

# Corporate Social Responsibility and Brand Loyalty: The Mediating Role of Brand Experience and Brand Trust among students in Nepali Business Schools

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## Abstract

**Background:** Corporate social responsibility (CSR) is crucial in business schools as it instills ethical values and commitment to societal welfare, fostering a positive brand experience (BE), and brand trust (BT) among stakeholders to bring out a feeling of brand loyalty (BL) among them. Despite the need for contextual understanding of CSR in Nepali business schools, there is a paucity of literature on CSR in Nepali business schools.

**Objectives:** The paper aims to explore role of BE and BT as mediator in connection between CSR and BL among students at Nepali business schools.

**Methods:** Purposive sampling was used in this study's cross-sectional survey research design to gather data from 256 students. To test hypotheses, the partial least squares structural equation modeling (PLS-SEM) was employed.

**Results:** The findings indicate that BE act as a mediator between CSR and BL among Nepali business school students, while BT doesn't have a mediating effect. Furthermore, CSR initiatives positively influence BE and BT, leading to increased BL. Nevertheless, the impact of BT on BL was found to be insignificant.

**Conclusion:** The findings of the study could offer significant value for business schools and prepare CSR policies to develop loyal relationships with students.

**Keywords:** Brand Experience, Brand Loyalty, Brand Trust, Corporate Social Responsibility

**JEL Classification:** I23, J24

## Introduction

The concept of corporate social responsibility, or CSR, was first introduced in the 1950s and emphasizes how companies must balance their need to maximize profits with their responsibility for social and environmental repercussions (Carroll, 2021; Hartmann et al., 2023). CSR efforts have fostered innovation in educational practices, enhancing the overall learning experience (Islam et al., 2021). In today's dynamic world, education profoundly shapes societies, and CSR initiatives are increasingly involved in the education sector. Recognizing education's pivotal role, corporations support educational initiatives through CSR programs (Uduji et al., 2020). CSR has positively impacted education by reducing gaps and improving accessibility. Embracing CSR initiatives showcases the institution's commitment to societal well-being, which enhances its reputation and attractiveness to stakeholders (Wigmore-Álvarez et al., 2020).

CSR is all the expectations that society has of businesses at any given time, including legal, ethical, economic, and discretionary ones. Along with their own interests and the interests of their shareholders, decision-makers have a duty to safeguard and enhance the welfare of society at large (Carroll, 1991). Parguel et al. (2018) found that CSR initiatives aligned with stakeholder values can enhance social identity, leading to increased brand loyalty (BL), brand trust (BT), and brand experience (BE). Yoo et al. (2000) state that brand loyalty (BL) is the level of a customer's attachment and commitment to a specific brand. Since devoted consumers are more likely to make repeat purchases and refer the brand to others, it is essential to effective marketing (Dick & Basu, 1994). BL is also associated with positive attitudes towards increased BT and resistance to competitive influences (Yoo et al., 2000).

CSR fosters a positive BE and builds trust among students and faculty, creating a strong emotional connection to the brand (Akoglu et al., 2022). BE and trust ultimately cultivate BL among stakeholders (Rasoolimanesh et al., 2021). By demonstrating ethical and socially responsible behavior, business schools gain credibility and transparency, laying the foundation for long-term relationships with students and alumni (Wigmore-Álvarez et al., 2020). Embracing CSR initiatives helps business schools enhance their reputation and trust as responsible educational institutions. Stakeholders are more likely to align themselves with an institution that actively contributes to the betterment of society (Akoglu et al., 2022). Scholars and marketers have long acknowledged the critical significance of BL for the success and longevity of any organization (Wongsansukcharoen, 2022). In the context of educational institutions, such as business schools, BL holds an even more significant impact. With the rise of educational competition and increasing student mobility, fostering brand loyalty is crucial to attracting and retaining students, faculty, and stakeholders (Rashid & Mustafa, 2022).

Nepali business schools, such as their global counterparts, are facing a growing societal demand for social responsibility and ethical conduct. Educational institutions in Nepal continue to place a significant emphasis on academic success, and there is a rising awareness of the need for prioritizing and executing CSR projects (Chapagain, 2020). Engaging in CSR practices could enhance the BI, reputation, and stakeholder perception of business schools. Carroll (2021) states educational institutions can actively contribute to the social and economic development of the areas they serve by working with local

businesses and community members. This can be achieved through initiatives such as skill development programs, adult education, health and sanitation campaigns, and entrepreneurship support (Pizzutilo et al., 2021). By addressing the specific needs of the community, educational institutions establish themselves as valuable contributors and trusted partners, further enhancing their reputation and community support. By integrating CSR principles and practices into their operations, educational institutions can play a crucial role in creating positive social change and enhancing loyalty.

Several studies have been published examining the individual impact of CSR, BE, BT, and BL in various industries (e.g., Abbasi et al., 2023; Park & Jiang, 2023; Vieira et al., 2023). Nevertheless, limited study has focused on these interconnections within the context of Nepali business schools (Chapagain, 2020). By analyzing the influence of CSR initiatives on BL in Nepali business schools—an area that is frequently overlooked in the body of literature—this study fills a research vacuum. It aims to investigate how BE and BT mediate the CSR-BL interaction between stakeholders, scholars, and students. Through examining these mechanisms, this paper hopes to offer insightful information to scholars and industry professionals, supporting Nepali educational institutions in creating focused plans to strengthen CSR programs, raise BE, build trust, and ultimately develop more BL and long-term success. Therefore, this paper endeavors to bridge this gap and shed light on the intricate relationships between CSR, BE, BT, and BL among students of in the Nepali business schools.

## Review of Literature

### Corporate Social Responsibility and Brand Experience

Stakeholder Theory (ST) sheds important light on how CSR and BE interact with one another in the setting of educational institutions. This theory emphasizes the moral obligations that an organization has to a range of stakeholders, such as the community at large, parents, teachers, staff, and students. Meeting these responsibilities can help educational institutions succeed in the long run. ST was first presented by Freeman (1984) and highlights how crucial it is to match the requirements and interests of all parties involved to produce favorable results. A favorable link between the factors was demonstrated by a few earlier research (e.g., Johnson et al., 2022; Mickelsson et al., 2023; Srivastava & Srivastava, 2019). Johnson et al. (2022) studied the impact of CSR initiatives in educational institutions on BE. The results showed that students who perceived their institution as actively involved in CSR activities had a more positive BE. It suggests that CSR initiatives can improve the BE of students in educational institutions and ultimately contribute to higher BL. According to Srivastava and Srivastava (2019), CSR can be an effective strategy for enhancing consumer loyalty and brand reputation. Businesses that participate in CSR initiatives can improve the BE for their clients, which may increase revenue and profitability. In a similar vein, the research by Mickelsson et al. (2023) discovered that corporate social responsibility (CSR) positively affects brand equity and image, indicating that CSR might be an effective strategy for raising consumer satisfaction and brand perception. Businesses that participate in CSR initiatives can build stronger brand equity and perceptions, which can increase revenue and profitability. Based on theoretical and empirical foundations, this study explores how CSR initiatives can positively influence students' study experiences and lead to increased support, engagement and loyalty. Therefore, the

hypothesis is put forward.

*Hypothesis (H1): Corporate Social Responsibility positively influences Brand Experience.*

### **Corporate Social Responsibility and Brand Loyalty**

Social Identity Theory (SIT) was applied to gain insights into the interaction between CSR and BL. According to SIT, people derive some of their self-image from the social groups with which they affiliate and a part of this is how we think and act as per our membership in these groups (Tajfel & Turner, 1979). If the consumers perceive that a brand has responsible ethics and sets good practices due to CSR actions, they can be social activated: their identity is recognized by them as far as belonging to an in-group with common values and goals of objectives. In the same way, Park and Jiang (2023) studied how brands leverage social media platforms to communicate their CSR strategies as well as customer committed in reacting these appeals. The study provides new insights in one of the major success strategies that corporate social advocacy on a digital media platform can build stronger emotional connectivity with consumers and lead to higher levels of BL by governing the true CSR communication while practicing authentic engagement. Moreover, the study results of Abbasi et al. (2023) suggest that pharmaceutical companies' CSR initiatives that focus on health, safety and social support during the COVID-19 pandemic positively influence customers' perceptions and promote higher levels of customer loyalty as to the importance of responsible behavior in challenging times. Additionally, Vieira et al. (2023) identify the elements that contribute to the impact of CSR on customer-company identification, which raises brand loyalty and offers useful information for businesses looking to better target their CSR efforts and boost customer loyalty. This study suggests using SIT to investigate the beneficial association between CSR and BL through the mediating role of consumers' social identities, based on theoretical and empirical underpinnings. By introducing SIT, the study aims to understand how CSR initiatives promote consumer identification with the brand, whereby consumers perceive the brand as representative of their group's shared values and goals. This process cultivates a sense of pride, emotional connection, and a stronger social connection to the brand, thereby mediating the positive relationship between CSR and BL. Thus, it is hypothesized.

*Hypothesis (H2): Corporate Social Responsibility positively influences Brand Loyalty.*

### **Corporate Social Responsibility and Brand Trust**

The relationship between CSR and BT was examined using the commitment trust theory (CTT) of brand commitment. CTT theory states that consumers are more likely to trust a brand when they believe it is dedicated to ethical and socially responsible behavior (Morgan & Hunt, 1994).

CSR initiatives are signals of the brand's commitment to social well-being and corporate values. As a result, consumers develop a sense of trust in the brand and believe it will continue to act responsibly, which has a positive impact on BT. Hanzae and Sadeghian (2014) explored CSR impact on customer satisfaction and corporate reputation in automotive industry from Iran. Although it did not examine brand trust specifically, the study was able to show a positive effect of CSR activities on customer satisfaction and company reputation. Results indicated that corporate socially responsible performance

prompts customers to take a favorable attitude towards the brand, thus improving customer-based BT. Furthermore, Khan and Fatma (2023) have examined how CSR affects consumer word-of-mouth and brand image, with a particular emphasis on BT's mediating function. The study's findings demonstrate the considerable influence that CSR activities have on brand image, even though BT acts as a full mediating factor in this relationship. When the social responsibility attitude is presented to a brand, this causes trust in that brand, and it creates positive perceptions of word-of-mouth recommendation about that same product. Drawing on theoretical frameworks and empirical work, the study posits that in contexts where students see an educational brand as socially responsible or ethical their trust of these brands will be high. It is a signal of the brand's commitment to CSR and corporate beliefs and influences how BT branding impacts consumer perception. This yields the following hypothesis.

*Hypothesis (H3): Corporate Social Responsibility positively influences Brand Trust.*

### **Brand Experience and Brand Loyalty**

Signal theory (ST) is applied to understand the dynamic relationship between BE and BL. By adopting ST, researchers gain insights into how brand experiences act as signals that convey important information about the brand to consumers (Connelly et al., 2011). Positive BE is interpreted by consumers as signals of the highest product quality, excellent service and brand reliability. These positive signals create trust and emotional connections, differentiate the brand from the competition, and encourage increased BL through ongoing engagement and advocacy.

A few earlier research demonstrated a positive relationship between the factors (Bae & Jeon, 2022; Chieng et al., 2022; Eklund, 2022). Brand experience has a favorable impact on brand loyalty, according to research by Bae and John (2022). Consumers who had a good brand experience thought that the products were of higher quality and that their interactions with the brand had both utilitarian and hedonic value. Furthermore, Chieng et al. (2022) establish high self-congruence and the need for uniqueness could improve both the BE and BL. Subsequently, BE and BL significantly shaped BL and highlighted the role of individual factors and emotional connections in shaping consumer loyalty. Also, Eklund (2022) looked at this relationship in the context of the automotive sector and concluded that brand experience has a big impact on brand loyalty, love, and image. Brand image and brand love were important mediators in this study's link between BE and BL. Based on theories and evidence that explain this phenomenon, the aim here is to position BE as loud signals that convey important aspects of educational brand information to students. These positive indications then shape the image of their brand from the students' perspective and have an indirect influence from BE on BL. Therefore, the following hypothesis is proposed.

*Hypothesis (H4): Brand Experience positively influences Brand Loyalty.*

### **Brand Trust and Brand Loyalty**

The CTT was employed to investigate the association between BT and BL with a particular emphasis on treating BT as an intermediate mediator. CTT suggests that consumers select to commit their value of the brand due to trust in a consistent advertisement and consistency with one's belief based on previous

experiences or values (Morgan & Hunt, 1994). CSR enhances BT more impressive as corporate values are a signal of actual CSR success. According to Akoglu and Ozbek (2022), in the sport context, BE has a beneficial effect on perceived quality and BT as well as consequently leads to greater level of BL. Great BE makes your product or service seem like it is better quality, driving an increase in trust for the brand. Additionally, Samarah et al. (2022) investigates how brand participation and interactivity influence customers' brand loyalty and engagement on social media. It was found that in this interaction, BT acts as a mediator. Customers' engagement in a company is bolstered by its interactive and engaging experiences, and this trust in turn positively influences their engagement and loyalty towards the business on social media. Moreover, Haudi et al. (2022) establish that engaging and effective social media marketing strategies help build consumer trust in brand, increase brand equity, and promote consumer' BL. By adopting CTT, the study aims to understand how CSR initiatives serve as signals of corporate values and influence students' perceptions of BT. Positive CSR initiatives signal the brand's commitment to ethical practices and responsible behavior and promote trust in educational brands. This increased BT, in turn, mediates the positive relationship between CSR and BL among students. Therefore, the hypothesis is put forward.

*Hypothesis (H5): Brand Trust positively influences Brand Loyalty.*

### **Corporate Social Responsibility, Brand Experience, and Brand Loyalty**

Social Exchange Theory (SET) has been applied to comprehend the mediating role of BE in the context of CSR and BL. According to SET, individuals engage in relationships and interactions with brands based on the perceived benefits and costs of their engagement (Homans, 1950). CSR, consumers perceive the positive experiences derived from a brand's socially responsible initiatives as valuable benefits. It establishes a reciprocal relationship that strengthens the brand-customer relationship and builds trust. Because they think that their relationship with the socially conscious company is advantageous, consumers grow more devoted to the brand because of their ongoing engagement and advocacy. Through the lens of SET, scholars have looked at the link between BE, CSR, and BL in a variety of service scenarios. Empirical data from studies by Banuara (2021), Chen (2022), and Lee and Park (2023) indicate BE's beneficial mediation effect in relation to CSR and BL. Banuara (2021) looked at how CSR affects BL and whether it serves as a direct or indirect mediator. Perceiving a brand as socially responsible enhances trust, leading to higher BL as consumers engage with and advocate for responsible brands. Additionally, Kazmi and Khalique (2019) focused on BE and its mediating roles, including brand love, brand prestige, and BT. Although they did not directly address CSR, their research highlighted the importance of BT as a mediating factor between BE and loyalty. It highlighted that positive BE led to increased BT, which in turn contributes to higher BL. It is supported by a study conducted by Chen (2022). Thus, when business schools are perceived as socially responsible, it improves the BE and ultimately contributes to improved BL. As a result, the following hypothesis is proposed:

*Hypothesis (H6): Brand Experience mediates the relationship between Corporate Social Responsibility*

and Brand Loyalty.

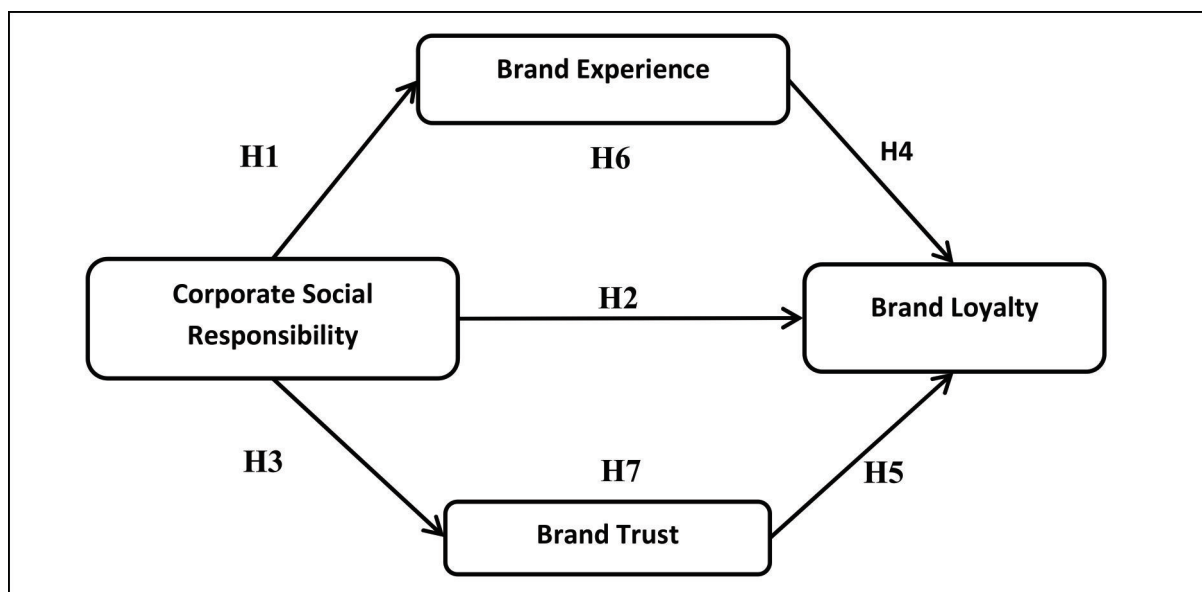
### Corporate Social Responsibility, Brand Trust, and Brand Loyalty

Signaling theory (ST) helps to understand the CSR, BT, and BL relationships. CSR signals corporate values, building trust and emotional connections. Positive trust leads to increased brand loyalty through engagement and advocacy (Connelly et al., 2011). Huo et al. (2021) found that CSR positively influences green innovation performance. BT partially mediates the CSR and BL relationship. Perceiving a brand as socially responsible enhances trust, leading to higher brand loyalty as consumers engage with and advocate for responsible brands. Furthermore, Rasoolimanesh et al. (2021) found that in private higher education, BT mediates the CSR and BL relationships. Perceiving the institution as socially responsible enhances BT, leading to increased BL among students and stakeholders. Moreover, Tiep Le et al. (2021) found CSR positively affects BL in SMEs in an emerging market, mediated by BT. Based on theoretical and empirical foundations, this work suggests using signal theory to investigate BT’s mediating function between BL and CSR.

*Hypothesis (H7): Brand Trust mediates the relationship between corporate social responsibility and Brand loyalty*

**Figure 1**

*Conceptual Framework*



### Materials and Methods

#### Study Design

This paper adopted a cross-sectional survey research design as the variables were not tracked over time, and previous studies followed a similar structure (Wali et al., 2019; Pokhrel & K.C., 2024). Considering this, the design was a sensible, fitting, and trustworthy method for conducting the study.

#### Population and Sample

The population of the study was students at business schools enrolled in colleges in Kathmandu Valley.

This population was chosen because management students have the necessary knowledge to comprehend CSR's impact on brand loyalty because they must take courses in marketing and strategic management (Claver-Cortés et al., 2020). Kathmandu Valley's high population density and diverse private and public business schools make it an ideal research setting. More specifically, the selection of top-ranking management colleges, recognized by the New Business Age Awards, ensures that principles of branding and CSR are inculcated in their college lives.

### **Sampling Technique**

The study applied purposive sampling to collect sample data from respondents because the researchers employed their knowledge to choose a sample that would be most helpful to their research objectives (Islam et al., 2021). Purposive sampling was selected for this study because it focused on specific characteristics of the population, namely students in business schools. The researchers ensured that the sample included students with extensive education institution experience (Pokhrel & K.C., 2024).

### **Sample Size**

256 students from various business schools who enrolled in the list of top business schools in the New Business Age Award served as the sample size for this study. Bullen (2021) states that the sample size ought to be five or ten times larger than the size of the advanced multivariate trait evaluation items. The guideline states that a sample size of 200–350 responders is appropriate. Respondents would be representative of the whole population because of the uniformity of business school students and the number of 256 respondents.

### **Measures**

Four items were used to measure the demographic information, and the Likert scale was then used to measure the outcomes. A 5-point Likert scale, with 1 denoting strongly disagree, 2 disagree, 3 agree, and 5 strongly agree, was used to anchor the scale. A basic summary of the measures is presented below:

#### **Corporate Social Responsibility Scale**

The CSR was assessed using the method described by Fatma et al. (2014) developed 17-point scale. Sample items include: "My business school has a policy for safety and confidentiality" and "My business school treats students honestly."

#### **Brand Experience Scale**

The business school's student BE was measured using the Brakus et al. (2009) BE questionnaire. Among the sample items is "My business school leaves a strong sensory impression on me."

#### **Brand Trust Scale**

BT was measured using the 5-item Likert scale developed by Sirdeshmukh et al. (2002). The sample items include: "My business school makes me feel a sense of security."

#### **Brand Loyalty Scale**

BL was measured using a 3-item scale adapted from Zeithaml et al. (1996). The sample items include:



“I shall continue with my current business school for over the next few years.”

### Data Collection Procedures

Data was collected in electronic and printed questionnaires during June 2023 and August 2023. Respondents were informed about research objectives, confidentiality, and the use of data. The current students from different business schools were contacted and requested to fill out the questionnaire. The respondents voluntarily filled out the questionnaires. Of the 320 surveys distributed, 290 were returned, with only 256 considered suitable for statistical analysis.

### Result and Discussion

#### Demographic Profile of Respondents

Among the 256 respondents in the study, age, gender, education level, and the name of the business school were used as demographic variables to give details about the characteristics of the sample under investigation.

**Table 1**

*Demographic Profile of Respondents*

Variables	Frequency	Percent
<b>Age</b>		
Below 20	75	29.3
21 to 30	173	67.6
31 to 40	6	2.3
Above 40	2	0.8
<b>Gender</b>		
Male	93	36.3
Female	163	63.7
<b>Education</b>		
Bachelor level	153	59.8
Master Level	103	40.2
<b>Name of Business Schools</b>		
ACE College	23	8.2
APEX College	26	10.2
British College	23	9.0
Global College	24	9.4
Kathmandu College of Management	9	3.5
Little Angles College of Management	26	6.3

National College of Management	39	15.2
SAIM College	70	27.4

Note. Based on authors' calculation.

As seen in Table 1, most study participants were female ( $n = 163$ , 63.7%) and younger ( $n = 173$ , 67.6%) than the 21–31 age group. According to the results, most respondents ( $n = 150$ , 58.6%) were unemployed. Also, a sizable portion of responders ( $n = 70$ , 27.4%) were alumni of SAIM College. Lastly, the highest percentage of responders hold a bachelor's degree.

### Common Method Biases

A statistical analysis of the CMB was conducted using Harman's single-factor test. All assessed factors explained 43.004% of the total variance, which is substantially less than 50%, using principal component analysis without rotation and Harman's univariate test (Podsakoff et al. 2003). Consequently, the study was unaffected by common procedure biases.

### Structure Equation Model (SEM)

Considering Hair et al. (2016) A second-generation statistical technique called structural equation modeling (SEM) examines the cause-and-effect relationship between latent components. Structural equation modeling comes in two flavors: covariance-based structural equation modeling (CB-SEM) and variance-based structural equation modeling (PLS-SEM). In this study, the hypotheses were investigated using PLS-based structural equation modeling (PLS-SEM). Conversely, CB-SEM finds use in many scientific domains, such as engineering, medicine, and psychology (Durdyev et al., 2018; Menni et al., 2021). PLS-SEM is used in many scientific domains, such as psychology, engineering, and medicine. PLS-SEM is an attractive and frequently superior option than CB-SEM when measurement or model characteristics limit application or when the focus is on exploration rather than confirmation.

### Measurement Model

Three criteria were used in this work to select the measurement models: reliability, convergent validity, and discriminant validity (Ringle et al. 2016). The items with low factor loadings were eliminated to estimate the measurement model. Cronbach Alpha (CA) and Composite Reliability (CR) are the two approaches that are most used to measure reliability. The measurement model seems to be reliable based on Table 3's CA and CR values, which are both over 0.70 (Hair et al. 2016). Furthermore, the convergent validity analysis results of the current study show that all constructs have values greater than 0.50, with a range of 0.678 to 0.752, based on the AVE statistics. It was established that this advertising has convergent validity. According to Fornell and Larcker (1981), the ideal choice is a threshold larger than 0.50.

**Table 2**  
*Factor Loadings and Variance Inflation factor*

Constructs	Indicators	Loadings	VIF	CR (rho_a)	CR (rho_c)	CA	AVE
Brand Experience	BE3	0.814	1.708	0.845	0.894	0.842	0.678
	BE7	0.826	1.969				
	BE8	0.787	1.691				
	BE12	0.865	2.237				
Brand Loyalty	BL1	0.812	1.547	0.791	0.876	0.788	0.702
	BL2	0.858	1.718				
	BL3	0.843	1.730				
Brand Trust	BT3	0.849	1.956	0.839	0.901	0.834	0.752
	BT4	0.904	2.363				
	BT5	0.847	1.784				
Corporate Social Responsibility	CSR2	0.877	1.901	0.812	0.886	0.807	0.722
	CSR4	0.836	1.716				
	CSR5	0.835	1.694				

**Discriminant Validity**

To evaluate discriminant validity, the hetero-trait-mono-trait ratio (HTMT) criteria as well as Fornell and Larcker (1981) were used. A construct is considered to have discriminant validity if its square root of its average variance over correlation with all other constructs is greater than zero, as per the criteria set forth by Fornell and Larcker (1981). The conditions were satisfied because the square roots of the AVE for each of the components were shown to have a greater connection than their correlation in this study (see Table 3). The proper threshold for HTMT has been the subject of conflicting studies now under publication; Kline (2011) suggested a threshold of 0.85 or less, whereas Teo et al. (2008) suggest a lenient cutoff of 0.90. Owing to HTMT’s shortcomings, researchers employed the traditional Fornell-Larcker criteria to assess discriminant validity.

**Table 3**  
*Fornell-Larcker Criterion and HTMT*

Latent Construct	1	2	3	4
1. Brand Experience	<b>0.823</b>	0.966	0.917	0.973

2. Brand Loyalty	0.792	<b>0.838</b>	0.775	0.984
3. Brand Trust	0.773	0.631	<b>0.867</b>	0.866
4. Corporate Social Responsibility	0.807	0.789	0.713	<b>0.850</b>

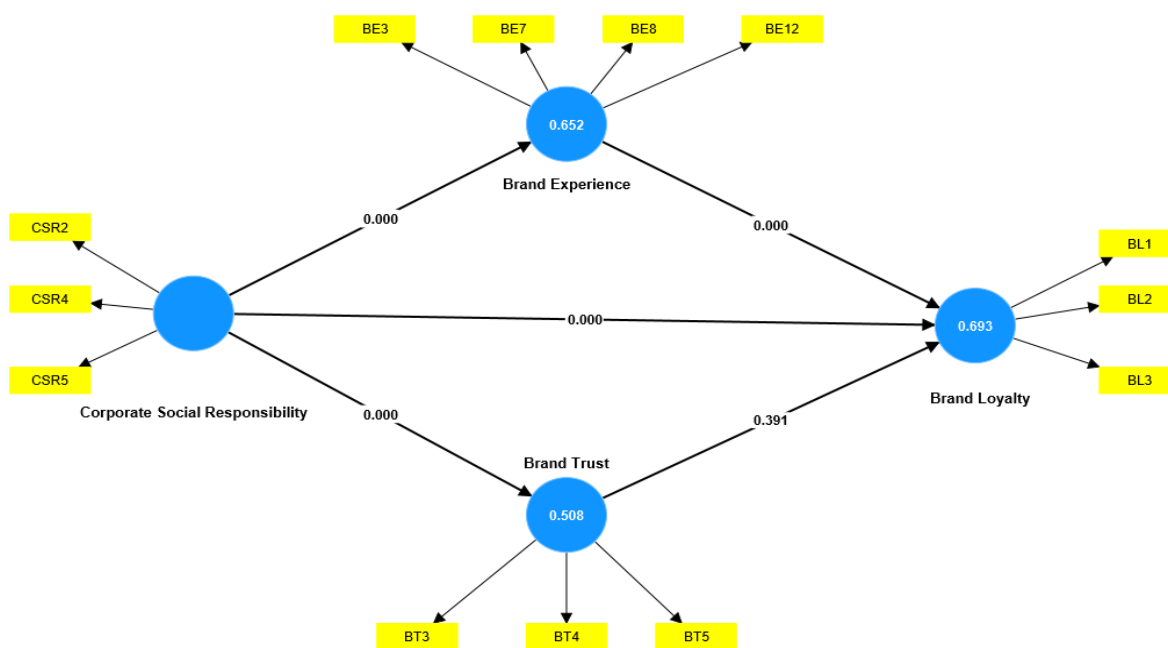
Note. In bold diagonal, the square root of AVE is represented. The correlations between the values of the construct are located beneath the diagonal elements. The HTMT values are located above the diagonal elements.

**Structural Model**

Seven distinct hypotheses were used to estimate the structural model. The multicollinearity assumption was examined prior to structural model estimation. Any number less than five represents the Variance Inflation Factor (VIF). As a result, Smart-PLS 3.33 is used to test the structural model. Hypotheses 1,2, 3,4 are supported; however, hypothesis 5 is supported (Refer to Table 4).

**Figure 2**

Structure Model



**Table 4**

Structural Model Path Coefficient's Result

Hypotheses	Standardized Beta ( $\beta$ )	T-statistics	P-values	Results
1. CSR->BE	0.807	28.206	0.000	Supported
2. CSR->BL	0.443	5.840	0.000	Supported
3. CSR->BT	0.713	18.929	0.000	Supported
4. BE -> BL	0.475	6.138	0.000	Supported
5. BT -> BL	-0.053	0.857	0.391	Unsupported

Note. Based on authors' calculation; CSR= Corporate Social Responsibility, BE= Brand Experience, BT= Brand Trust, BL= Brand Loyalty

### Mediation Analysis

The mediation analysis, which included bias-corrected confidence estimates, was carried out using the bootstrapping approach (Preacher and Hayes, 2008). The sum of the direct and indirect impacts is known as the overall effect. This study used 5,000 samples to obtain a 95 percent confidence interval for the indirect effects (Preacher & Hayes, 2008). When the mediator CR was included, the effect of CSR and CL was significant ( $\beta = 0.443$ ,  $t = 5.840$ ,  $p < 0.05$ ), and the total effect of CSR on BL was substantial ( $\beta = 0.789$ ,  $t = 25.014$ ,  $p < 0.05$ ). This suggests that BE plays a somewhat moderating and complementing function in the interaction between BL and CSR. H6 was therefore approved. H7 investigates if BT mediates the connection between BL and CSR. According to Table 5, the results indicate that there was a negligible indirect impact of CSR on BL through BT (H7:  $\beta = -0.038$ ,  $t = 0.862$ ,  $p > 0.5$ ). The effect of CSR and CL was significant ( $\beta = 0.443$ ,  $t = 5.840$ ,  $p < 0.05$ ) when the mediator CR was considered. CSR had a substantial overall impact on BL ( $\beta = 0.789$ ,  $t = 25.014$ ,  $p < 0.05$ ). There is no mediating role for BT in the relationship between CSR and BL; this only demonstrates a direct relationship between CSR and BL. H7 was therefore not supported.

**Table 5**

#### Mediation Analysis's Result

Constructs	Standardized Beta ( $\beta$ )	T-statistics	P-values	Results
<b>Direct Effects</b>				
CSR -> BL	0.443	5.840	0.000	Supported
<b>Specific Indirect Effects</b>				
CSR -> BE -> BL	0.384	6.092	0.000	Supported
CSR -> BT -> BL	-0.038	0.862	0.388	Unsupported
<b>Total Effects</b>				
CSR -> BL	0.789	25.014	0.000	Supported

Note. Based on authors' calculation; CSR= Corporate Social Responsibility, BR= Brand Experience, BT= Brand Trust, BL= Brand Loyalty

The favorable correlation between BE and CSR actions is supported by this study. This result aligns with several research (Johnson et al., 2022; Mickelsson et al., 2023; Srivastava & Srivastava, 2019) that demonstrate how CSR programs foster personal relationships with a range of stakeholders and provide unique and memorable brand perceptions. It aligns with the ST, as stated by Carroll (1991). It implies that for organizations to succeed over the long term, they must strike a balance between the demands and interests of many stakeholders. Students in business schools view CSR initiatives as branding collateral that helps create a BE that stands out.

Additionally, BL had a major effect on CSR, which is in line with earlier studies by Abbasi et al. matches.

(2023); Vieira et al. (2023); Park & Jiang (2023). The findings align with the tenets of Tajfel and Turner's (1979) social identity theory. Business schools' participation in CSR activities promotes students' perceptions of social responsibility and trustworthiness and leads to engagement and identification. This strengthens students' loyalty to the business school brand and builds a positive, long-term educational relationship.

This study supported the findings of earlier research by Huo et al. (2022) and Khan and Fatma (2023) about the impact of CSR on BT. These studies continuously demonstrate a strong correlation between consumer trust in BT and corporate social responsibility (CSR) initiatives. They also emphasize the favorable effects of CSR on brand quality, satisfaction, and overall ratings, all of which boost customer trust in the brands. According to CTT (Morgan & Hunt, 1994), consumers also perceive socially responsible CSR initiatives as a company's commitment to society that creates trust by aligning with consumers' ethical values.

The study supported positive influences of BE on BL, consistent with Bae and Jeon (2022); Chieng et al. (2022); Eklund (2022). Recognizing the importance of brand experience in building brand loyalty can empower business students in Nepal to develop strategies that prioritize customer satisfaction, emotional connection and trust. Signaling theory helps understand how positive brand experiences act as signals that promote emotional connections and trust, ultimately leading to increased brand loyalty among customers (Connelly et al., 2011).

The study found that BT has no effect on BL, indicating an insignificant relationship between these variables. But BT can influence aspects of brand equity; Factors such as brand awareness, perceived quality and brand associations play a more important role in promoting BL (Abbasi et al., 2023). Driving loyalty requires a holistic approach that goes beyond trust and emphasizes multiple dimensions in building strong relationships between customers and brands. Building brand awareness, providing quality education, and cultivating positive brand associations are equally critical to fostering long-term student loyalty. CTT (Morgan & Hunt, 1994) provides the framework for this. This suggests that business schools need to focus on a comprehensive approach to building a strong and lasting relationship with their students.

Furthermore, the study confirms that BE mediates the link by showing that it has a partial mediating influence on the relationship between CSR and BL. Similar findings are reached by other studies, such as Banuara (2021), Chen (2022), and Lee and Park (2021). This implies that BE serves as BL and CSR's major mediator. According to SET (Homans, 1950), this emphasizes the significance of BE as a critical component in maximizing the impact of CSR on BL. It also emphasizes the necessity for businesses and academic institutions to give priority to and make investments in developing positive BE to accomplish this in order to foster enduring customer loyalty.

Finally, the study found that BT does not mediate the relationship between CSR and BL; rather, there is simply a direct correlation between the variables CSR and BL. The results show that there is only a direct association between CSR and BL and that BT does not appear to have a clear mediation function

in this relationship. Connelly et al. (2011) signaling theory can be used to observe this framework. The lack of support indicates that BT does not serve as a middleman between CSR and BT. This suggests that other factors may be more important in encouraging consumer loyalty to socially conscious brands, and that the impact of CSR on BL is not contingent upon BT levels.

### Conclusion and Suggestions

The primary purpose of the study was to ascertain how students' opinions of CSR impacted business schools' BL in the Nepali setting. The objective was to look at the direct effects of CSR on BL as well as any potential mediating functions that BE and BT might have played in this relationship. The link between CSR, BE, BT, and BL has been the subject of numerous empirical investigations in the literature (Akoglu & Ozbek, 2022; Rasoolimanesh et al., 2021; Alvarez Wigmore et al., 2020). This study looked at BL and CSR across a range of service contexts, including manufacturing, retail, finance, and more. It discovered a positive and substantial association between BT and BL in addition to very similar outcomes. But findings of this study offer a fresh viewpoint on the relationship between these variables, though they do differ slightly from those of earlier studies that discovered a negligible correlation between BT and BL. Furthermore, to the best of researchers' knowledge, there are several studies that have examined the relationship between CSR and BL in various sectors such as banking (Tandelilin & Usman, 2023) and manufacturing (Shahzad et al. 2020). Notably, not much research has been done particularly in the field of education. This study in the literature draws attention to the study's originality in analyzing the connection between BL and CSR initiatives in Nepalese business schools. Furthermore, the study aligns with previous findings in other business sectors, indicating a consistent result of CSR and BL relations in business schools. This suggests that the relationship between CSR and BL is not confined to a specific industry but holds true across different sectors.

The current study has significant implications for managers who wish to fund CSR initiatives to boost their business school students' retention rates, which is a crucial factor in the competitive modern education market. The study's conclusions have significant ramifications for managers in the business school sector who wish to increase their brand loyalty by implementing CSR programs. First, the results suggest that CSR has a positive impact on BL, with BT and BE playing a mediating role in promoting loyalty among students. Thus, educational institutions could focus on improving overall BE and building trust among their stakeholders and students. This can be achieved through various means, such as implementing transparent communication strategies, investing in socially responsible initiatives and promoting ethical business practices. Second, business schools should recognize the crucial role of BE and BT in mediating the relationship between CSR and BL. They can leverage these factors by designing and implementing CSR initiatives that align with their brand values and resonate with their students and stakeholders. This allows them to create a positive brand image and increase loyalty, which can lead to long-term business success. Thirdly, Nepali business schools are encouraged to develop a strategic brand building framework as this will help create a competitive advantage among the booming business schools. They could invest in various forms of CSR activities and motivate students to promote social well-being. This would allow students to increase brand trust, brand experience and brand loyalty

among themselves. Finally, universities could develop guidelines to guide the long-term sustainable brand building process so that they could achieve the goal of attracting national and international students to their business schools.

It is important to recognize the limitations of new research, even considering its encouraging outcomes. First, because the study employs a cross-sectional technique, in which data are gathered at a particular point in time, it is challenging to draw significant correlations from the results. To address this limitation, future studies should collect data from a broader range of students, parents, and community members across disciplines and use a longitudinal approach to assess the associations between variables over time. Second, the study of CSR activities in business schools and colleges relied exclusively on a quantitative approach. It is important to validate the claims derived from the quantitative data using qualitative techniques. Future research might therefore consider conducting interviews with students and community members to collect additional qualitative data. Furthermore, because the study's exclusive emphasis was the Kathmandu Valley, its findings might not apply to other areas because respondents from other valleys would have a different perspective on or interpretation of the data.



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