically significant variations in participants' assessments of perceived brand trust (PBT) ($F(6, 570) = 2.325$, $p = 0.032$), perceived legitimacy (PL) ($F(6, 529) = 2.828$, $p = 0.010$), perceived long-term sustainability (PLS) ($F(6, 570) = 2.454$, $p = 0.024$), and the CSR composite index (CSRI) ($F(6, 570) = 3.375$, $p = 0.003$). The analysis indicated that perceived CSR value (PCV) did not achieve statistical significance ($F(6, 516) = 1.882$, $p = 0.082$). The findings suggest that the level of education influences individuals' perceptions of CSR-related constructs, thereby supporting H_8. The lack of significant differences in PCV indicates that education might affect perceptions via mediating factors instead of directly influencing CSR value attribution. The same method was used to examine differences in CSR-related constructs across age groups. The analysis showed that there were no statistically significant differences in perceived legitimacy, perceived long-term sustainability, perceived CSR value, or the CSR composite index across the seven age categories, with p values exceeding 0.05 in all instances. The results demonstrate that perceptions of CSR practices and their impacts do not vary significantly by age within this sample, indicating that age, as a demographic factor, may not have a substantial impact on CSR-related attitudes in this context.

Welch's one-way ANOVA test and Games-Howell test were used due to the homogeneity of variances assumption identified (Levene's Test: $p = 0.024$) to test age groups and perceived brand trust (PBT) (See Tables 7 and 8).

Table 7. Welch’s ANOVA Results for PBT by Age Group

Test	Statistic	df1	df2	p-value
Welch’s ANOVA	1.366	6	15.142	0.290

The Welch’s test did not produce a statistically significant outcome ($F(6, 15.14) = 1.366$, $p = 0.290$), suggesting that there are no meaningful mean differences in Perceived Brand Trust (PBT) among the various age groups. The following Games-Howell post hoc test supported the findings that there were no statistically significant pairwise differences among the age categories (all $p > 0.05$). The findings indicate that while there are slight mean differences, specifically, higher trust scores in the 35-44 and 55-64 age groups compared to younger and older groups, these differences do not attest to statistical significance.

Table 8. Games-Howell Post Hoc Results for PBT by Age Group

Age Group Comparison	Mean Difference	Std. Error	p-value
35–44 vs. 25–34	0.30491	0.17327	0.577
35–44 vs. 18–24	0.33814	0.16436	0.381
55–64 vs. 65+	0.49605	0.28560	0.594
18–24 vs. Prefer not to say	1.31955	1.90432	0.970

The results of the Chi-square test presented in Table 9 indicate statistically significant associations among all pairs of demographic variables that were analysed. The analysis reveals a notable correlation between gender and education level ($\chi^2(18) = 42.313$, $p = 0.001$), suggesting that educational attainment differs by gender within the sample population. There is a significant association between gender and age group ($\chi^2(18) = 68.078$, $p < 0.001$), indicating that the age distribution varies between male and female respondents. Additionally, a notable correlation was identified between age and levels of education ($\chi^2(54) = 78.001$, $p = 0.020$), suggesting that trends in educational levels differ among various age groups. The results validate the relationships between demographic variables and support their consideration in the subsequent analyses.

Table 9. Chi-Square Test Results for Associations Among Demographic Variables

Variable Pair	χ² (Chi-square)	df	p-value	Interpretation
Gender x Education	42.313	18	0.001	Statistically significant, indicates association between gender and education level
Gender x Age	68.078	18	< 0.001	Statistically significant, indicates association between gender and age group
Age x Education	78.001	54	0.020	Statistically significant, suggests relationship between age and education levels

Additionally, a t-test was conducted for all independent items to evaluate differences in the perception of CSR based on gender. The results demonstrated significant statistical differences ($p < 0.05$) between male and female participants. Female respondents exhibited superior ratings in areas including “Fair pricing” (M=8.36, SD=1.83 versus M=7.94, SD=1.98), “Improves communities”, “Ethical employment”, “Communicated ethics”, and “Brand positioning”. This suggests that female respondents possess a greater awareness of the ethical and social impact aspects of CSR. The most significant difference was observed in the item “Improves morale”, where female participants (M=7.86) outperformed male participants (M=7.18), indicating a more positive perception of CSR's effect on the well-being of internal stakeholders. The results support possible perceptual differences related to gender in CSR communication and its outcomes, indicating a possible need for more refined and inclusive CSR strategies and communication that connect with various demographic groups.

5.5 Regression Analysis and Hypothesis Testing

Testing of the proposed research hypotheses is based on established procedures from the behavioural and social sciences (Hair et al., 2019; Sarstedt & Mooi, 2019). Given the theoretical model’s logic and the exploratory nature of the study, *multiple linear regression analysis* is performed to evaluate the direct effects of CSR initiatives on three primary mediators perceived legitimacy, perceived brand trust, and perceived long-term sustainability, as well as the direct effect on the dependable variable perceived CSR value *(H_1, H_2, H_3, and H_7)*. The regressions facilitate the assessment of explanatory power through R^2 and adjusted R^2, the direction and strength of relationships via β coefficients, and significance levels using t-tests and F-statistics. The analysis proceeds with a methodical examination of each hypothesis utilising IBM SPSS Statistics 27. Mediation analyses for hypotheses *H_4, H_5, H_6, and H_8* were performed utilising the PROCESS macro for IBM SPSS by Hayes (2013, 2022). PROCESS Model 4 (simple mediation) is used for *hypotheses H_4, H_5, H_6,* and Model 2 (two independent moderators) and Model 58 (moderated mediation) for *hypothesis H_8*, which facilitates the estimation of both direct and indirect effects through bootstrapping. The method was selected due to its suitability for theory-driven, regression-based evaluations of mediation and moderation mechanisms (Hayes et al., 2017; Preacher & Hayes, 2004). Bootstrapping was used with 5.000 samples to generate bias-corrected confidence intervals for indirect effects, following methodological standards in behavioural studies (Zhao et al., 2010).

- **H_1** There is a positive relationship between CSR initiatives and perceived legitimacy

The regression analysis reveals a statistically significant and robust positive correlation between CSR initiatives and perceived legitimacy. The model explains approximately 47.7% of the variance in perceived legitimacy. The findings support H_1, suggesting that organisations perceived as engaging in CSR practices are viewed as more legitimate by stakeholders. As a result, the null hypothesis (H_0) is rejected.

- **H_2** There is a positive relationship between CSR initiatives and perceived brand trust

The results support H_2. There is a statistically significant and positive correlation between CSR initiatives and perceived brand trust ($\beta = 0.552$, $p <0.001$). The null hypothesis (H_0) can be rejected with confidence. The model explains approximately 30.5% of the variance in brand trust ($R^2 = 0.305$), indicating that involvement in CSR significantly enhances consumers' trust in the brand.

- **H_3** There is a positive relationship between CSR initiatives and perceived long-term sustainability

The results support H_3. A statistically significant positive correlation exists between CSR initiatives and perceived long-term sustainability (PLS), indicated by a standardised beta coefficient of $\beta = 0.644$ ($t = 20.163$, $p < 0.001$). The model accounts for a significant portion of variance in the dependent variable ($R^2 = 0.414$), suggesting that CSR perceptions are crucial in influencing consumer beliefs regarding a company's long-term sustainability. The null hypothesis (H_0) is thus rejected, confirming that stakeholders view strategic CSR engagement as a critical indicator of future-oriented and responsible business practices.

- **H_7** CSR initiatives have a direct positive effect on perceived CSR value

The findings provide robust support for H_7, demonstrating a statistically significant direct positive impact of CSR initiatives on perceived CSR value. The null hypothesis is subject to rejection. The model accounts for 40.3% of the variance in perceived CSR value ($R^2 = 0.403$), with a standardised beta coefficient ($\beta = 0.635$) demonstrating a significant impact of CSR initiatives on consumer value perception (See Table 10).

Table 10. Multiple Linear Regression Results for Direct Effects Hypotheses

Hypothesis	β (Beta)	t-value	p-value	R^2	Adjusted R^2	F-value (df1, df2)	Sig. (ANOVA)	Interpretation
H_1	0.691	22.081	< 0.001	0.477	0.476	487.582 (1, 575)	< 0.001	***Supported***, significant positive relationship
H_2	0.552	15.883	< 0.001	0.305	0.304	252.264 (1, 575)	< 0.001	***Supported***, significant positive relationship
H_3	0.644	20.163	< 0.001	0.414	0.413	406.533 (1, 575)	< 0.001	***Supported,*** significant positive relationship
H_7	0.635	18.750	< 0.001	0.403	0.402	351.548 (1, 575)	< 0.001	***Supported***, strong direct effect

- **H_4** The effect of CSR initiatives on perceived CSR value is mediated by perceived legitimacy

The mediation model illustrates that Perceived Legitimacy (PL) significantly mediates the relationship between CSR initiatives and Perceived CSR Value (PCV). The findings indicate that both direct and indirect effects are statistically significant ($p < 0.001$), and the bootstrap confidence interval for the indirect path does not include zero. H_4 has been confirmed, leading to the rejection of the null hypothesis. The mediation analysis reveals that Perceived Legitimacy (PL) serves as a crucial mediator in the connection between CSR initiatives (CSRI) and Perceived CSR Value (PCV). The direct impact of CSRI on PCV, along with the indirect effect through PL, is both statistically significant ($p < 0.001$). The bootstrapped 95% confidence interval for the indirect effect does not include zero, thereby strengthening the evidence for the mediation. The findings support H_4, allowing for the rejection of the null hypothesis, and highlight the important role of perceived legitimacy in transforming CSR initiatives into value as recognised by consumers.

- **H_5** The effect of CSR initiatives on perceived CSR value is mediated by perceived brand trust

The mediation analysis results for H_5 demonstrated that Perceived Brand Trust (PBT) significantly mediates the relationship between CSR initiatives (CSRI) and Perceived CSR Value (PCV). The indirect effect was statistically significant (effect size = 0.4066, 95% BCa CI [0.3377, 0.4801], $p < 0.001$), indicating a robust mediating role of brand trust in the value consumers associate with CSR. The direct effect of CSRI on PCV was statistically significant ($\beta = 0.1487$, $t = 4.3734$, $p < 0.001$), suggesting that the mediation is partial. The findings provide robust support for H_5 and underscore the significance of trust-based mechanisms in transforming CSR initiatives into perceived consumer value. The results substantiate the theoretical assertion that brand trust functions as an essential psychological connection within the CSR-value framework.

- **H_6** The effect of CSR initiatives on perceived CSR value is mediated by perceived long-term sustainability

The mediation analysis results suggest that perceived long-term sustainability plays a significant mediating role in the relationship between CSR initiatives and perceived CSR value. The total effect was significant ($\beta = 0.5553$, $p < 0.001$). Perceived long-term sustainability as a mediator resulted in a reduction of the direct effect ($\beta = 0.1443$, $p = 0.0005$). The indirect effect through perceived long-term sustainability was also significant ($\beta = 0.4110$, 95% Bootstrap CI [0.3406, 0.4872]), as the confidence interval did not include zero. The analysis indicated that both direct and indirect effects were statistically significant, suggesting that perceived long-term sustainability partially mediates the relationship between CSR initiatives and perceived CSR value. This supports H_6 and rejects the null hypothesis, indicating that perceptions of long-term sustainability are a critical pathway through which CSR initiatives translate into perceived consumer value (See Table 11).

Table 11. Mediation Analysis Results: Direct, Indirect, and Total Effects of CSRI on Perceived CSR Value

Hypothesis	Dep. Var.	Predict.	Effect Type	Effect Size	t-value	p-value	CI (95% Bootstrap)	Interpretation
H_4	PCV	CSRI	Direct Effect	0.2645	6.0142	<0.001	–	Significant direct effect, reduced by mediation
		CSRI > PL > PCV	Indirect Effect	0.2908	–	<0.001	[0.2355, 0.3489]	Significant indirect effect, PL partially mediates PCV
		CSRI	**Total Effect**	0.5553	11.4435	<0.001	–	**Supported**, partially mediated through PL
H_5	PCV	CSRI	Direct Effect	0.1987	4.4743	<0.001	–	Significant direct effect, reduced by mediation
		CSRI > PBT > PCV	Indirect Effect	0.3830	–	<0.001	[0.3150, 0.4523]	Significant indirect effect, PBT partially mediates PCV
		CSRI	**Total Effect**	0.5817	12.2537	<0.001	–	**Supported**, partially mediated through PBT
H_6	PCV	CSRI	Direct Effect	0.1443	3.4836	0.0005	–	Significant direct effect, reduced by mediation
		CSRI > PLS > PCV	Indirect Effect	0.4110	–	<0.001	[0.3406, 0.4872]	Significant indirect effect, PLS partially mediates PCV
		CSRI	**Total Effect**	0.5553	11.4435	<0.001	–	**Supported**, partially mediated through PLS

- **H_8** The relationship between CSR initiatives and perceived CSR value is moderated by demographic factors (age, education), both directly and indirectly through the mediating variables

For moderation analysis purposes, the *hypothesis H_8 is split into **H_{8a}** and **H_{8b}***, where H_{8a} tests the direct moderation effect, while H_{8b} tests whether age and education also moderate the indirect effects via perceived legitimacy, brand trust, and long-term sustainability. The null hypotheses posit that there are no moderation effects for either direct or indirect pathways. H_{8a} test results (Model 2) indicated *a significant direct relationship between CSR initiatives and perceived CSR value* ($\beta = 0.5615$, $p < 0.001$), suggesting that consumers typically perceive CSR initiatives as valuable. Age and education level significantly affect the perceived value of CSR, indicating that these demographic factors shape general perceptions of CSR initiatives, independent of any moderating influences. The testing indicated a marginally significant moderation effect of age on this relationship ($\beta = 0.0380$, $p = 0.09$), suggesting that the positive influence of CSR initiatives on perceived CSR value may be somewhat more pronounced among older participants. The education level did not significantly moderate this relationship ($\beta = -0.0295$, $p = 0.138$). The inclusion of gender as a covariate variable does not serve as a significant predictor ($\beta = 0.1145$, $p = 0.212$). The results provide *only partial support* for H_{8a}, interpreted as a possible influence of age on the direct effect of CSR initiatives on perceived CSR value, while suggesting that education does not play a significant moderating role (See Table 12).

Table 12. Moderation Analysis Results for Demographic Variables on the CSRI-PCV Relationship

Moderator	Direct Effect of CSRI > PCV	Moderator Main Effect	Interaction Effect	Gender Covariate	H8a Status
Age	β = 0.5551, p < 0.001	β = 0.0616, p = 0.0421 (sig.)	β = 0.0185, p = 0.31 (ns)	β = 0.1196, p = 0.19 (ns)	**Not supported.** Age influences PCV directly but **does not moderate** the CSRI > PCV relationship.
Education	β = 0.5618, p < 0.001	β = 0.0633, p = 0.014 (sig.)	β = -0.0108, p = 0.50 (ns)	β = 0.1075, p = 0.24 (ns)	**Not supported.** Education influences PCV directly but **does not moderate** the CSRI > PCV relationship.

H_{8b} test for age moderator with moderated mediation analysis (Model 58) indicates that the indirect effects of CSR initiatives on perceived CSR value, mediated by perceived legitimacy, perceived brand trust, and perceived long-term sustainability, are significant in all age groups. The indirect effect of CSR initiatives on perceived CSR value was consistently significant across all mediators, as evidenced by the bootstrap confidence intervals excluding zero. Nonetheless, the interaction terms involving each mediator and age were not statistically significant ($p > 0.05$), suggesting that age does not influence these indirect pathways. The results indicate that although age generally impacts perceived CSR value, it does not change the intensity of the indirect effects of CSR initiatives via PL, PBT, or PLS. As a result, *hypothesis H_{8b} is not supported* (See Table 13).

Table 13. Moderated Mediation Analysis: Age as a Moderator of Indirect Effects Between CSRI and PCV

Mediator	Direct Effect (CSRI > PCV)	Indirect Effect	Moderation (M x Age)	H8b Status
PL	β = 0.2682, p < 0.001	Significant (BootCI ≠ 0)	β = -0.0058, p = 0.72	**Not supported** Age has a direct effect on PCV, but **no moderating effect** on PL mediation.
PBT	β = 0.1495, p < 0.001	Significant (BootCI ≠ 0)	β = 0.0126, p = 0.39	**Not supported** Age has a direct effect on PCV, but **no moderating effect** on PBT mediation.
PLS	β = 0.1498, p < 0.001	Significant (BootCI ≠ 0)	β = -0.0025, p = 0.88	**Not supported** Age has a direct effect on PCV, but **no moderating effect** on PLS mediation.

H_{8b} test for the level of education moderator with moderated mediation analysis (Model 58) indicated that the indirect effects of CSR initiatives on perceived CSR value, mediated by perceived legitimacy, perceived brand trust, and perceived long-term sustainability, were consistently significant across all educational levels, as demonstrated by bootstrap confidence intervals that do not include 0. However, the relationship between each mediator and education level moderator is not statistically significant ($p > 0.05$), suggesting that the level of education does not moderate these indirect effects. Level of education has a significant effect on perceived CSR value in certain models (PL: $p = 0.0097$; PLS: $p = 0.0098$). While the results indicate that the level of education affects perceptions of CSR initiatives and value, it does not significantly moderate the strength of the indirect effects. *Hypothesis H_{8b} is not supported* (See Table 14).

Table 14. Moderated Mediation Analysis: Education as a Moderator of Indirect Effects Between CSRI and PCV

Mediator	Direct Effect (CSRI > PCV)	Indirect Effect	Moderation (M x Education)	H8b Status
PL	β = 0.2731, p < 0.001	Significant (BootCI ≠ 0)	β = -0.0175, p = 0.20 (ns)	**Not supported** The level of education has a direct effect on PCV, but **no moderating effect** on PL mediation.
PBT	β = 0.1576, p<0.001	Significant (BootCI ≠ 0)	β = -0.0083, p = 0.51 (ns)	**Not supported** The level of education has a direct effect on PCV, but **no moderating effect** on PBT mediation.
PLS	β = 0.1548, p < 0.001	Significant (BootCI ≠ 0)	β = -0.0090, p = 0.52 (ns)	**Not supported** The level of education has a direct effect on PCV, but **no moderating effect** on PLS mediation.

The regression analysis results revealed that **hypotheses H_1 to H_7 are supported**, demonstrating significant direct and indirect relationships among CSR initiatives, the mediating variables of perceived legitimacy, perceived brand trust, and perceived long-term sustainability, as well as perceived CSR value. **H_8 is not supported. H_{8a}** tested the direct moderation by demographic factors such as age and the level of education and indicated only partial support. Age moderator exhibited a *marginally significant moderating effect* in one model; the level of education *did not significantly moderate* the direct effects of CSR initiatives on perceived CSR value. **H_{8b}** tested moderated mediation effects, revealing that *age and education level have significant direct influences on perceived CSR value* in particular models, although *no significant moderation of the mediating relationships was observed*. The findings indicate substantial direct and indirect impacts of CSR initiatives on perceived CSR value, while demonstrating that demographic factors predominantly shape overall perceptions without significantly changing the strength of these relationships.

5.6 Qualitative Data Analysis

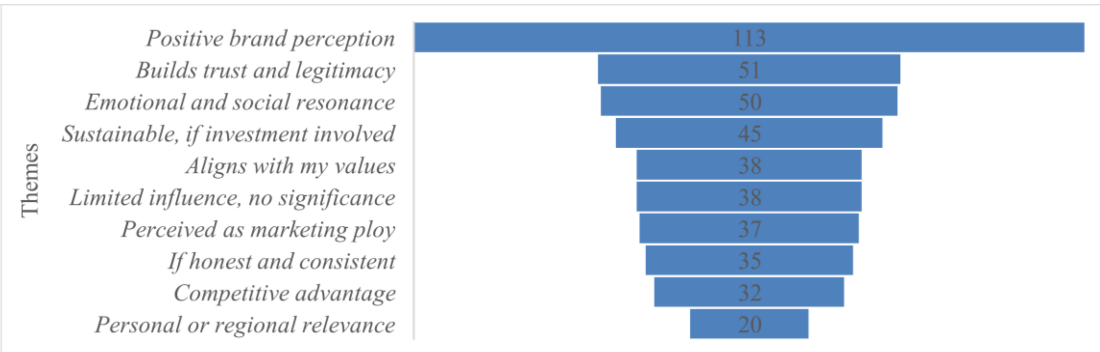
The survey disseminated to the respondents included five open-ended questions marked as not mandatory (See Table 15). The qualitative data gathered from open-ended questions in this study underwent analysis through an inductive thematic analysis approach (Braun and Clarke, 2006). This process entailed a methodical approach to coding the responses, creating a collection of recurring codes and subthemes, and grouping them into the broader themes that emerge from the data (Guest et al., 2012). This method ensures that the themes represent the participants' experiences and perceptions, avoiding the imposition of pre-existing categories (Creswell, 2013). To improve the analysis's credibility and rigour, methods like data triangulation (emerging themes were cross-referenced with theoretical insights, diverse response formats were compared), iterative coding, and analysis of multilingual responses were used (Nowell et al., 2017). The methodology established a framework for understanding rich contextual insights obtained from a variety of respondents. The results are visualised by thematic graphs with frequencies that demonstrate the relative significance and relationships among the identified themes.

Table 15. Open-Ended Survey Questions and Response Rates

Code	Question	Survey Sample	Open-Ended Responses
QO1	How does a company's commitment to socially responsible initiatives influence your perception of their brand reputation?	n=502	n=204
QO2	Can you provide examples of social responsibility activities by a company that positively impacted your decision to use their services or buy their products?	n=502	n=154
QO3	How would you describe the role of customer engagement in shaping the impact of social responsibility on a company's reputation?	n=502	n=127
QO4	What are your expectations from companies regarding environmental, social, and governance-related initiatives?	n=502	n=156
QO5	How can small and medium-sized enterprises (SMEs) integrate social responsibility initiatives into their business strategies, and what kind of initiatives should they support?	n=502	n=112

The majority of *QO1* answers were received in the Latvian language, ~92% (n=187), while English language responses accounted for ~8% (n=17). By conducting a thematic analysis of open-ended responses for QO1, 10 primary themes were identified, each highlighting the dimension of customer perceptions. These themes reflect the dual perspectives of optimism and scepticism regarding the perceptions of CSR initiatives by consumers. The main theme identified is "*Positive brand perception"*, highlighting the significance of CSR in fostering trust, reputation, and emotional engagement.

Figure 7 presents a funnel chart of CSR perception frequencies for *QO1*, where the numbers represent the frequencies of each theme identified across all 204 responses. Responses were multi-coded; when one response can contain multiple themes with themes reoccurring, the sum of frequencies n=459 is greater than the total number of responses n=204. The strategic and relational value of CSR is highlighted by its role in providing a competitive advantage and aligning with personal values. Customers recognise its capacity to differentiate brands and impact



their decisions when CSR resonates with their ethical and personal beliefs. The conflict was revealed between honesty, consistency, and the perception of marketing strategies, revealing doubts of authenticity and scepticism, with consumers expressing doubts about the sincerity of CSR initiatives, remaining cautious of potential greenwashing or over-promotional approaches. Shared identity and community ties served as a factor to create emotional and social connections for some consumers. The negative perceptions indicate it as a lesser priority, no significance, attributing minimal impact or importance to it, often influenced more by practical considerations such as price and quality.

Fig. 7. QO1 Identified Themes and Frequencies

Sustainability that CSR bring sis highlighted as important by several consumers, though conditional, only when investment is involved, perceiving evidenced resource commitments as crucial for CSR legitimacy. CSR is perceived as more significant and influential on brand reputation when backed up by personal or regional relevance, indicating that supporting local communities and aligning CSR initiatives with cultural context is crucial. Building trust and establishing legitimacy is an important signal to consumers, as indicated by the data analysis, factoring in the consistency and reliability of CSR actions, and identifying transparency of communication and openness as the main drivers of consumers' trust. The majority of *QO2* responses were received in the Latvian language, ~75% (n=115), while English language responses accounted for ~25% (n=39). The analysis of the 154 open-ended responses reveals a distinct thematic pattern, highlighting the social responsibility initiatives that have positively impacted consumer decision-making. The keywords that appear most often are *"Ukraine", "Latvia", "local producers", "children",* and *"charity events"*, indicating a significant commitment to aiding local communities, vulnerable populations, and global initiatives, particularly those related to the war in Ukraine. A significant number of participants highlighted the significance of sourcing locally and maintaining sustainability, with the following keywords *"local farmers", "animal welfare",* and *"fair-trade"* being frequently mentioned, indicating that consumers are influenced by ethical production and transparency in the supply chain (See Figure 8).

Fig. 8. QO2 Word Cloud of Identified Keywords and Supported Causes

Brands operating in Latvia, such as *"Rimi"*, *"LMT", "Lidl",* and *"LEGO"* were consistently mentioned, suggesting that brands engaged in visible CSR initiatives are leading in consumer preference. Other brands mentioned, such as *"The Body Shop", "Ben & Jerry's"*, and *"Patagonia",* are recognised for their dedication to social and environmental initiatives, reinforcing the concept that genuine CSR efforts improve brand loyalty. The inclusion of keywords like "*mental health*", "*physical health*", and "*vegan-friendly*" indicates an increasing awareness among consumers regarding well-being, wellness, and their lifestyles with their purchasing choices. Initiatives aimed at communities, such as "*animal shelters", "support for the elderly*", "*LGBTQ+ rights"*, and "*charity events"*, together with initiatives aimed at environmental sustainability, including climate action and carbon footprint, played significant roles in influencing the perceptions of respondents. These findings indicate that a company's commitment to social responsibility, through direct donations, sustainability initiatives, or advocacy for vulnerable groups, significantly influences consumer decision-making. To summarise *Q2* findings, the identified keywords and analysed responses emphasise a complex and multifaceted perspective on the influence of CSR on consumer choices, with inclusions of ethical practices, local economic support, environmental awareness, and genuine brand actions.

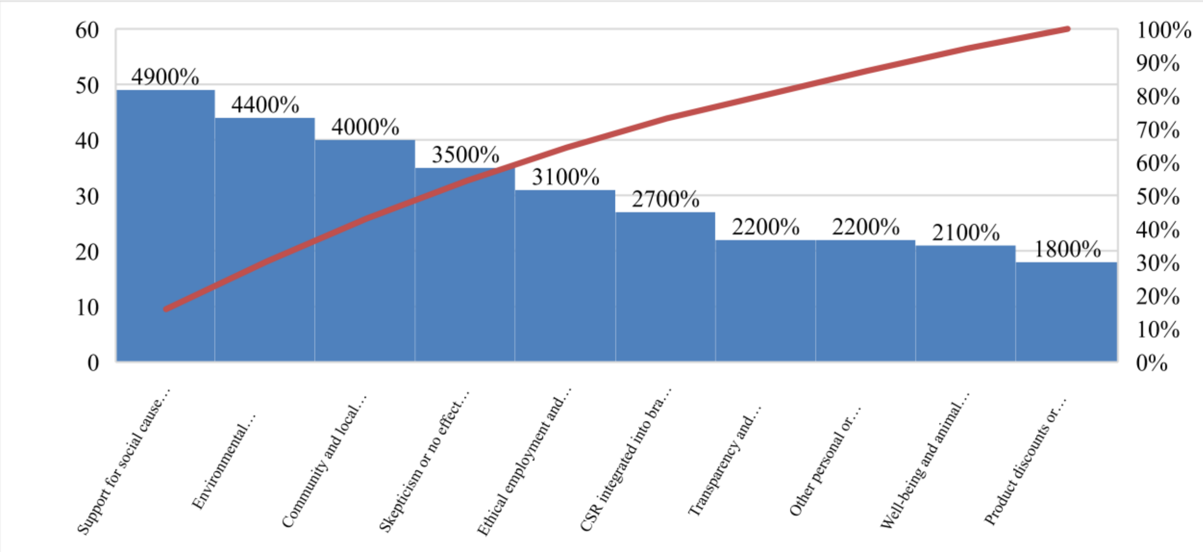


Fig. 9. QO2 Identified Themes and Frequencies

Figure 9 presents the thematic analysis of responses, highlighting a complex influence of CSR initiatives on consumers' purchasing choices. Key themes identified are *support for social causes and donations* (49 mentions), *environmental sustainability efforts* (44), and *community and local producer support* (40), highlighting a preference for companies that engage in improving social and environmental conditions. The first three themes represent more ~60% of all references. Middle themes include e*thical employment, brand authenticity, and CSR integration into brand identity*, and comprise the second-tier cluster, impacting a smaller yet still significant portion of respondents. Themes of lower frequencies are *emotional or personal triggers*, a*nimal welfare,* and *product discounts* serve as niche drivers of CSR perception, relevant for focused strategies. A significant portion of respondents (~22%) displayed scepticism or indicated that CSR did not directly affect the decisions, highlighting the importance of authentic CSR practices for genuine impact on consumers' perceptions. To summarise, these findings provide implications for CSR strategies: 1) Genuine engagement for meaningful outcomes, community involvement in discussions about CSR initiatives; 2) Clear and trustworthy CSR initiatives that demonstrate measurable outcomes to address scepticism; 3) CSR communication should include not only main themes but also niche interests for targeted audience segments.

For *Q3,* Latvian language responses comprised ~85.8%, while English language ~14.2%. The three main identified themes were *"direct consumer influence", "economic and practical constraints"*, and *"authenticity perceived by customers"*, revealing that customers' engagement in shaping the impact of social responsibility on a company's reputation is dependent on three interrelated themes. Most respondents (50) believe the consumer directly influences companies by *"voting with their wallet"* through purchases, loyalty, or boycotts, directly signalling their support for socially responsible businesses. In contrast, customers' economic and practical constraints (40) indicate a dilemma consumers might face when choosing between ethical considerations and affordability. Consumers consider their budget limitations, which restrict their ability to consistently prioritise socially responsible initiatives despite their positive perceptions. A significant portion of respondents (35) indicated that CSR must be genuine rather than just a marketing tactic for *"greenwashing"* to build trust, positively impact brand reputation and to be a decisive factor in how customer engagement affects company reputation (See Figure 10).

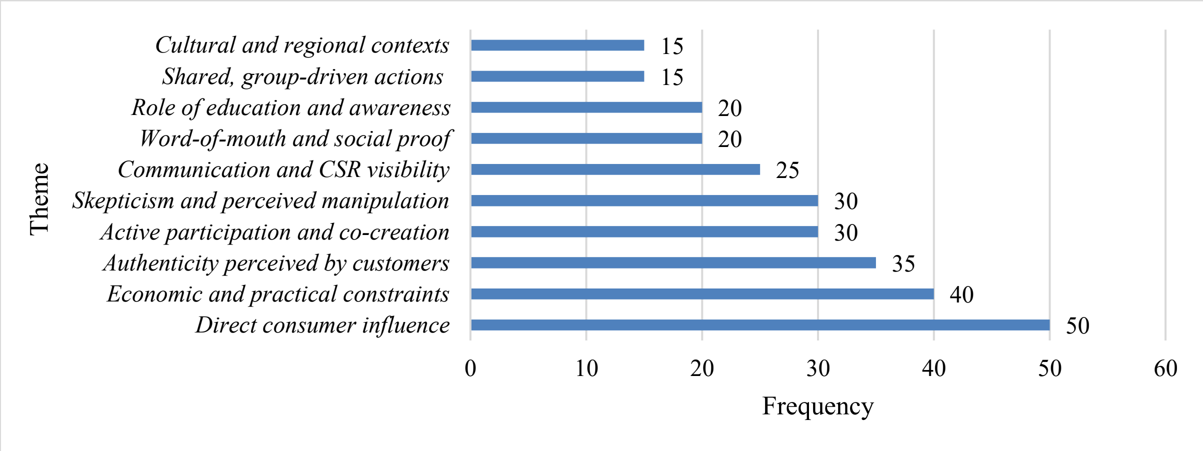


Fig. 10. QO3 Identified Themes and Frequencies

Active and collaborative engagement significantly improves the credibility of CSR initiatives, while transparent communication and collective actions, such as boycotts or praise, can substantially improve or hinder reputational effects. The impact of cultural and regional differences, along with education and awareness, plays a crucial role in shaping customer engagement, underscoring the importance for companies to customise their CSR communication to fit diverse contexts. The findings highlight the importance of customer engagement strategies in either improving or hindering the positive reputation effects of CSR initiatives.

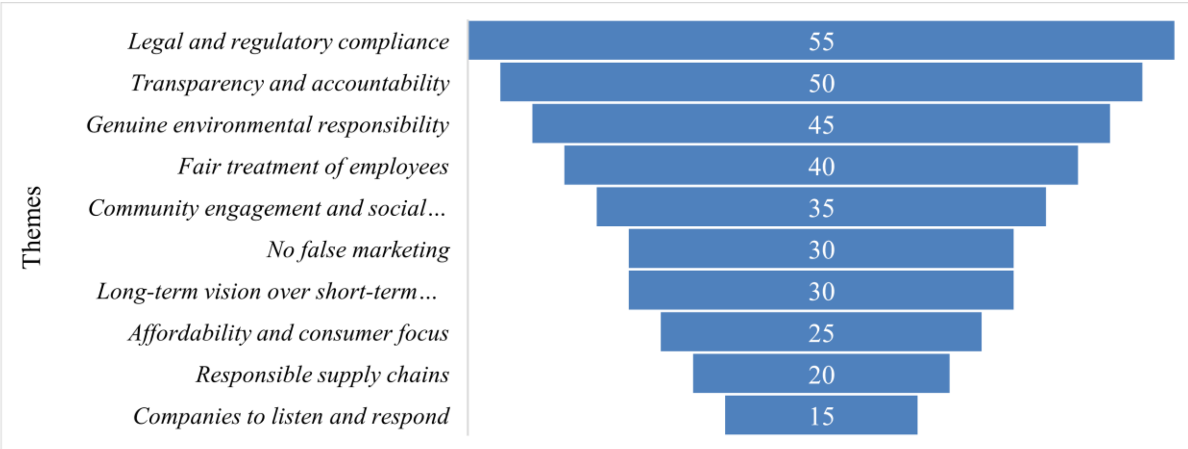


Fig. 11. QO4 Identified Themes and Frequencies

Q4 discusses an important question of customers' expectations from companies in regards of environmental, social, and governance-related initiatives, with total responses (n=156) being comprised of Latvian language responses ~ 80%, and English language responses ~20%. The analysis (See Figure 11) of customer expectations revealed that the primary expectation was *legal and regulatory compliance*, with 55 mentions, closely followed *by transparency and accountability*, with 50 mentions. *Authentic environmental responsibility* and *fair treatment of employees* were frequently mentioned by the respondents, indicating a significant commitment to ethical and appropriate corporate conduct. Active and honest contributions to society are captured by *community engagement and social good* (35), alongside the *expectation of no false marketing* (30). Respondents underscored the importance of *long-term visions over immediate profits* (30), emphasising sustainability as a crucial strategic focus. The thematic analysis was completed by *affordability and consumer focus* (25), *responsible supply chains* (20), and the necessity for companies *to listen and respond* (15), illustrating a comprehensive perspective on CSR and the need for a balance between compliance, social issues, and proactive engagement with stakeholders. To summarise, *customers in Latvia* expect companies to adhere to legal and regulatory standards while prioritising authentic environmental and social responsibility, and operating with a certain level of transparency. The main focus is on fair treatment of employees, transparent communication, and sustainable development rather than immediate profits, which demonstrates a significant expectation of ethical practices that enhance environmental sustainability and promote overall societal well-being, despite limitations in affordability and market competition.

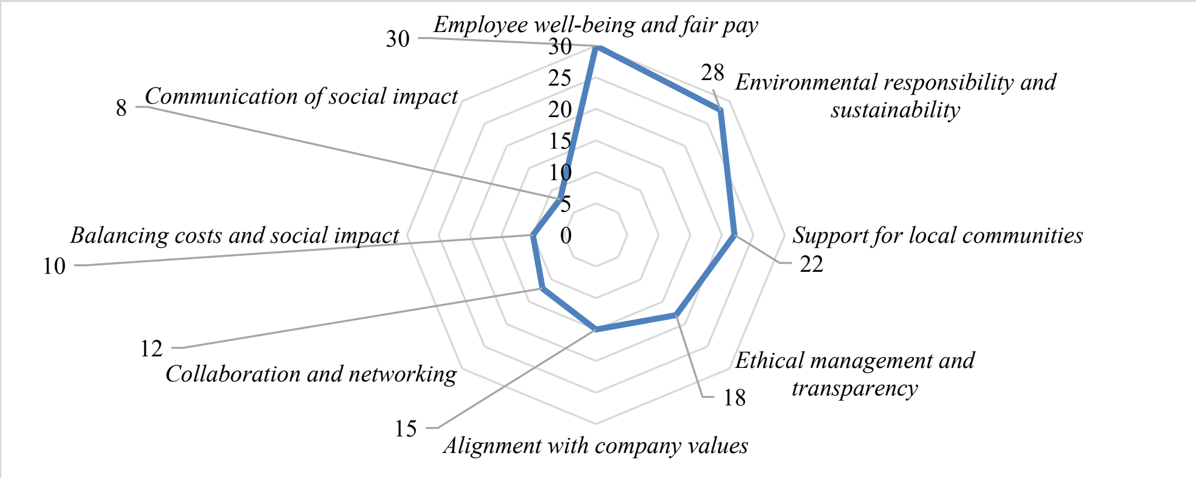


Fig. 12. QO5 Identified Themes and Frequencies

Q5 focuses on how SMEs can integrate social responsibility initiatives into their business strategies and which initiatives they should support. The question focuses on SMEs since they represent more than 99% of all enterprises in Latvia and the European Union (European Commission, 2024). Figure 12 presents a radar chart demonstrating that employee well-being and fair pay (30), environmental responsibility and sustainability (28), and support for local communities (22) are the most frequently mentioned expectations among customers in Latvia. This highlights the significance of ethical internal practices and environmental responsibility for SMEs, as well as the need to engage actively in the social framework and maintain genuine, transparent relationships with stakeholders. Other identified themes, including alignment with company values (15), collaboration and networking (12), and balancing cost with social impact (10), show the importance of strategic alignment of CSR initiatives and taking a collective action, while conveying social impact underscores the significance of transparent and genuine CSR communication. These insights indicate that consumers in Latvia expect SMEs to integrate social responsibility into their core strategies, aligning profitability with ethical practices and the well-being of wider society. This suggests that organisations that align their CSR practices with employee and environmental needs, actively engage with stakeholders, and transparently communicate their initiatives are more likely to build trust and maintain a competitive advantage in the market.

As discussed in the quantitative analysis part, the items *ER2 (Adapt to market)* and *PR7 (Not manipulative)* were excluded from the causal quantitative model because of the lower loading factors in EFA; the data gathered is still important for additional qualitative analysis. *Adapt to Market* was evaluated highly by the respondents (M = 8.89, Mode = 10), which shows that most respondents agreed on how important it is for businesses to be able to adapt and change with the market. *Not Manipulative*, in contrast, received lower and more varied evaluations (M = 6.41, Mode = 7, SD = 2.29), which highlighted that those respondents have different perceptions on using philanthropic initiatives for marketing purposes. The analysis of open-ended answers corroborates this variation, highlighting both scepticism about marketing campaigns and an understanding of how the impact is carried out authentically. Adding these quantitative descriptors to qualitative analysis makes the interpretation richer by identifying patterns and nuanced respondent perception that the quantitative model alone couldn't fully capture. Using deductive thematic coding to include these two items improves the overall analysis by ensuring that all important themes are covered, including both quantitative and qualitative ones. This improves triangulation and boosts the credibility of the results (Nowell et al., 2017).

6 Discussion and Conclusions

This study examined the impact of CSR initiatives on consumer perceptions, trust, and purchasing decisions in Latvia, integrating a multi-theoretical approach to build a comprehensive causal model. The empirical results strongly support the model's structure - CSR initiatives have significant direct and indirect effects on perceived legitimacy, brand trust, long-term sustainability, and ultimately on perceived CSR value. Mediation analyses confirm that perceived legitimacy, brand trust, and long-term sustainability are important pathways through which CSR affects consumer value perceptions. Notably, demographic factors such as age and the level of education influence overall perceptions of CSR but do not moderate the strength of mediation effects. Education proved to be a more significant predictor of CSR perceptions compared to age, which exhibited minimal impact, while gender differences were identified across various CSR-related constructs.

From a managerial perspective, the results have clear strategic implications for companies and organisations in Latvia that seek to enhance consumer loyalty and brand reputation should adopt CSR, but not merely as a compliance measure, but as a *holistic, integrated component of their strategy.* Trust-building, the authenticity of initiatives, and a visible commitment to sustainability emerged as especially influential on consumer perceptions and should be prioritised in CSR communications and programmes. The results are consistent with previous studies from both established and emerging markets. The significant direct and mediated effects of CSR on consumer attitudes support findings from other studies, which demonstrate that consumers often perceive CSR holistically and support companies that are perceived as authentically responsible. The results also align with recent studies, which highlight the importance of CSR authenticity and its role in shaping purchase intentions and brand advocacy, confirming that the effects observed in this Latvian sample are not isolated but consistent with broader trends. The results hold significant value for companies in Latvia and compatible emerging markets, as strategic CSR implementation can produce a considerable competitive advantage. The findings indicate that companies must tailor their CSR communication to specific demographic factors, such as gender and education, and ensure that CSR initiatives are perceived as authentic and consistent with the company's values. Moreover, the observed importance of trust, legitimacy, and sustainability as mediators aligns with theoretical propositions from the stakeholder, legitimacy, and attribution theories, reinforcing the need to view CSR's impact as multidimensional and contingent on consumers' perceptions of sincerity and fit with brand identity.

Several limitations must be acknowledged. The cross-sectional, self-reported design may introduce bias, and the use of convenience sampling may affect generalizability. The context of Latvia also limits transferability to other regions, and excluding some items for low loadings may have omitted relevant aspects of CSR perception. A key inconclusive finding relates to the moderating roles of age and education. However, both had significant direct effects on perceived CSR value; neither moderated the indirect impact of CSR via legitimacy, trust, or sustainability. This suggests that demographic differences influence general CSR valuation rather than mediation pathways, possibly due to uniformly high CSR awareness in Latvia.

Future research should consider a longitudinal study design to assess the effects of CSR on consumer behaviour, examining changes in perception over time. Furthermore, the studies may consider industry-specific perceptions of CSR in sectors such as retail, manufacturing, or technology, which may reveal sector-based trends and practices. Comparative studies of countries with varying cultural or regulatory contexts can enhance the understanding of contextual influences. The incorporation of CSR into branding and internal organisational culture represents a developing area of research. Future research could also use experimental designs, field experiments within real-life company settings, or CSR campaigns to assess the causal effects of CSR communication strategies on trust, consumer loyalty and competitive advantage. Furthermore, integrating qualitative findings with experimental or longitudinal methods may provide a better understanding of the mechanisms through which CSR initiatives engage various stakeholder groups.

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