

Do Empathic Consumers Perceive Corporate Philanthropy Differently? Implications for Brand Loyalty Across Demographics

Ahmed BEN HOUMANE

Ascencia Business School – Paris, France

Léo TRESPEUCH

UQTR – Trois rivières, Canada

Elisabeth Robinot

ESG, UQAM – Montréal, Canada

Abstract

This study explores the relationships between corporate philanthropy, empathic predispositions, and brand loyalty within the context of consumer behavior and corporate social responsibility (CSR). Focusing on perceived corporate philanthropy (PCP), it investigates how consumer perceptions influence attitudes and behaviors, with empathy as a key moderating variable. Using a self-administered survey conducted among 430 Canadian respondents, the research employs the Net Promoter Score (NPS) to measure brand loyalty and satisfaction. The findings reveal a surprising dynamic: heightened empathic predispositions may paradoxically reduce positive perceptions of corporate philanthropy, yet PCP demonstrates a strong positive link to brand loyalty. Demographic factors, such as gender, further moderate these relationships, emphasizing the importance of a nuanced approach to understanding consumer responses to corporate philanthropy. This study contributes valuable insights for both academia and practitioners seeking to optimize CSR strategies and enhance brand loyalty through targeted, empathy-informed initiatives.

Keywords: Corporate Philanthropy, Perceived Philanthropy, Brand Loyalty, Empathic Predispositions, Net Promoter Score (NPS)

Introduction

Corporate philanthropy has become a significant aspect of corporate strategy, with contributions in the U.S. alone averaging \$21 billion annually (Gardberg et al., 2017; Park et al., 2016). This growth reflects not only its societal impact but also the strategic advantages it offers businesses, such as an enhanced public image, improved employee engagement, and tax benefits. At the same time, evolving consumer expectations have made CSR increasingly vital, as consumers now demand that companies contribute positively to society (Golob et al., 2008).

Despite its recognized importance, corporate philanthropy remains the subject of debate regarding its underlying motivations. Scholars have questioned whether it arises from genuine altruism or strategic self-interest, often suggesting that it serves as a tool for competitive advantage and stakeholder appeasement (Gautier & Pache, 2015). While much of the research has focused on the organizational drivers and outcomes of corporate giving, the consumer perspective (particularly how individuals perceive and react to corporate philanthropic efforts) remains underexplored. This gap is especially pertinent for understanding Perceived Corporate Philanthropy (PCP), or the way consumers interpret a company's philanthropic actions, which has critical implications for consumer attitudes and behaviors, including brand loyalty (Trespeuch & Robinot, 2023).

In today's consumer-driven market, where purchasing decisions are often influenced by personal values and societal concerns, understanding how PCP shapes brand loyalty is both timely and necessary. Companies that authentically align their philanthropic initiatives with consumer expectations have the potential to foster stronger emotional connections, driving not only brand loyalty but also broader business success. However, loyalty is a complex construct encompassing emotional, behavioral, and cognitive dimensions, and the nuances of its relationship with PCP warrant further investigation.

This study addresses these gaps by exploring the role of PCP in influencing brand loyalty, with a particular focus on individual consumer differences, such as empathetic predispositions. Using the Net Promoter Score (NPS) as a practical measure of loyalty, this research examines how perceptions of corporate philanthropy interact with consumer characteristics to shape loyalty outcomes.

Understanding the Dynamics of Philanthropy, Empathy, and Brand Loyalty

Perceived Corporate Philanthropy (PCP) refers to consumers' views of a company's voluntary commitment to social or environmental causes, distinct from its commercial activities (Trespeuch & Robinot, 2023). While CSR encompasses broader responsibilities, PCP is driven by genuine generosity (Gautier & Pache, 2015; Godfrey, 2005; Maignan, 2001).

PCP's impact on consumer behavior is significant but complex. Positive perceptions of corporate motives can foster trust and loyalty, while negative ones can lead to skepticism and reduced loyalty (Audrain-Pontevia & Garnier, 2021; Bianchi et al., 2019; Chen et al., 2021; Fan et al., 2022; Forehand & Grier, 2003; Park et al., 2016).

We used the Net Promoter Score (NPS) to measure loyalty due to its simplicity and benchmarking ability (Baquero, 2022; Dawes, 2023), though it has been criticized for its limitations in capturing the full scope of loyalty (Pingitore et al., 2007; Schlosser, 2023). Despite these limitations, NPS remains useful when interpreted carefully (Baehre et al., 2022; Fisher & Kordupleski, 2019). The strengths of NPS are rooted in its simplicity and standardization, providing an efficient way for evaluating customer loyalty, which is particularly beneficial for large-scale surveys (Baquero, 2022). Furthermore, its extensive use across industries enables benchmarking (Dawes, 2023). Despite these advantages, continuous debates underscore concerns regarding the single-question format of NPS (Pingitore et al., 2007; Schlosser, 2023), which may neglect the intricacies of customer loyalty and potential variations in interpretation due to cultural and industry differences. (Baehre, O'Dwyer,

O'Malley, & Story, 2022). In our study, we examine the perception of a pool of 50 corporations and by integrating NPS into our research, we aim to leverage its strengths in providing a standardized and practical measure of loyalty without lengthening our survey. However, we acknowledge the necessity for a nuanced interpretation of results related to this metric.

In examining 50 corporations, this study explores how consumers' perceptions of corporate philanthropy, along with personal characteristics like empathy and demographics, influence brand loyalty. Given the conflicting findings in prior research, this study provides insight into how companies can align their philanthropic strategies with consumer values to enhance loyalty.

Empathy, the ability to understand and share others' feelings, plays a key role in customer satisfaction by creating emotional connections with companies. Research shows that when companies evoke empathy, customer satisfaction increases, which can boost loyalty (Curtis et al., 2011). Individuals with higher empathic predispositions are more likely to view corporate philanthropy favorably, potentially leading to stronger loyalty compared to those with lower empathy. Hence, we hypothesize:

H₁: Heightened levels of empathic predisposition have a positive impact on the perception of corporate philanthropic endeavors.

H₂: A positive perception of corporate philanthropy has a positive impact on loyalty toward the company.

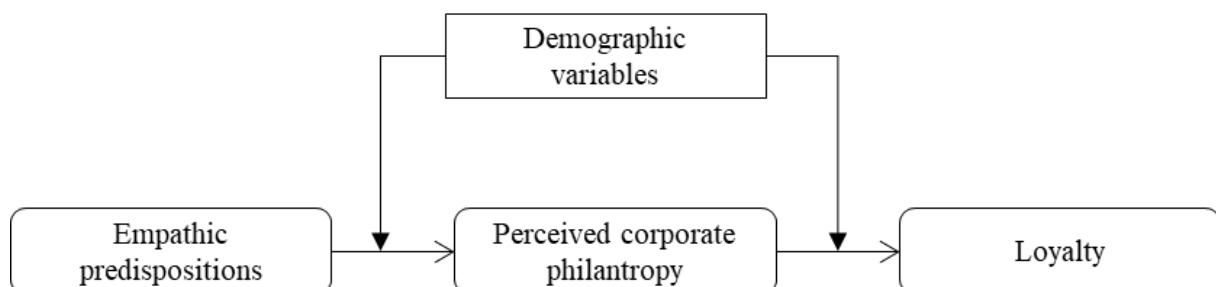
The relationship between empathic predisposition, perceived philanthropy, and loyalty is complex and influenced by demographic factors like gender, age, education, and income. For example, women, who often exhibit higher affective empathy, may be more receptive to corporate philanthropy (Luengo Kanacri et al., 2021). Similarly, age and education shape cognitive empathy, affecting how individuals interpret corporate giving. These demographic variables significantly influence brand loyalty (Kamboj & Rahman, 2016). Consequently, we posit the hypothesis that:

H₃: Demographic variables moderate the relationship between empathic predispositions and perceived corporate philanthropy.

H₄: Demographic variables moderate the relationship between perceived corporate philanthropy and brand loyalty.

The following model is a visual representation of our conceptual model.

Fig. SEQ Fig. 1 ARABIC 1: Conceptual model*



Methodology:

In December 2023, an online self-administered survey was employed to explore the recognition and perception of philanthropic actions by corporations among a sample of 430

Canadians respondents. The survey incorporated a list of the 50 most generous Canadian corporations, based on actual figures, and respondents were tasked with identifying the corporations they recognized. Subsequently, they evaluated their perception of the philanthropic actions of the recognized corporations using the scale developed by Trespeuch & Robinot (2023). Additionally, The Interpersonal Reactivity Index was utilized to measure the respondents' empathic predisposition (Davis, 1980). Finally, we used the NPS indicator to measure the loyalty toward the company. This methodology facilitated the collection of data on the recognition and perception of corporate philanthropy among Canadian respondents and their empathic predisposition, offering valuable insights into the influence of corporate philanthropy on public perception.

Results

The sample comprised 4,554 valid entries, with each of the 430 respondents evaluating more than four companies, resulting in a decent dataset for analysis. The demographic breakdown of the sample closely mirrors national figures, providing a solid foundation for generalization. Gender distribution was 55.8% female and 44.2% male, slightly skewed toward females compared to national data (50.4%). Age-wise, the respondents covered a wide spectrum, with notable representations in the 25–34 years (15.3%) and 65+ years (18.5%) age categories, aligning with Canadian population trends (14.7% and 18.9%, respectively). Additionally, substantial proportions were observed in the 35–44 years (24.5%) and 45–54 years (18.1%) age groups, which enhances the understanding of middle-aged cohorts.

In terms of educational background, 32.5% of respondents held bachelor's degrees, and 27.9% held college diplomas, both exceeding national averages of 24.4% and 21.3%, respectively. The income distribution also reflected higher-than-average participation in the middle-income brackets (\$50,000–\$74,999 and \$75,000–\$99,999), allowing for a detailed examination of socio-economic factors.

Hypotheses Testing

After verifying the validity and reliability of the employed scales and to test the hypotheses, we employed a moderated mediation analysis using Hayes' PROCESS macro for SPSS (Model 75). The analysis explored the relationship between empathic predispositions (EMP), perceived corporate philanthropy (PCP), and brand loyalty (NPS), while accounting for potential moderating effects of gender and age.

Direct Effects

The direct effect of empathic predispositions on perceived corporate philanthropy was positive but not statistically significant (Coefficient = 0.1569, SE = 0.0926, $t = 1.6952$, $p = 0.0901$). This result suggests that heightened empathic predispositions do not consistently enhance consumers' perceptions of corporate philanthropic actions, failing to provide support for **H1**.

In contrast, a robust positive relationship between perceived corporate philanthropy and brand loyalty was confirmed (**H2 supported**). The coefficient for PCP predicting NPS was 1.8702 (SE = 0.2008, $t = 9.3131$, $p < 0.0001$), indicating that companies perceived as engaging in genuine philanthropic activities garnered significantly higher loyalty from consumers.

Moderating Effects of Gender and Age

We investigated the moderating roles of gender and age on the relationships between EMP, PCP, and NPS. Regarding the moderating role of **gender** in the relationship between PCP

and empathy (**H3 partially supported**), a significant interaction was observed (Coefficient = 0.1078, SE = 0.0292, $t = 3.6966$, $p = 0.0002$). This finding suggests that gender influences the empathic response to perceived corporate philanthropy, with males exhibiting a stronger empathic response than females.

However, **H4**, which hypothesized a moderating effect of gender on the relationship between empathy and brand loyalty, was not supported. The interaction between EMP and gender in predicting NPS was not statistically significant (Coefficient = -0.0849, SE = 0.0547, $t = -1.5502$, $p = 0.1212$), indicating that gender does not significantly alter the impact of empathy on loyalty.

In contrast, **age** emerged as a significant moderator of the relationship between empathy and brand loyalty. Negative interactions between EMP and Age categories 2 to 5 (covering the 25–64 age range) were statistically significant, indicating that the positive effect of empathy on brand loyalty diminishes among middle-aged individuals. For example, the interaction between EMP and Age category 2 (25–34 years) was significant (Coefficient = -0.2264, SE = 0.0974, $t = -2.3251$, $p = 0.0201$), revealing that empathy plays a less pronounced role in driving loyalty in this demographic compared to younger (18–24 years) and older (65+ years) individuals.

These findings are further reinforced by the conditional indirect effects of EMP on NPS via PCP. The indirect effects, moderated by both age and gender, indicate varying levels of mediation across demographic groups. For instance, in the 18–24 age group, the indirect effect was 0.4727 for males and 0.6336 for females, while in the 65+ group, the indirect effect was 0.4237 for males and 0.6229 for females. This suggests that PCP serves as a stronger mediator in younger and older individuals compared to middle-aged groups, where the effect of empathy on loyalty is attenuated.

Summary of Findings (see apdx 1 for major results).

In summary, while empathic predispositions did not directly influence perceived corporate philanthropy, a strong positive relationship between PCP and brand loyalty was confirmed. Gender moderated the relationship between PCP and empathy, with males showing a stronger empathic response to corporate philanthropy. However, gender did not significantly moderate the relationship between empathy and brand loyalty. Age, on the other hand, moderated the impact of empathy on loyalty, with middle-aged individuals showing a diminished response compared to younger and older cohorts. These results underscore the complexity of the interconnections among empathic predispositions, perceived corporate philanthropy, and brand loyalty, with demographic factors playing a crucial role in shaping these relationships.

Discussion and Conclusion

This study aimed to investigate the intricate dynamics between empathic predispositions (EMP), perceived corporate philanthropy (PCP), and brand loyalty, measured through the Net Promoter Score (NPS), while considering the moderating effects of demographic variables such as age and gender. The findings present a nuanced analysis that both aligns with and challenges existing literature, offering valuable insights for academia and corporate practice.

Contrary to expectations, heightened empathic predispositions did not consistently enhance perceptions of corporate philanthropic efforts. This counterintuitive finding aligns with studies suggesting that highly empathic individuals may exhibit increased skepticism toward corporate philanthropy, scrutinizing its authenticity and the motives behind it (de Jong & van der Meer, 2017; Lu & Schuldt, 2016). Highly empathic consumers are more attuned to the

authenticity of philanthropic efforts and may question corporate motives when they perceive a lack of sincerity or alignment with societal values. Potentially, when empathy is elicited as self-serving or strategic rather than altruistic, it may backfire (Kuokkanen & Sun, 2020). This critical stance underscores the complex nature of consumer perception, where empathy does not automatically lead to favorable views of corporate philanthropy but may instead result in heightened scrutiny (Singh & Verma, 2018).

On the other hand, this study confirms a robust positive relationship between PCP and brand loyalty. Consumers who perceive corporate philanthropy as genuine and closely aligned with a company's values are more likely to exhibit loyalty to those brands, reflecting a broader body of research on the positive effects of corporate social responsibility (Bianchi et al., 2019; Park et al., 2016).

Gender emerged as a significant moderator, with the relationship between PCP and brand loyalty being more pronounced among female consumers, who often prioritize ethical practices and corporate responsibility (Kamboj & Rahman, 2016; Luengo Kanacri et al., 2021). However, gender did not significantly moderate these relationships, suggesting that the positive impact of corporate philanthropy on brand loyalty holds across demographics, although females respond more positively. These findings highlight the need for companies to further understand gendered loyalty strategies for their philanthropic efforts and tailor messaging to different demographic groups to maximize their impact.

Demographic variables did not consistently moderate the relationship between empathy and corporate philanthropy. While gender did moderate the relationship between PCP and empathy, it did not significantly alter the relationship between EMP and brand loyalty. However, age proved to be a significant moderator, with the impact of empathy on brand loyalty diminishing in middle-aged groups (25–64 years). For example, the interaction between EMP and some age categories was significant, particularly for the 25–34 years demographic. This pattern suggests that empathy translates into brand loyalty more effectively in younger and older consumers, whereas middle-aged consumers—often burdened with various life-stage priorities such as work, family responsibilities, and financial obligations—may be less influenced by empathetic triggers when evaluating corporate actions (Lachman, 2004).

The presence of a consistent mediating effect of PCP on the empathy-brand loyalty link, particularly within some minor-to-moderate age effects, underscores the importance of nuanced strategies that address both emotional triggers and corporate social practices (Kamboj & Rahman, 2016).

Conclusion

This study highlights the significant role of perceived corporate philanthropy (PCP) in fostering brand loyalty, while demonstrating that empathic predispositions alone do not directly enhance perceptions of corporate philanthropy. Instead, highly empathic individuals may critically assess corporate motives, especially when they perceive a lack of authenticity. Demographic factors, such as age and gender, played a key role in moderating these relationships. Middle-aged consumers, likely managing various life-stage priorities, showed reduced responsiveness to empathy-driven loyalty compared to younger and older cohorts.

In summary, while corporate philanthropy positively influences brand loyalty, its effectiveness varies based on demographic sensitivities. Tailoring corporate social responsibility strategies to specific consumer groups is essential for maximizing loyalty outcomes. Future research should explore additional cultural and psychological factors to deepen understanding of these dynamics.

Bibliography

- Audrain-Pontevia, A. F. & Garnier, I. (2021). Are your customers grateful? How customer gratitude impacts loyalty programme effectiveness. *International Journal of Retail and Distribution Management*, 49(12), 1660–1679. <https://doi.org/10.1108/IJRDM-10-2020-0426/FULL/PDF>
- Baehre, S., O'Dwyer, M., O'Malley, L. & Story, V. M. (2022). Customer mindset metrics: A systematic evaluation of the net promoter score (NPS) vs. alternative calculation methods. *Journal of Business Research*, 149, 353–362. <https://doi.org/10.1016/J.JBUSRES.2022.04.048>
- Baquero, A. (2022). Net Promoter Score (NPS) and Customer Satisfaction: Relationship and Efficient Management. *Sustainability (Switzerland)*, 14(4), 2011. <https://doi.org/10.3390/su14042011>
- Bianchi, E., Bruno, J. M. & Sarabia-Sanchez, F. J. (2019). The impact of perceived CSR on corporate reputation and purchase intention. *European Journal of Management and Business Economics*, 28(3), 206–221. <https://doi.org/10.1108/EJMBE-12-2017-0068/FULL/PDF>
- Chen, C. C., Khan, A., Hongsuchon, T., Ruangkanjanases, A., Chen, Y. T., Sivarak, O. & Chen, S. C. (2021). The Role of Corporate Social Responsibility and Corporate Image in Times of Crisis: The Mediating Role of Customer Trust. *International Journal of Environmental Research and Public Health* 2021, Vol. 18, Page 8275, 18(16), 8275. <https://doi.org/10.3390/IJERPH18168275>
- Curtis, T., Abratt, R., Rhoades, D. & Dion, P. (2011). Customer Loyalty, Repurchase and Satisfaction: A Meta-Analytical Review. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24, 1–26. <https://www.jcsdcb.com/index.php/JCSDCB/article/view/14>
- Davis, (1980). *Individual differences in empathy: a multidimensional approach* /. June. https://www.researchgate.net/publication/34891073_A_Multidimensional_Approach_to_Individual_Differences_in_Empathy
- Dawes, J. G. (2023). The net promoter score: What should managers know? *International Journal of Market Research*. https://doi.org/10.1177/14707853231195003/ASSET/IMAGES/LARGE/10.1177_14707853231195003-FIG3.JPEG
- de Jong, M. D. T. & van der Meer, M. (2017). How Does It Fit? Exploring the Congruence Between Organizations and Their Corporate Social Responsibility (CSR) Activities. *Journal of Business Ethics*, 143(1), 71–83. <https://doi.org/10.1007/s10551-015-2782-2>
- Fan, X., Deng, N., Qian, Y. & Dong, X. (2022). Factors Affecting the Effectiveness of Cause-Related Marketing: A Meta-Analysis. *Journal of Business Ethics*, 175(2), 339–360. <https://doi.org/10.1007/S10551-020-04639-6/METRICS>
- Fisher, N. I. & Kordupleski, R. E. (2019). Good and bad market research: A critical review of Net Promoter Score. *Applied Stochastic Models in Business and Industry*, 35(1), 138–151. <https://doi.org/10.1002/ASMB.2417>
- Forehand, M. R. & Grier, S. (2003). When Is Honesty the Best Policy? The Effect of Stated Company Intent on Consumer Skepticism. *Journal of Consumer Psychology*, 13(3), 349–

356. https://doi.org/10.1207/S15327663JCP1303_15

- Gardberg, N. A., Zyglidopoulos, S. C., Symeou, P. C. & Schepers, D. H. (2017). The Impact of Corporate Philanthropy on Reputation for Corporate Social Performance. *Https://Doi.Org/10.1177/0007650317694856*, 58(6), 1177–1208. <https://doi.org/10.1177/0007650317694856>
- Gautier, A. & Pache, A.-C. (2015). Research on Corporate Philanthropy: A Review and Assessment. *Source: Journal of Business Ethics*, 126(3), 343–369. <https://doi.org/10.1007/s>
- Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *Academy of Management Review*, 30(4), 777–798. <https://doi.org/10.5465/AMR.2005.18378878>
- Golob, U., Lah, M. & Jančič, Z. (2008). Value orientations and consumer expectations of Corporate Social Responsibility. *Journal of Marketing Communications*, 14(2), 83–96. <https://doi.org/10.1080/13527260701856525>
- Kamboj, S. & Rahman, Z. (2016). The influence of user participation in social mediabased brand communities on brand loyalty: Age and gender as moderators. *Journal of Brand Management*, 23(6), 679–700. <https://doi.org/10.1057/s41262-016-0002-8>
- Kuokkanen, H. & Sun, W. (2020). Companies, Meet Ethical Consumers: Strategic CSR Management to Impact Consumer Choice. *Journal of Business Ethics*, 166(2), 403–423. <https://doi.org/10.1007/S10551-019-04145-4/METRICS>
- Lachman, M. E. (2004). Development in midlife. *Annual Review of Psychology*, 55, 305–331. <https://doi.org/10.1146/ANNUREV.PSYCH.55.090902.141521>
- Lu, H. & Schuldt, J. P. (2016). Compassion for climate change victims and support for mitigation policy. *Journal of Environmental Psychology*, 45, 192–200. <https://doi.org/10.1016/J.JENVP.2016.01.007>
- Luengo Kanacri, B. P., Eisenberg, N., Tramontano, C., Zuffiano, A., Caprara, M. G., Regner, E., Zhu, L., Pastorelli, C. & Caprara, G. V. (2021). Measuring Prosocial Behaviors: Psychometric Properties and Cross-National Validation of the Prosociality Scale in Five Countries. *Frontiers in Psychology*, 12, 693174. <https://doi.org/10.3389/fpsyg.2021.693174>
- Maignan, I. (2001). Consumers' perceptions of corporate social responsibilities: A cross-cultural comparison. *Journal of Business Ethics*, 30(1), 57–72. <https://doi.org/10.1023/A:1006433928640/METRICS>
- Park, J., Choi, J. & Yeu, M. (2016). Relationship between corporate philanthropy and consumer loyalty - the mediating role of gratitude, trust and commitment: South Korean consumer perspectives. *Academy of Marketing Studies Journal*, 20(1), 1–17.
- Pingitore, G., Morgan, N. A., Rego, L. L., Gigliotti, A. & Meyers, J. (2007). The single-question trap. *Marketing Research*, 19(2), 8–13. https://web.s.ebscohost.com/abstract?direct=true&profile=ehost&scope=site&authtype=crawler&jrnl=10408460&AN=25930397&h=jtwkM%252FOez7JWClyxCwEH54T7hKbhqMK52qLZNV8xFsnt%252FHoarEo4961iaX%252BS%252BQ5M876K1rMh8o9dHhLwei49SA%253D%253D&crl=c&casa_token=zeMdCwWJR8kAAAAA%253
- Schlosser, A. (2023). To recommend or not recommend is the question: Does NPS predict

word-of-mouth? *International Journal of Market Research*.
<https://doi.org/10.1177/14707853231186309>

Trespeuch, L. & Robinot, É. (2023). Exploring the Impact of Corporate Philanthropy on Brand Authenticity in the Luxury Industry: Scale Development and Empirical Studies. In *Sustainability* (Vol. 15, Issue 16). Multidisciplinary Digital Publishing Institute (MDPI).
<https://doi.org/10.3390/su151612274>

Appendix 1

Table 1: Major Findings

Predictor Variable	Outcome Variable	Coefficient	SE	t	p	Moderation/Note
EMP	PCP	0.1569	0.0926	1.6952	0.0901	Not statistically significant
PCP	NPS	1.8702	0.2008	9.3131	0.0000	PCP strongly predicts NPS (Supported H2)
PCP×Gender	EMP	0.1078	0.0292	3.6966	0.0002	Significant moderation by Gender (H3)
PCP×Age	EMP	-0.2264	0.0974	-2.3251	0.0201	Significant moderation by Age for EMP
EMP×Gender	NPS	-0.0849	0.0547	-1.5502	0.1212	Not statistically significant (H4 not supported)
EMP×Age	NPS	-0.2264	0.0974	-2.3251	0.0201	Significant moderation by Age for NPS