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CORPORATE SOCIAL RESPONSIBILITY EFFECT ON CUSTOMER TRUST AND LOYALTY IN THE RETAIL FUEL INDUSTRY IN MONTENEGRO

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Iscte – Instituto Universitário de Lisboa

October, 2024

Department of Marketing, Strategy and Operations

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To my son, husband and family.

Resumo

A responsabilidade social corporativa (RSC) é um conceito multidimensional e complexo que tem ganho relevância e implicações práticas em vários setores empresariais. No contexto de Montenegro, ainda existe incerteza sobre a extensão em que as práticas de RSC deveriam ser exploradas estrategicamente. Este estudo tem como objetivo investigar o efeito da RSC na confiança e lealdade dos clientes na indústria de combustíveis de retalho em Montenegro, bem como examinar a relação entre a confiança e a lealdade dos clientes. Dados de uma amostra de 114 participantes de Montenegro foram recolhidos através de um questionário online para analisar estas relações, com base na literatura existente. Os resultados sugerem a importância significativa das responsabilidades económicas e ambientais para a confiança e lealdade dos clientes. Os achados também revelaram uma relação significativa entre a confiança e a lealdade dos clientes. As recomendações incluem o desenvolvimento de uma estrutura abrangente de RSC, com foco nas dimensões que afetam os clientes, e a promoção de uma comunicação transparente das iniciativas e resultados de RSC através dos meios de comunicação e relatórios corporativos. Os clientes devem participar ativamente no desenvolvimento e ajuste da estratégia de RSC, através da recolha constante de feedback. As limitações incluem o uso de um contexto específico para a indústria e para o país, o que pode limitar a generalização dos resultados. O estudo fornece informações valiosas para as empresas de combustíveis de retalho em Montenegro que procuram aproveitar a estratégia de RSC para alcançar o sucesso a longo prazo num mercado competitivo.

Keywords: Corporate Social Responsibility (CSR), Customer trust, Customer loyalty, Retail fuel industry

JEL Classifications: M14 - Social Responsibility; D12 - Consumer Economics: Empirical Analysis

Abstract

Corporate social responsibility (CSR) is a multidimensional and complex concept that has gained relevance and practical implication within various business sectors. In the context of Montenegro, there is still uncertainty regarding the extent to which CSR practices should be used as a strategic tool. The study aims to investigate the effect of CSR on customer trust and customer loyalty in the retail fuel industry in Montenegro, as well as to examine the relationship between customer trust and customer loyalty. Data from a sample of 114 participants, from Montenegro, were gathered through an online questionnaire in order to analyze these relationships, built upon existing literature. The results implied the significant importance of economic and environmental responsibilities on customer trust and loyalty. The finding also revealed significant relationship between customer trust and customer loyalty. Recommendations include on developing a comprehensive CSR framework by focusing on dimensions that affect customers and prompting transparent communication of CSR initiatives and outcomes through media and reporting. Customers should be active participants in developing and adjusting CSR strategy through constant feedback collection. Limitations include the use of an industry-specific and country-specific contexts, which may limit the generalizability of the findings. The study provides valuable insights for retail fuel companies in Montenegro seeking to leverage CSR strategy for long-term success in the competitive market landscape.

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Glossary

CSR – Corporate Social Responsibility

SRB – Social Responsibilities of the Businessman

EU – European Union

CT – Customer Trust

CL – Customer Loyalty

ECON_RES – Economic Responsibility

ENV_RES – Environmental Responsibility

ETH_RES – Ethical Responsibility

PHIL_RES – Philanthropic Responsibility

CHAPTER 1

Introduction

The concept of Corporate Social Responsibility (hereinafter CSR) is in the last few decades recognized as an important strategy tool of a business organization to provide more responsibilities towards the society besides making a profit for the shareholders (Carroll & Shabana, 2010). Therefore, companies more than ever invest in different socially responsible practices to enhance their goodwill. CSR is also identified as the relationship of a company with all of its stakeholders (customers, employees, communities, government, suppliers, etc.) (Premanathan & Rajini, 2019). Recent studies have confirmed many benefits of CSR, both monetary and non-monetary (White, 2006). For instance, CSR can have a positive effect on financial performance, competitive advantage, employee satisfaction and retention, and the company's overall reputation (Carroll & Shabana, 2010). Thus, CSR could be additionally defined as a competitive strategic tool for companies to increase their profits through customer loyalty, customer trust (Islam et al., 2021; Rahdari et al., 2020), and positive attitudes toward the company's brand (Calabrese et al., 2015).

Nowadays, in the fast-paced environment, which is shifting to a more digitalized form, customers have a vital point in growing pressure for companies to adapt and nurture transparent and socially responsible activities (Iglesias et al., 2019; Lindfelt & Törnroos, 2006; Markovic et al., 2018). Consequently, customers would punish poor company activities that harm the planet and society (Nyilasy et al., 2014) and on the other hand, CSR activities that are perceived by customers as positive and sincere would enhance their loyalty to that company (Iglesias et al., 2019; Park et al., 2017). Customer loyalty can be defined as a customer's willingness to support and trade with a company over the long term (Lovelock & Wirtz, 2011). In other words, companies have to work on building a successful long-term customer relationship, as opposed to former product price and quality optimization (Kuusik, 2007). Specifically, in the retail industry customer loyalty has vital importance, demonstrating that loyalty is multidimensional and significantly influences customer behavior.

In order for a company to establish a long-term relationship with a customer foundational imperative is their trust (Halliburton & Poenaru, 2010). Customer trust is derived from the consistent delivery of quality service and products, meeting customer needs, providing honest and fair treatment, and nurturing confidence that a company has a customer's best interest in mind (Berry, 1999). Multiple research studies have explained the positively related socially responsible practices of the company/ the brand to customer trust in such company/ brand (e.g. Lin et al., 2011; Martínez & Rodríguez del Bosque, 2013; Swaen & Chumpitaz, 2008). Accordingly, in the retail industry Castaldo et al. (2009) showed that customer perceived CSR is positively related to customer trust.

As fuel is classified as a homogeneous product (Dewenter et al., 2012), meaning a customer cannot make a difference between product types, it underlines the strategic imperative for retail fuel companies to differentiate themselves within a competitive landscape. Retail businesses are defined as ones that sell goods and services to customers for their use or enjoyment (Prasetyo et al., 2022). In this thesis, the focus is on retail fuel companies, that beyond selling the primary product of fuel, also provide a range of additional items and services commonly known as convenience stores. Montenegro lacks domestic production of oil products and does not possess any refineries. According to the current governmental plan, there are no intentions to establish such facilities in the near future. All oil derivatives are imported and mainly from Greece (Ministry of Economics, 2014). Major players in the country encompass Jugopetrol AD with EKO brand, Petrol, Ina, Lukoil, and Hifa-Oil. The retail fuel prices in the country are regulated by the government, defining maximum thresholds for basic fuel products, i.e. diesel automotive fuel, gasoline 95, and gasoline 98. From 2021 the government decided to renew the decree and allow fuel retailers to introduce differentiated, premium fuels, that could be priced above maximum threshold. However, given the lack of distinctions in fuel product features and the regulated pricing framework, there are no monetary switching costs (Chen, 2018) for a customer to change a fuel supplier.

In previous academic literature, the impact of CSR on customer loyalty has been illustrated through different constructs such as brand awareness (Du et al., 2007; Mohr & Webb, 2005), brand attitude (He & Li, 2011), and brand satisfaction (Alvarado-Herrera et al., 2010; Luo & Bhattacharya, 2006). Moreover, the mediation role of customer trust in the relationship between CSR and customer loyalty has been demonstrated through studies (Pivato et al., 2008; Vlachos et al., 2009).

The research is aimed towards the retail fuel industry in Montenegro and the primary purpose is to examine the relationship between CSR, customer trust, and customer loyalty and its effect in the industry. Additionally, the research examines the indirect effect of customer trust and customer loyalty, as many previous studies identified trust as a driver of customer loyalty (Bibb & Kourdi, 2007; Chaudhuri & Holbrook, 2001; Deng et al., 2010; Gul, 2014; Hsu, 2008; Kishada & Wahab, 2013; Liang & Wong, 2004). Although several studies have studied the effects of CSR practices in the retail business industry and reported positive outcomes (Ailawadi et al., 2014; Lombart & Louis, 2014; Pérez & Del Bosque, 2015), there is a lack of discussion regarding customer trust and customer loyalty in the context of the retail fuel business, including Montenegro. Lastly, the research aims to provide recommendations and insights for retail fuel companies to make informed decisions regarding appropriate CSR practices and marketing strategies. To summarize, the main objectives are as follows:

- To examine the effect of CSR on customer trust and customer loyalty within retail fuel companies.
- To analyze the relationship between the customer trust and customer loyalty.

- To provide recommendations for future steps in CSR practices and their marketing strategies in retail fuel companies.

In order to address these objectives, it is essential to start with the primary research focused on CSR, customer trust and customer loyalty, their antecedents and evolution, and if customer trust has any effect on customer loyalty. Therefore, considering the purpose of this thesis, as well as the importance of CSR and as one of the main strategic tools used to reach a competitive advantage in the retail fuel industry, including in Montenegro, the two research questions are:

Research Question 1: “Does Corporate Social Responsibility positively effect customer trust and customer loyalty toward retail fuel companies in Montenegro?”

Research Question 2: “How does customer trust effect customer loyalty?”

In conclusion, this study conducts comprehensive research on CSR effect on customer trust and customer loyalty through theoretical discussion and empirical analysis. As previously motioned, it aims to offer specific insights and references for retail fuel companies and academia as to encourage more active CSR practices.

1.1. Dissertation Structure

This thesis follows a structured framework to thoroughly understand how and whether CSR effects customer trust and customer loyalty in the retail fuel industry in Montenegro. The aim is to present a clear, comprehensive study that contributes to discussions in the field and offers a detailed research interpretation.

The introduction chapter provides contextualization and definition of the research question, outlining the purpose and aim of the research, states the research objectives, and structure of the dissertation.

The second chapter consists of comprehensive literature review of the related topics and fields, used as the foundation for the theoretical framework of this study based on existing academic theories. Furthermore, the secondary research was used for developing the conceptual model and formulating research hypotheses. The review encompasses the possible correlation between the independent variable, that includes the four dimensions of fuel retailers’ CSR practice, such as economic responsibility, environmental responsibility, ethical responsibility, and philanthropic

responsibility, and dependent variables, customer trust and customer loyalty. In addition to the research examines correlation between customer trust and customer loyalty.

Subsequently, the Methodology chapter describes the research design, data collection process, and analytical methods. This is followed by the fourth chapter, which presents the findings of empirical study's research. Therefore, this chapter examines the relationships between CSR dimensions and customer trust and customer loyalty, as well as the link between customer trust and customer loyalty, within the context of the retail fuel industry in Montenegro. Finally, the chapter interprets the data to certain extent, so those could be discussed in the last chapter.

The thesis is concluded with discussion on obtained results, by comparing them with previous studies, followed by theoretical and managerial contributions, discussion of potential implications for academics and industry practitioners based on the research findings. Also this chapter addresses research limitations and offers suggestions and recommendations for future research.

Literature Review

2.1. Corporate Social Responsibility (CSR)

The term Corporate Social Responsibility was first defined and conceptualized, according to Carroll (2008), in 1953, with the publication of Howard R. Bowen's publication *Social Responsibilities of the Businessman* (hereinafter SRB). In Bowen's publication (1953) he provided one of the first definitions of CSR, then referred to as SRB, as "...the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953, p. 6). Although research on the topic of CSR began in 1950s, the concept remains complex and multidimensional. Its complexity led to many definitions of the concept, but most of them are based on two common approaches: companies must obey the law and gain profit, while having responsibilities beyond legal and economic duties; companies are not responsible just to their shareholders, but also to stakeholders (Louis et al., 2019). We may argue that companies are not fully responsible for addressing socio-economic concerns, but their influence and activities may impact the world in both positive and negative ways. In this context, CSR comes as a tool that, in the long-run brings benefits. However, there is no "one-size-fits-all" solution for CSR policies, which means that a certain policy may bring benefit to a company, and the same one might not be applicable to another company (Vogel, 2005).

Subsequently, CSR has a long-standing history and widespread usage in the corporate world, it is worth mentioning one of the most well-known conceptualization by Carroll (1979, 1991) known as "pyramid of corporate social responsibility". The pyramid shows four expectations that society has of a company/ organization: the economic responsibility ("being profitable"), the legal responsibility ("obeying the law"), the ethical responsibility ("being ethical") and the philanthropic responsibility ("being a good citizen"). Wood (1991) reexamined the conceptualization of CSR, introducing the broader concept of Corporate Social Performance (CSP) that focuses on principles of social responsibilities, processes of social responsiveness, including policies, programs, and the observable outcomes of a business activities. During the 1990s and 2000s, CSR was defined as a tool to integrate social and environmental dimensions into corporate activities, whereas the economic dimension was neglected, as these two dimensions together could lead to sustainable economic growth (Baumgartner, 2013). Mohr et al. (2001) defined CSR as a commitment of an organization in minimizing or eliminating any harmful effects and maximizing its long-run valuable impact on society, through economic, ethical, and helpful business practices. Other developed CSR concepts refer to business

ethics, stakeholder management, corporate citizenship, and sustainability (Carroll, 2008). Following these and other conceptual ideas, researchers have made various empirical studies and attempts to classify CSR practices of corporations (e.g. Wagner et al., 2008; Maignan et al., 2005). Driven by changes in corporate world and their impact on both society and the environment it operates in, apart from the researchers, governments and organizations got involved into measuring and reporting CSR practices. This led to the creation of different codes, global voluntary regulations, and guidelines like Global Reporting Initiative, the UN Global Compact, the Principles for Responsible Investment (PRI), and the redrafted Organization of Economic Co-operation and Development (Tripathi & Bains, 2013). As a part of this shift, the European Commission (2011) renewed its definition of CSR as “the responsibility of enterprises for their impacts on society”, requiring all companies to incorporate social responsibility into their operations for their competitiveness and note CSR as a tool for solving critical socio-economic problems.

In the retail fuel industry specifically, research on CSR and its effect is limited, so this paragraph will address a broader perspective of CSR in the oil and gas industry, as well as within the retail industry. According to Frynas (2005) the oil and gas industry has been among the leading industries when comes to the CSR, however the effectiveness of CSR initiatives is in question, as evidences showed a disconnect between the stated intentions of business leaders and the actual outcomes in practice. There are several challenges in implementing CSR activities, including the “standard asset risk” posed by global decarbonization efforts, high technology transformation costs, a lack of skilled human resources, failure to integrate CSR into strategic plans, and inability to involve beneficiaries, all of which potentially could impact a company value as severely as legal liabilities (Chowdhury et al., 2019). Lastly, the companies most engaged in CSR, when comes to the oil and gas industry, are ones that expand internationally and are dependent on international financial markets and international reputations (Frynas, 2009). On the other hand, the retail industry has not been recognized for its leadership in CSR, and it was rather criticized (Cacho-Elizondo and Loussaïef, 2010; Elg and Hultman, 2016; Lavorata et al., 2016). Pressure from governments, legislation, trade unions, and growing customer awareness, were drivers for retailers to gradually integrate CSR practices, starting from social and environmental dimensions (Jones et al., 2005; Jones et al., 2007; Binninger, 2009, Louis et al., 2019).

For the purpose of this research we will delve into four dimensions of CSR: economic, ethical, environmental and philanthropic responsibility. The legal responsibility, according to some researchers, is too broad and unnecessary, as nowadays compliance with both local and international laws is a must, and if not obeyed, it could cause negative reputation and image, as well as customer perception, leading to decreased intent to purchase (Bhattacharya & Sen, 2004). On the other hand, it is important to address the environmental dimension, since activities in this specific industry encompass environmental issues, apart from ones already mentioned (Frynas, 2005).

2.1.1. Economic Responsibility

Economic responsibility, or in general profit-making, is the basic “layer” of the CSR pyramid or the primary goal for a company that is required by society (Carroll, 1979). Therefore, profits are needed to reward stakeholders and to ensure company’s growth (Carroll, 2008). Additionally, a company’s ongoing responsibility to maximize profits ensures a strong competitive position and efficient operations, directly impacting employees and owners, while indirectly impacting society. In the research by Novak (1996), he outlined seven sets of economic responsibilities: (1) satisfy customers with goods and services of real value, (2) generate a fair return on the funds entrusted to the company by its investors, (3) create new wealth that benefits non-profit organizations holding shares in publicly-held companies and helps reduce poverty as wages increase, (4) create new jobs, (5) defeat envy by generating upward mobility and giving people hope for economic improvement, (6) drive innovation, and (7) diversify the economic interests of citizens to prevent the dominance of any majority group (Nasrullah & Rahim, 2014).

Nowadays, scholars such as Arsić et al. (2017), stated that companies should go beyond purely profit-making definition, implying that economic responsibility pursues a long-term sustainable business in order to respond effectively to business risks and to provide security to both stakeholders, and society as a whole. In addition to, Yoon et al. (2021) refer to the economic responsibility as an impact on society, people and the environment. Therefore, it also could be perceived that economic responsibility would improve environmental operations necessary to help engaging sustainability in a company (Caputo et al. 2021; Kerdpitak, 2022).

Companies need to understand and meet customer needs, in order to sustain product quality and competitive pricing, as doing so not only increases profit but also fulfill their economic responsibility. This way of understanding economic responsibility is crucial for building resilience and a sense of purpose, particularly in challenging societal contexts (Bundit et al., 2022). Hence, the economic responsibility affects customer loyalty (Mittal et al., 2008). On other hands, Salmone et al. (2005), Kim et al. (2017), and McCain et al. (2018) state the opposite, and in general the economic responsibility does not affect customer loyalty.

2.1.2. Environmental Responsibility

Due to the fact that information spread by both traditional and social media is quite fast, companies are more frequently judged on the basis of their environmental stewardship (Mazurkiewicz, 2004). Environmental stewardship is defined as management of human activities based on their impact on the natural environment in responsible manner, aiming to protect biodiversity and natural resources for future generations (Mathevet et al. 2018). Considering the nature of the retail fuel industry, and its impact on environmental issues, arising from the consumption of oil products by end-users and

contributing to global warming (not taking into account potential ecological hazards during oil operation), the research focuses on environmental responsibility rather than the legal one (Frynas, 2005). Environmental responsibility has gained attention along with popularization of environmentally sustainable development, and many researches in the early 2000s embedded the term of social responsibility into the discussion of environmental problems of an organization (Johan and Reyer, 2019; Tschopp, 2005; Zivin & Small, 2005). Indeed, the environmental concerns have become a key focus in shaping the attitude toward CSR (Bird et al., 2007; Wahba, 2008).

The term environmental responsibility could be defined as the commitment of an organization to good environmental performance (Cai et al., 2015). Moreover, every business has a role to play in keeping the environment safe (Ingsih, Wuryani, & Suhana, 2021).

Through literature review similar concepts play around environmental responsibility, including corporate environmental responsibility (CER), corporate environmental and social responsibility (CSER) and other. Flammer (2015) in his research confirmed that effective management of the corporate environmental responsibility increases employee and customer satisfaction, leading to improved financial performance. Similarly, Hanh et al. (2015) emphasized the importance of integrating economic, environmental, and social benefits for sustainable corporate development. In line with this argument is the research by Sarkar (2008) defined the relationship between environmental responsibility and economic interest as complex, where both competitive and cooperative factors should be balanced. This perspective underlines the need for a company to navigate the tension between profitability and environmental responsibility while establishing opportunities to benefit both areas. Environmental responsibility concept is also discussed while developing sustainable supply chains, which is considered of great importance for the retail fuel industry. The study by Mac-Kingsley and Pakubo (2018) affirmed that sustainable practices in supply chain in the retail fuel industry have a moderate, positive, and significant impact on environmental performance.

The key drivers of environmental responsibility are pressure from stakeholders, climate change and environmental regulations (de Bakker & Nijhof, 2002; Diaz-Garcia et al., 2015; He et al., 2018). Some researches refer to short to medium term financial benefits of a company through environmental or eco-efficiencies practices (e.g. Kiernan, 2001; Hart, 1995). The most used practices within this dimension of CSR include sustainable consumption of products and natural resources, recycling, reuse, waste disposal, environmental information disclosure, and environmental governance, among others (Liao et al., 2015; Michelon et al., 2015). Therefore, if a company has greater effort into applying environmental CSR practices, it would lead to increased resources for implementing green management practices (Chuang & Huang, 2016).

The study by Louis et al. (2019) demonstrated that environmental responsibility, one out of four CSR dimensions, enhances customer loyalty, especially among ones that are highly responsible,

hence building trust in the retailer and improving brand equity, affirming that environmental initiatives are one of key factors in nurturing strong customer relationship.

2.1.3. Ethical Responsibility

Ethics is a moral principle that oversees the behavior of a person or a group in terms of what is right and what is wrong (Sexty, 2008). Ethical responsibility goes beyond laws and regulations, it entails being moral, doing what is right, just and fair, respecting individuals' moral rights and avoiding or preventing harm or social injury caused by others (Smith & Quelch, 1993). Even though ethical responsibilities are not codified in law, they encompass practices, activities or decisions that society expects (positive duties) or prohibits (negative duties). They could be explained as a set of norms, standards, or expectations of behavior that reflect a concern for what customers, employees, shareholders, and other stakeholders may perceive or regards as fair and ethical (Carroll, 2000).

The foundation for ethical responsibilities is rooted in religious beliefs, moral traditions, humanitarian principles, and commitment to human rights (Novak, 1996). Holmes et al. (2021) suggested that ethical responsibility is the ability to act upon, interpret and recognize multiple values and principles as per the code of conduct within a given context or field. Similarly, companies with high ethical standards, have specific practices within the dimension, such as providing clear and unambiguous product information to customers, adhering to codes of conduct, and safeguarding sensitive information, with tendency to openly communicate these ethical practices through official statements (Park et al, 2017; Murphy, 2005).

Integration of ethical CSR aspect to both internal and external parties should become a constant practice of a company nowadays, as a mean to achieve sustainable competitiveness (El-Kassar et al., 2021). Therefore, ethical responsibility encompasses benefits to companies, including a closer relationship with customer, leading to stronger customer loyalty. In line with the aforementioned, Creyer and Ross (1997) affirmed that customers regard ethical behavior as a key factor when making purchasing decision about goods or services from a company. Hence, in various contexts, researchers have observed the positive influence of ethical practices on customer trust (e.g., Kennedy et al., 2001; Lagace et al., 1991; García de los Salmones et al., 2009). Likewise, the less trust a customer has in a company, the less they are loyal to that specific company (Leonidou et al., 2013).

2.1.4. Philanthropic Responsibility

The core dimension of CSR pyramid is philanthropic or discretionary responsibility, which refers to society's expectation that a company should act as a "good corporate citizen" (Carroll, 1998). Namely, philanthropy refers to a company's desire to promote the welfare of others, expressed primarily through donations to charitable causes. However, philanthropic responsibility is not just a mere act of

charity, but a commitment of a company to make a positive impact on society and the world (Nguyen et al., 2021). This dimension includes activities that contribute to the arts, culture, medicine, science, education, and community improvement (Seifert et al., 2004). When a company adopts practices of philanthropic responsibility, it enhances its reputation and encourages employee involvement in those activities, which in turn positively influences its reputation and brand image (Pungnirund et al., 2022). Likewise, Lantos (2001) stated that philanthropic CSR is used as a marketing tool to enhance a company's image, as it helps to achieve its financial obligations.

Philanthropic responsibility is highly relevant to the oil and gas industry, while in the retail industry companies engage less into philanthropic practices compared to other industries (Frynas, 2009; Brown et al., 2006).

Similar to ethical responsibility, but without the same level of moral obligation, philanthropic responsibility is not codified in law, but is desirable and, in today's society, somewhat expected, due to the decline of traditional social institutions, which has created a void that many believe a company should help fill (Carroll, 2000). This is also confirmed by McCain et al. (2018) adding that philanthropic responsibility carries the most impact, and due to its nature, is particularly effective in fostering customer loyalty.

2.2. Stakeholder Theory

Many different theories have been used over the years to explain why companies engage or did not engage in CSR activities and practices (Adams et al., 1998; Amran & Siti-Nabiha 2009; Bayoud et al., 2012). According to Thomson (2007), there are 33 groups of theories used in CSR studies as theoretical frameworks, including legitimacy, stakeholder, information usefulness, market, political economy, accountability, institutional, critical, contingency, and ethics. Given that CSR policy and its implementation impacts nearly everyone in society, particularly the retail fuel industry examined in this research, the focus would be on the stakeholder theory.

Stakeholder theory examines the relationship between an organization and its stakeholders. The term stakeholder was firstly used in 1947 by Johnson; however, academics mostly refer to the definition by Freeman (1984) as "any group or individual who can affect or is affected by the achievement of the firm's objectives". Stakeholders, according to some scholars, can be grouped in different ways due to different expectations, including external and internal stakeholders (Pearce, 1982; Carroll, 1989); subgroups of stakeholders, such as shareholders, employees, and customers (Preston & Sapienza, 1990); single issue, and multiple issues stakeholders (Wood, 1994); primary and secondary stakeholders (Clarkson, 1995), and similar. Primary stakeholders are ones whose direct

impact is crucial for an organization to recognize the goal of producing goods and services, while secondary stakeholders, such as NGOs, governments, and local communities, include political and social aspects that support business goals and enhance organization credibility (Maon et al., 2009). Nevertheless, an organization has to prioritize stakeholders and to ensure appropriate allocation of resources to implement successful CSR strategy. Additional categorization of stakeholders is based on power, interest and influence on the organization (Maon et al., 2009).

Stakeholder theory argues the traditional, shareholder view of an organization, and upholds that other parties are also important. Therefore the organization must meet the expectations of various stakeholder groups and hold accountability towards its stakeholders by undertaking certain activities valued by its stakeholder and by reporting information (Smith, 2008). The term accountability refers to the responsibility of one party to another, where the first one is entrusted with performing specific activities (Mulgan, 1997). Apart from accountability, an organization has to ensure disclosure to information and it should be responsibility-driven, instead of being demand-driven (Grey et al., 1991). In order to achieve accountability in reporting conducts, an organization should provide general society, i.e. stakeholders, with information on how well and to what extent it has fulfilled the responsibilities (Gray et al., 1991).

CSR strategy must align with an organization's goals, values, and norms, to ensure successful and adequate implementation, according to all involved stakeholders (Maon et al., 2009). As stated in the stakeholder theory, an organization might engage in CSR activities and reporting to fulfill its accountability to all stakeholders, from an ethical perspective, and economically to powerful ones, from managerial perspective, by disclosing CSR information that reduces the information asymmetry and ensuring all stakeholders have equal access to relevant information (Susith & Stewart, 2014). Indeed, this approach could bring certain benefits, such as improving its image/reputation, attracting investors, lowering the cost of capital, improving retention of existing employees, attracting prospective employees, and improving the relationship with stakeholders in order to gain their support and approval (Gray et al., 1996; Deegan, 2009).

In the research on the UK retailers by Jones et al. (2005) it is found that CSR reporting varies from limited information to comprehensive reports, all examined retailers position CSR as a core element of their strategy, as its integration is seen to enhance long-term economic viability for all stakeholders, promote growth, financial security, and operational efficiency by addressing both social and environmental issues. Likewise, the study by Oyerinde et al. (2018) reaffirmed the stakeholder theory that justifies CSR expenditures in the oil and gas industry, highlighting the significant impact of CSR on performance in this industry. The general view of the stakeholder theory emphasizes an ethical (moral) feature, with the goal to treat all stakeholders equally and fairly by an organization and its management.

2.3. Customer Loyalty

In today's fast-paced environment, where information is rapidly shared and competition for a loyal customer is fierce, companies that focus to attract and retain loyal customers could ensure long-term business success. That being said, it is up to ten times more expensive to attract new customers, compared to retaining existing ones (Sancharan, 2011). Hence, building a strong foundation of customer loyalty has become a key objective for companies and their marketing programs (Kotler et al., 2007). Blackwell et al. (1999) suggested that a company can differentiate itself from competitors by offering products or services that are available and valued by customer, leading to perceived superiority, which in turn influences the development of loyalty.

Customer loyalty could be understood as a loyalty to a product or a service provider, as well as to a company's brand that provides those products and/ or services (Tran, 2021). In addition to, loyalty is generally understood as a form of commitment, however its specific definition may vary depending on the context. In academic literature there are two approaches to the concept of customer loyalty: the traditional bi-dimensional definition and the multidimensional approach. The twofold approach should account for two dimensions of loyalty: behavioral and attitudinal (Day, 1969; Jacoby et al., 1973; Dekimpe et al., 1997).

Behavioral loyalty is defined as the repeated purchase or patronage of same brand. However, these repetitive acts do not always come from a psychological commitment and may be influenced by many factors, such as limited choice, habit, low income, or convenience (Šalčiuvienė & Auruškevičienė, 2009; Tepeci, 1999). Subsequently, the behavioral approach was extended by adding the attitudinal approach, which is defined as customer commitment and involvement, i.e. emotional and rational attachment (Mathieu & Zajac, 1990). The factors of attitudinal approach include brand recommendations (Chadha et al., 2009), resistance to superior products (Worthington et al., 2010), willingness to pay the price premium, and repurchase intention, leading to the conclusion this is a one-dimensional approach to measuring loyalty (Bowen et al., 2001). The second, multidimensional approach, was formed due to limitation to the traditional one, firstly by Dick and Basu (1994). The two scholars defined loyalty as the relationship between a customer's relative attitude and repeat patronage, influenced by social norms and situation factor. The loyalty is classified into four dimensions: true loyalty (high attitude with repeated purchases), latent loyalty (high attitude but low behavior), spurious loyalty (repeat behavior without strong preference) and no loyalty (Dick & Basu, 1994).

Other scholars have understood and described customer loyalty as a process of developing, that occurs in different stages (Oliver, 1999; Knox & Walker, 2001; Tsaur et al., 2002). Oliver (1999)

categorized customer loyalty development into four phases: cognitive loyalty, affective loyalty, conative loyalty and action loyalty. The first stage is cognitive loyalty, where a customer perceives a brand as superior based on prior knowledge and experience-based information (Oliver, 1999). Further on, if consistent, the cognitive loyalty can progress into affective loyalty, where a particularly favorable attitude is developed towards the brand. Then there is conative loyalty, where stronger relationship between a customer and the brand is developed through repeated satisfaction, but transitioning from intention to actual behavior depends on factors such as switching costs, sunk costs, and expectations, so to test the level of loyalty (Dick & Basu, 1994). The last phase – action loyalty – involves a strong commitment to consistent purchase a preferred product or service, overcoming obstacles such as situational influence or marketing costs, though same factors as in previous phases could challenge the customer's loyalty (Oliver, 1999).

Several factors, defined as drivers, which can influence customer loyalty. The two core drivers of customer loyalty are customer trust and customer satisfaction, and both of them have additional, individual factors that impact them (Wetsch, 2008; Russo et al., 2016). Customer satisfaction reflects the degree to which a company's products and services satisfy customer preference (Kotler et al., 2000). The drivers of customer loyalty differ by industry and several other aspects. Dutsenwai et al. (2015) affirmed that service quality, sales promotion, and product assortment are important determinants of customer loyalty in the retail fuel industry. Additionally, Nderitu and Njuguna (2017) confirmed that improved exterior of a petrol station leads to the customer loyalty, following convenience of location and the 24-hour stations (Rowley, 2005). Moreover, the service quality at petrol stations is one of the most important determinant of customer loyalty (Kakunu, 2020; Saeed et al., 2014; Saini & Matinise, 2020).

CSR is perceived to play a crucial role in corporate success that further on can shape customers' perceptions of a brand, and impact customers' intent to repurchase the company's products and service (Luo & Bhattacharya, 2006). Moreover, many researchers have affirmed that if a company follows CSR principles, it can help build and maintain long-term relationships with customers (e.g. Gundlach and Murphy, 1993; Iglesias et al., 2019). There is wide body of research related to CSR and customer loyalty, such as Park et al. (2017), provided empirical evidence that customer perceptions of a company's commitment to CSR have a positively influence customer loyalty to that company. Choi and La (2013) found that customer's perception of CSR has a positive influence on customer loyalty. Blankey et al. (2018) argue that CSR practices and efforts must align with customer values, and shared values could be more crucial than trust when building customer relationship, where misalignment of values would lead to reduced customer engagement and loyalty. Therefore, companies can use CSR as a strategic tool in order to create long-lasting relationship with customers

and to build and boost their loyalty towards the company by identifying themselves with the company (Du et al., 2007; Marin et al., 2009).

2.4. Customer Trust

Trust is an elusive and complex concept, and it can be defined as confidence that one party has on another because of honesty and reliability during their interaction (Morgan & Hunt, 1994). This concept definition can be used in situations where we have exchanges of products and services. Trust raises an expectation that the other party will create a positive outcome, regardless of potential for a negative outcome (Worchel, 1979). Parties involved in interaction are likely to develop trust by being honest, benevolent, and altruistic (Larzelere & Huston, 1980; Mayer et al., 1995). Colquitt et al. (2007) stated that trustworthiness factors, ability, benevolence and the integrity, along with the propensity to trust are important in the development of trusty relationship and lead to positive behaviors, such as risk-taking.

Key antecedents of trust are believed to be integrity and reliability (Mayer et al., 1995; Ring & Van de Ven, 1992). Mayer et al. (1995) defined integrity as the trust or belief that a trustee consistently adheres to a set of principles they have set for themselves. Reliability refers to consistency of parties in fulfilling expectations, which increases as parties gain more experience and information through repeated interactions (Ring & Van de Ven, 1992). Moreover, Butler (1991) assumed ten antecedents of customer trust, namely, availability, competence, consistency, discreetness, fairness, integrity, locality, openness, promise fulfillment and receptivity.

Customer trust in the retail context refers to the emotional security that both tangible elements (such as the retailer, employees, and products) and intangible aspects (like policies, communication, and relationship quality) will meet expectations, fostering a belief that interactions with the company will be reliable, dependable, and safe (Singh & Jain, 2015). Among tangible factors of trust, a frontline employee can build trust among customers by solving their problems and demonstrating product knowledge. Intangible factors, such as retail store location, including amenities such as a store's appearance, safety, parking space, along with communication with the customer, are important drivers of customer trust (Singh & Jain, 2015). Communication in retail plays an active role in driving feedback from the customers (Celuch et al., 2011).

Trust is a key determinant for developing and maintaining long-term relationships between companies and customers, where trust and satisfaction are key components of customer loyalty (Morgan & Hunt, 1994). Nevertheless, customer trust would reduce if they always feel cheated, so a company should adhere to remarks in communication towards their customers (Cazier, 2007).

According to Jalivand et al. (2017) CSR could improve and increase customer trust, and identification with the company. Many researches have demonstrated that a customer's perceived CSR influenced their trust and further on loyalty (e.g. Nikbin et al., 2015; Lin & Ryan, 2016; Kim & Kim, 2016). Moreover, CSR strategy itself produces a positive effect on customer trust (May et al., 2021). Furthermore, Swaen and Chumpitaz (2008) and García de los Salmones et al. (2009) found a direct link between an organization's moral responsibility and customer trust within service contexts suggesting that trust is the most immediate outcome of a company's CSR efforts (Pivato et al., 2008). Besides research, in the business context, companies in developed countries are increasingly incorporating CSR practices in order to build customer loyalty and customer trust (Glavas & Godwin, 2013).

2.5. Customer Trust and Loyalty

The literature review highlights that customer trust is a key antecedent, or driver, of customer loyalty. Peppers and Rogers (2006) explained that if customers trust a company to act in their interest, they become more loyal, and are more likely to keep doing business with that company. Therefore, customer trust results in greater customer loyalty (Guenzi et al., 2009). Moreover, Rauyrue and Miller (2007) found that trust has a strong impact on loyalty, as with higher level of trust, their loyalty increases, leading customer to stay with the supplier by increasing the level of commitment.

Customers who trust a company have a strong confidence in quality of products and services of the company. In fact, trust is perceived as going beyond mere loyalty to the company (Lau & Lee, 1999). Empirical evidence suggests that trust is essential to a buyer's intention to maintain an ongoing exchange relationship across various sectors, such as telecommunications, automotive, energy (De Ruyter & Wetzels, 2000; Kennedy et al., 2001; Hartmann & Apaolaza Ib'anez, 2007). So, to gain customers loyalty, companies must first gain their trust (Reichheld & Scheffer, 2000)

Empirical evidence from various studies showed a complex relationship between CSR and customer loyalty, suggesting that social exchange variables, such as trust, may mediate this relationship (Blau, 1964, Lai et al., 2010; Pérez & Rodríguez del Bosque, 2015). Hence, trust was accepted as the main mediating variable that supports the development of customer loyalty. In addition, several studies have found that trust mediates the relationship between a company's actions and customer loyalty (Ball et al., 2004).

2.6. Overview of the Retail Fuel Industry in Montenegro

The fuel industry, part of the energy sector, is perceived as one of the vital drivers of the global economy. The fuel market includes oil companies involved in extraction, refining, logistics, storage, distribution, and retail (Stavarakakis & Chountalas, 2015). This thesis focuses on the retail fuel industry, specifically on companies that have a retail fuel network. The retail fuel network includes all service stations that sell oil derivatives, such as gasoline, diesel, and LPG, to customers (Stavarakakis & Chountalas, 2015). Nowadays, fuel service stations are modern, specially designed retail stores that offer not only oil products, but also a wide-range of goods and services, including drinks and snacks, grocery items, car accessories, coffee corners, car wash, EV charger stations.

Montenegro does not have its own production of oil products, nor a refining industry, so all oil products are being imported, mainly from Greece (Ministry of Economics, 2014). Figure 2.1 depicts consumption of oil products over a five-year period by type of the product, showing that diesel is the dominant product in the country. As of 2023, diesel fuels accounted for 71.24% of the country's consumption, followed by gasoline at 10.31%, and other oil products (non-energy use) accounted for 6.02% (Monstat, 2023).

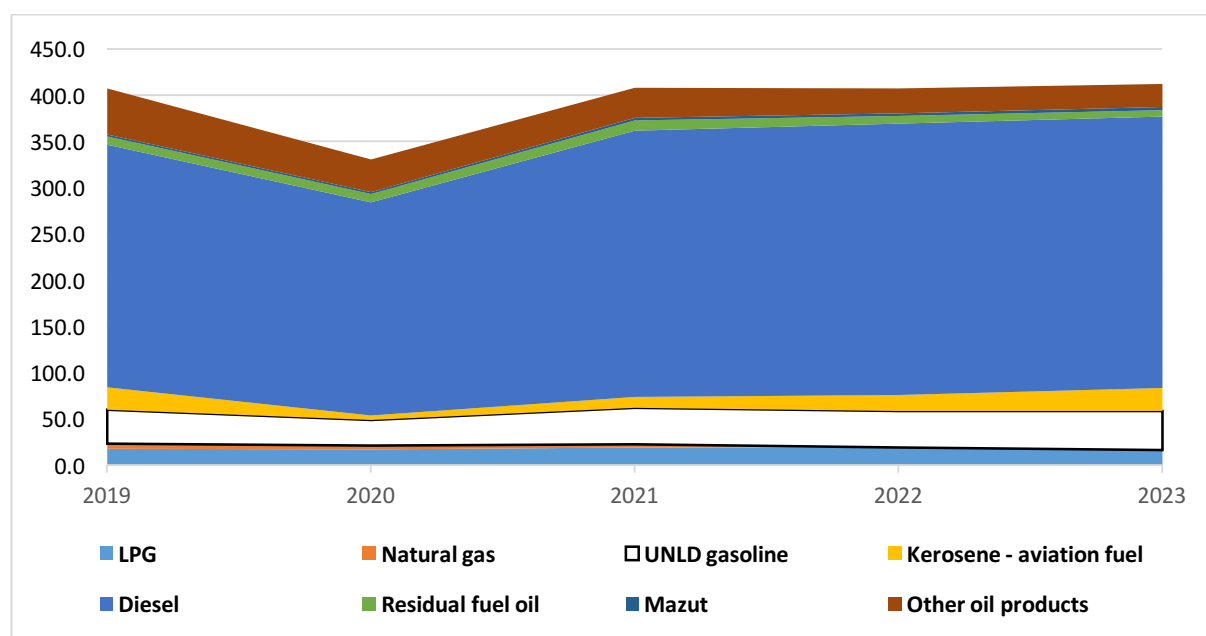


Figure 2.1: Consumption of oil products, 2019-2023, kt, Source: Monstat (2023)

Oil products consumption is dominated by the transport sector, which increased over time following a decline in industrial production since 2009-2010 (Ministry of Economics, 2014). Figure 2.2 shows the share of sector consumption for 2023, with the transport sector accounting for 77.26% of

total annual consumption, followed by industry at 13.52% and non-energy consumption at 6.02% (Monstat, 2023).

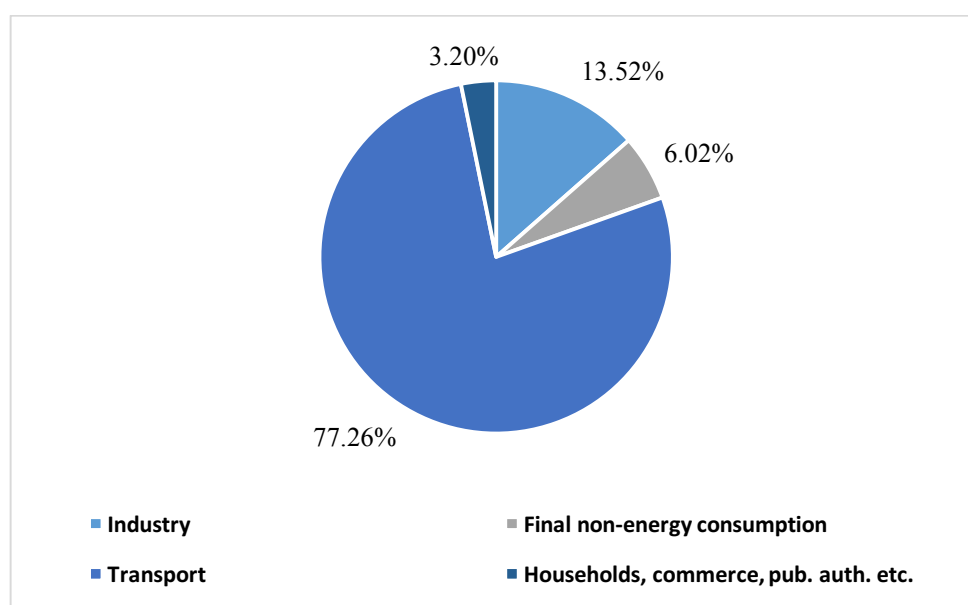


Figure 2.2: Consumption of oil products by sector in 2023, kt, Source: Monstat (2023)

The Montenegrin retail fuel industry is characterized by heterogeneity, since a variety of service station types coexist, and is classified into two categories: independent service stations and branded service stations. Independent service stations sell to end customers unbranded fuel product, purchased from an oil company of their choice on the wholesale market, selecting one who offers the lowest price (Stavarakakis & Chountalas, 2015). On the other hand, branded service stations operate under a specific company's brand, and are classified as COMOs (Company Owned, Management Operated) and COCOs (Company Owned, Company Operated). In both types of ownership, the land is owned by the company, either as their asset or by lease (usually on long-term basis), and business is managed by the company (Stavarakakis & Chountalas, 2015).

The retail fuel network in Montenegro has grown over the past decade, reaching a total of 124 service stations in 2023. The largest company is Jugopetrol AD, operating under the EKO brand of service stations, owned by HELLENiQ ENERGY Holding S.A. from Greece. Other major companies in the industry include Petrol Crna Gora (hereinafter Petrol), owned by Petrol Slovenia; Ina Crna Gora (hereinafter Ina), owned by Ina Croatia; Lukoil Montenegro (hereinafter Lukoil), owned by Lukoil from Russia; Hifa-Oil Crna Gora (Hifa-Oil), owned by Hifa-Oil from Bosnia and Herzegovina; along with smaller independent dealers or single-station operators supplied by the major industry players. Jugopetrol AD holds a 39.52% market share based on the number of service stations, followed by Petrol

with 12.10% and Ina with 8.87%, as shown in the Figure 2.3 below. For the purpose of this thesis we will concentrate on five major players, adding Lukoil and Hifa-Oil.

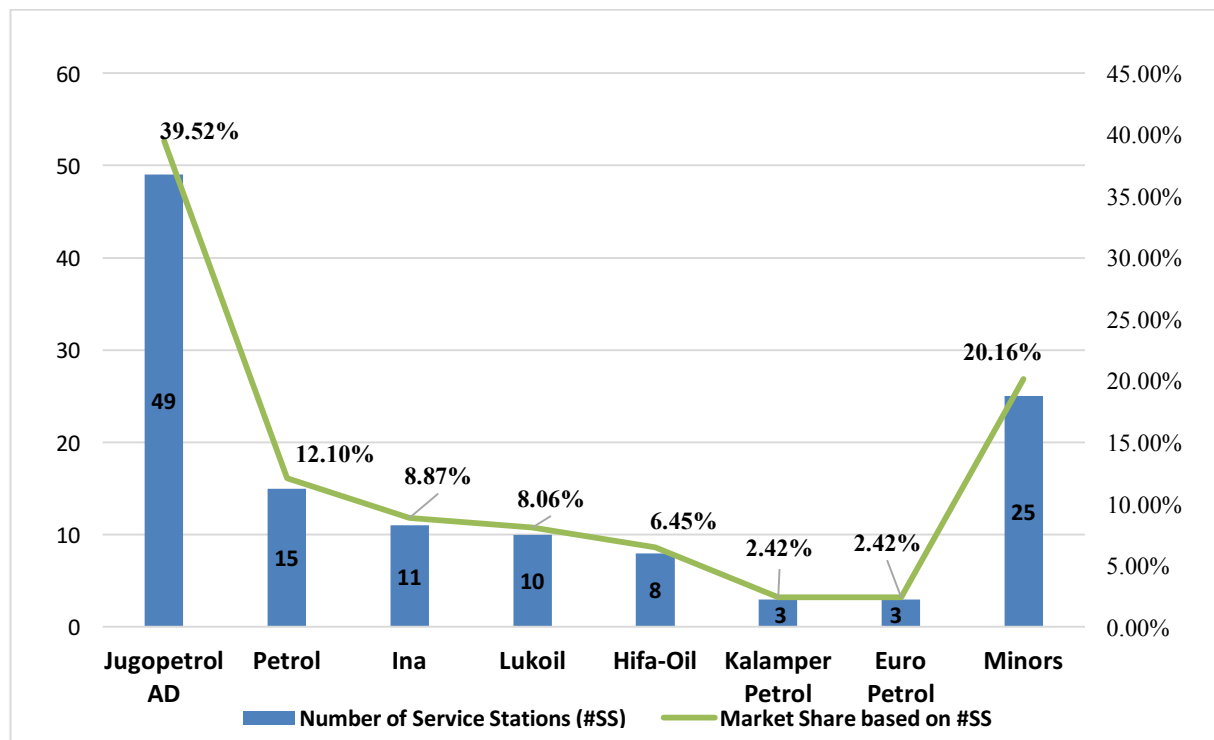


Figure 2.3: Fuel Retail Market Environment in Montenegro in 2023, Source: Self-elaborated

The retail fuel market has been partially liberalized since 2021, when the Government issued a Decree on the method and the amount of components on the basis of which maximum oil products prices are formed, allowing oil companies to offer premium products with multifunctional additive and set prices above the determined threshold, by following market principle (Government of Montenegro, 2021). The method is used for all types of petroleum products, gasoline 95, gasoline 98, Eurodiesel, and heating oil, and it is based on the following factors:

1. The international price element, based on Platt's quotations;
2. Market premiums applied to Platt's quotations;
3. Exchange rates and conversions from US\$ to EUR€ and from metric tones to liters;
4. Customs duties, import tariffs, and all other oil product duties defined by law;
5. Costs and margin, including:
 - imports costs and bank commission;
 - distribution, storage and handling costs;
 - wholesale and retail sale expenses.

All major oil companies in the country have taken advantage of this possibility by introducing differentiated, premium fuel at prices higher than the maximum controlled price. However, switching costs for fuel purchase are at very low level, and companies operate in a highly competitive environment. Table 3.1 shows the major oil companies, the brand of service station under which they operate, the types of oil product, along with differentiated, premium fuels available in their offerings.

Table 2.1: Retail fuel products in Montenegro

Company brand	Euro diesel	Gasoline 95	Gasoline 98	Differentiated UNLD 100	LPG	Differentiated fuels
Jugopetrol 	Diesel EKONOMY	EKONOMY 95	EURO SUPER 98	-	LPG	Diesel Avio Double Filtered
Petrol 	Euro Diesel	Q MAX	-	Q Max	LPG	Q MAX Diesel
Ina 	Euro Diesel	ECTO Plus	ECTO Sport	-	LPG	ECTO Diesel
Lukoil 	Euro Diesel	Euro Super 95	-	Class Plus Expert	LPG	Class Plus Expert Diesel
Hifa-Oil 	Euro Diesel	Euro Super 95	Isomax Euro Super 98	-	LPG	Isomax Diesel

Source: Self-elaborated

2.6.1. Jugopetrol AD Company Overview

Jugopetrol AD was established in 1947, owned by the state, for the production and trade of oil and oil products (Jugopetrol AD, 2024). The company has a long-standing history in the industry, with activities ranging from construction of petroleum installations to oil exploration during 1970s and 1980s. In

1996, Jugopetrol AD became a shareholding company, and in 2002, became the subsidiary of Hellenic Petroleum Group (now HELLENiQ ENERGY Holdings S.A), one of the largest oil companies in the Balkans. Now, after more than 75 years of tradition, Jugopetrol AD remains a major supplier and company in the retail fuel industry.

The company's strategic vision is to be the leading petroleum company in the country by ensuring a trustworthy fuel supply and acting as a responsible corporate citizen. The company states that this vision can be achieved with its people, by offering high-quality fuel products, a wide-range of non-fuel products and services, and by being socially responsible (Jugopetrol AD, 2024).

Current main business activities include retail trade through a network of service station under the brand EKO, wholesale distribution through the country's only operating petroleum installation, aircraft supply at both national airports, and fuel supply for boats through yachting service stations. The infrastructure of Jugopetrol AD comprises the following (Jugopetrol AD, 2024):

- A retail network of 46 service stations, 3 yachting stations across the country (total 49 service stations), and 2 internal fuel stations;
- A petroleum installation with 20 fuel tanks, providing a total storage capacity of 110,100 m³;
- Two aviation fuel terminals: one in Podgorica with 3 tanks (300 m³ capacity) and another in Tivat with 4 tanks (7,825 m³ capacity);
- A fleet of 20 tank trucks;
- Six refueling vehicles to supply aircrafts at two airports.

Jugopetrol AD's retail fuel network increased by one station in 2023. From the total 49 service stations, only six of them are leased under long- term agreements. The company operates under the COMO model (Jugopetrol AD, 2024). Jugopetrol AD (2024) stated in the annual report that in 2023 retail volumes were 7% higher, mainly due to temporary residents, along with higher number of operating service stations. For the purpose of this thesis, the business activity related to retail fuel network is taken into account.

2.6.2. Petrol Company Overview

Petrol was established in 2007 as a wholesale oil products company, by Petrol d.d., the largest Slovenian petroleum company, that is one of the leading companies in the regional oil industry. In 2009, Petrol in Montenegro expanded its operations into the retail fuel industry and, by 2023, the company operated with the retail fuel network of 15 service stations. The company operates under the COCO model.

Petrol's strategic vision is in line with the its Group's vision, where the goal is to offer high-quality oil and ecological products and services, while being recognized in both Montenegro and Southeast Europe as one of the most modern and dynamic energy companies, trusted and committed

to sustainable development (Petrol, 2024). Petrol reported a 4% increase in retail volumes in 2023 (Petrol, 2024).

2.6.3. Ina Company Overview

Ina was established in 2000, by Ina d.d. from Zagreb, Croatia, as the importer and wholesale subsidiary at the Montenegrin market, to sell oil and oil products from its parent company's refineries (Ina, 2024). The company has the retail fuel network of 11 service stations, as reported in 2023, stating it provides high-quality fuel products, and other products within mini markets under the brand Fresh Corner.

The company's vision is to be a valued and desirable partner, recognized for quality in its products and services, by nurturing relationships, and protecting the interests of its owners, customers, employees, and other stakeholders (Ina, 2024). Ina (2024) stated that it is committed to sustainable development and its operations are in accordance with high-quality standards, showing responsibility towards the environment, employees, business partners and the community in which it operates. Ina operates under the COCO model.

2.6.4. Lukoil Company Overview

Lukoil was established in 2006, by Lukoil PSJC from Russia, one of the largest publicly traded companies in the oil and gas industry. The company is focused on the sale of oil and oil products. Lukoil acquired six service stations in 2008 from a local company, and in 2013 the company improved its offer by introducing branded fuel products (Lukoil, 2024). The company operated with 10 service stations in its retail fuel network in 2023.

According to Lukoil (2024), its retail fuel network supplies approximately 15% of the total market in the country. The company claims to adhere to the principles of sustainable development by implementing responsible environmental protection policies, and in the same time ensuring the uniformity of social and economic development (Lukoil, 2024). The company operates under the COCO model.

2.6.5. Hifa-Oil Company Overview

Hifa-Oil was established in 2017, as a subsidiary of Hifa-Oil d.d. from Bosnia and Herzegovina, the company that is one of the leading private suppliers of oil products in this country. The company operated with three service stations and, in 2023, had eight service stations (Hifa-Oil, 2024). At the same time the company stated the construction of a warehouse for the sale and storage of Euro Metals and Euro Roal products.

The company's policy emphasizes the implementation of the quality and environmental policies, and in order to achieve the foreseen goals set in advance, management and employees are required to adhere to a set of principles (Hifa-Oil, 2024). Hifa-Oil operates under the COCO model.

2.7. Corporate Social Responsibility Practice in Montenegro's Retail Fuel Companies

Social Responsibility in Montenegro is under the jurisdiction of the Ministry of Sustainable Development and Tourism and the Technical Committee for Social Responsibility. Since the country began the EU accession process in 2012 and has only closed three chapters so far, one of the areas to be reconsidered and aligned with EU policies is the promotion and development of CSR practices in both the public and private sectors. So far, an established policy of sustainability practices is outlined only in one official document, Social Responsibility Policy from 2013 (Ministry of Sustainable Development and Tourism, 2013). The aim of the Policy was to stimulate and encourage good examples of social responsibility through instruments such as tax incentives, promotional activities, educational campaigns, and similar measures. However, no specific unit has been established to track and manage initiatives in the field of CSR, and overall implementation remains on a low level, even though the concept of CSR is considered as an essential aspect of nowadays business (Montenegrin Employers' Federation, 2013).

In the literature review revealed that few studies addressed CSR development in Montenegro, whereas most research focuses on specific industry rather than the broader impact and effect (Levkov & Palamidovska-Sterjadovska, 2019). The study from Lubric et al. (2017) confirmed that CSR remains a relatively new concept in Montenegro, from the prism of private sector, occurring mostly in the early stages when CSR is integrated into business strategies. According to Milovic et al. (2019), the highest priority within CSR context include the responsibility towards employees, fair business behavior, and respect for human rights. However, obstacles to greater CSR engagement include economic, social, and environmental challenges, time constraints, limited resources, and other factors (Besic et al., 2019). Furthermore, some references suggest possibilities for greening the economy through projects and programs that include CSR (Ministry of Sustainable Development and Tourism, 2016). In fact, CSR in Montenegro has also been studied from a regional perspective (e.g., Rogosic, 2014; Baab & Busck, 2008; Renko & Petek, 2017). Nevertheless, this approach would not provide a focused view of CSR specific to Montenegro. The literature gap is certainly existing regarding CSR studies in Montenegro, particularly concerning its impact on one of the most important stakeholders, customers. Additionally, the gap is also recognized within the retail fuel industry.

The following paragraphs provide an overview of activities across the four CSR dimensions within the five major companies in the retail fuel industry in Montenegro for 2023, comparing them to the year before, where needed. This overview aims to provide an understanding how these companies implement certain CSR activities, and how they communicate those efforts.

Jugopetrol AD's profitability has been steady over the years, achieving historic financial results in 2022, mainly due to an increase in prices in international markets. In 2023, there was a slight decrease in the net profit margin, from 3.8% to 2.8%, due to market stagnation and trends, followed by a lower EBITDA margin percentage (Jugopetrol AD, 2024). Nevertheless, the company remains a significant contributor to the national budget, paying EUR 114.7 millions in excise and income tax alone. These results suggest that Jugopetrol AD is fulfilling its economic responsibility by maximizing the profits and focusing on long-term economic sustainability through risk management policies aimed to minimize any possible exposure to macroeconomic risks (Jugopetrol AD, 2024). Moreover, Jugopetrol AD received an award for the best business results in 2022 and 2023 from Top Business Montenegro, an independent organization that announces yearly financial results of companies, divided in categories. Petrol generated EUR 63.1 million in revenue in 2023, which has decreased by 16% compared to the year before, also mainly due to increase in oil products prices (Petrol, 2024). However, the company maintains stable economic results, with no significant risks to employees, the network, or customers. Ina ranked as the second company in the industry by turnover in 2023, however it reported a negative financial result of EUR 33.4 million (Forbes, 2024). The company has not provided an explanation for this negative outcome. Lukoil has reported the best profit margin in the industry, at 4% in 2023, resulting in a positive financial result of EUR 1.6 million and fourth place by turnover (Vijesti, 2023). Lastly, Hifa-Oil was the only company in the industry to achieve an increase in turnover by 36%, most probably due to expansion in the network, resulting in a positive financial result of EUR 340.7 thousand. To conclude, only the leader in the industry has provided the most extensive report on financial outcomes, including a year-over-year comparison, as well as an explanation of the factors contributing to those results.

The Regulatory Energy Agency of Montenegro is an independent authority established under Montenegrin law, responsible for issuing, modifying and revoking licenses for fuel service stations (among other activities), ensuring compliance with legal and environmental standards outlined in the Energy Law and other related regulations (Regulatory Energy Agency of Montenegro, 2017). Therefore, all companies must adhere to specific regulations in order to have smooth and consistent operations of service stations. In 2023, Jugopetrol AD invested in new, modern technical, firefighting and anti-robbery equipment, providing training for all employees in these areas (Jugopetrol AD, 2024). The key milestone for the company was the reconstruction of its retail network, including tanks and pipelines, adhering to latest Montenegrin and EU standards. In addition, Jugopetrol AD expanded its offerings by

installing electric chargers in two service stations. Jugopetrol AD (2024) confirmed that it implements waste and water management, as well as pollution reduction policies, in compliance with national and local laws. The Petrol Group Sustainability report (Petrol d.d., 2023) mentioned a few initiatives by the company in Montenegro, such as the introduction of DISNet-WS services in cooperation with ten major potable water supply systems and installment of eclectic vehicle charger in one service station. Other specific activities were not communicated, therefore it can be argued that the company was mostly focused to adhere to national regulations and laws. Ina (2024) communicated environmental goals and general principles, consistent with those of the Ina Group, including a 55% reduction in emissions by 2030, adherence to standards by holding required certifications such as ISO 14001, and general statements on waste management and waster supply. Moreover, Ina Group outlined the commitment to biodiversity protection, however no certain activities in Montenegro has been reported. Lukoil (2024) stated that it adheres to all national policies and standards and takes measures to protect the environment by ensuring safety at each service station. However, specific details on policies or milestones are not available, aside from a general statement that the company complies with all standards needed for regular operations. Hifa-Oil (2024) also provided a general statement of its company policy that outlines main goals, including the need to determine appropriates measures to reduce potential harmful effects on the environment, by exploring alternative solutions and introducing of materials to produce less waste. However, there is no communication towards the general public about specific environmental activities. To conclude here, similar to its approach to economic responsibility, Jugopetrol AD provided a comprehensive report on specific actions in environmental context, whereas other companies communicated general statements, without detailing concrete outcomes. This practice could be result from extensive regulations, standards, and legal obligations in the area of environment protection for the retail fuel industries, as licenses must be renewed after certain period to ensure uninterrupted operations.

Ethical responsibility in Jugopetrol AD was demonstrated through the transparent communication of financial reports compliant with ethical requirements required for audits, along with clear corporate governance structure that ensures transparency, accountability, and compliance (Jugopetrol AD, 2024). In addition, the company prioritizes the safety of employees and public by investing in aforementioned safety equipment, as well as having gas detectors and leak control systems. Jugopetrol AD (2024) also confirmed compliance with the Montenegrin Labor Law, supporting employee development and education through seminars and workshops, as well as opening “doors” to interns after graduation. Finally, the company adhered to the Personal Data Protection Law of Montenegro, ensuring data privacy and security standards (Jugopetrol AD, 2024). Ina (2024) reported compliance with the Personal Data Protection Law of Montenegro, clearly communicating the purpose and duration of data retention, as required by law. Other activities in the area of ethical responsibility

were not communicated, apart from clear marketing promotions. Petrol did not report any specific activities related to ethical responsibility, but its communication towards customers is clear regarding promotions, marketing activities, and product offerings. Lukoil (2024) highlighted the importance of employee safety through various measures, including motivation and reward of employees, along with investment in their professional development. Hifa-Oil (2024) in its general corporate policy included selection of the most appropriate suppliers who adhere to environmental care policy, along with respect of employee safety and environmental protection. Overall, while Jugopetrol AD provided a comprehensive report on ethical responsibility, the other companies mainly offered general statements in this area.

Jugopetrol AD reported activities within philanthropic responsibility for 2022 and 2023, by categorizing activities into three segments: contribution to healthcare, contribution to improvement of living conditions, and support for culture and sports (Jugopetrol AD, 2024; Jugopetrol, 2023). The activities were as follows: donations of Christmas gifts to patients in the Institute for Children's Diseases in both years, funding for the renovation of two hospitals in the country in 2023, vacation donations for children from the only orphanage in the country in both years, a donation to the Red Cross Montenegro for essential supplies for vulnerable individuals (2023), sponsorships of the Montenegrin Olympic Committee (2022 and 2023), the Basketball Association of Montenegro (2023), and support for the EKO Mini Volleyball league in cooperation with the Volleyball Association of Montenegro (2023), as well as donation computer donation to primary schools across the country in 2022. Ina (2023) reported several philanthropic activities, including donations of Christmas gifts to the Red Cross Montenegro for vulnerable individuals in both years, support for the Budi Human organization, which raises fund for children with illnesses, and donations to a hospital and an elderly home. The other three companies, Petrol, Lukoil and Hifa-Oil, did not report any specific philanthropic activities in 2022 and 2023. This leads to the conclusion that Jugopetrol, as the leading company, has developed segments and specific activities to contribute to societal improvement, followed by Ina, that also invested in a structured approach to philanthropic responsibility.

The overview of CSR practice in the retail fuel industry gave a remark that Jugopetrol AD leads in transparent, comprehensive reporting about specific activities across the four dimensions. The activities are aligned with the national regulations and standards demonstrating a structured approach to CSR. In contrast, the other four companies, mostly emphasize general statements on compliance across most CSR dimensions, without detailed report on specific activities. This discrepancy highlights that Jugopetrol AD is committed to CSR practices, setting a benchmark within the industry, while the other companies appear to adopt a more reserved approach to CSR communication and reporting. In fact, the outcome of this research will demonstrate if the transparent and structured approach to CSR practices lead to greater customer trust and customer loyalty.

2.8. Conceptual Model and Research Hypotheses

Literature gap is recognized regarding CSR in the retail fuel industry, especially when examining studies specific to individual countries, including detailed stakeholder analyses, focused on customers and their perspectives. There are few studies addressing CSR in the oil and gas industry in developing countries (Frynas, 2009; Chowdhury et al., 2019), but domestic literature on CSR in Montenegro is very limited. The only available reports consist of few mainly of brief review of overall CSR activities in the country by non-governmental organizations. Based on the author's research, no recent in-depth analyses nor guidance on the CSR topic has been conducted by the relevant authorities.

Therefore, based on the literature review and gathered information, a conceptual model was developed to study how these dimensions' influence customer trust and customer loyalty, including the relationship between these two attitudes, as shown in the Figure 2.4 below.

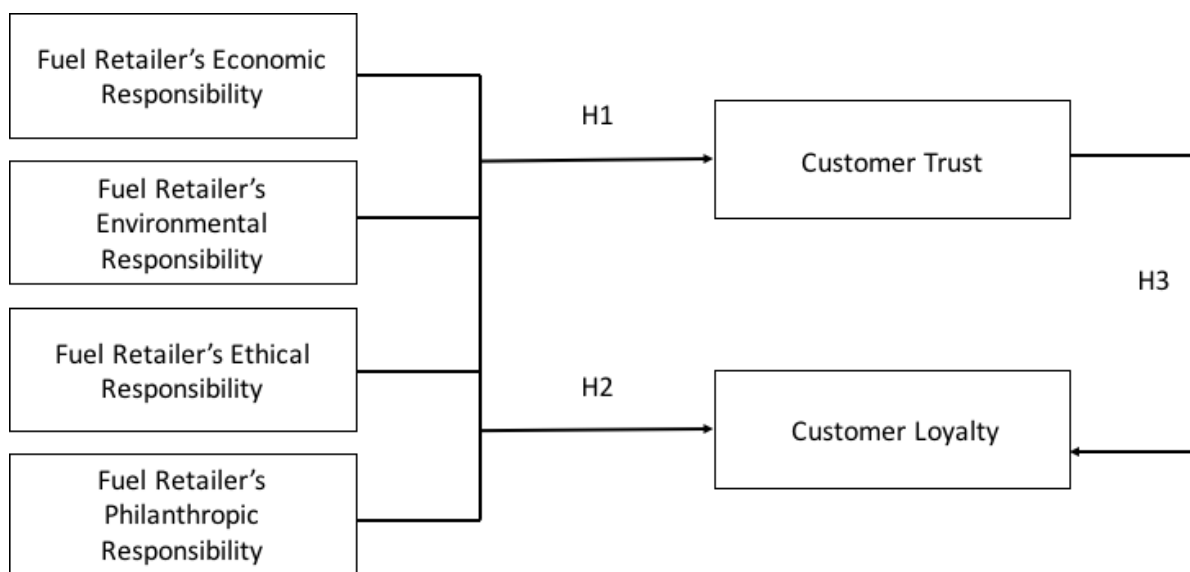


Figure 2.4: Conceptual Model, Source: Self-elaborated

Following the conceptual model, the proposed research hypotheses are as follows:

Hypothesis 1: The four dimensions of a fuel retailer's CSR practices, (a) fuel retailers' economic responsibility, (b) fuel retailers' environmental responsibility, (c) fuel retailers' ethical responsibility, (d) fuel retailers' philanthropic responsibility, have a positive effect on Customer trust.

Hypothesis 2: The four dimensions of a fuel retailer's CSR practices, (a) fuel retailers' economic responsibility, (b) fuel retailers' environmental responsibility, (c) fuel retailers' ethical responsibility, (d) fuel retailers' philanthropic responsibility, have a positive effect on Customer loyalty.

Hypothesis 3: Customer trust has a positive effect on Customer loyalty.

CHAPTER 3

Methodology

This thesis is based on the quantitative research method to gather data from a sample size, in order to quantify opinions, attitudes, and experience used further for statistical analysis. The research is conducted by using a survey, a positivistic methodology that studies a sample of subjects to make implications about a population (Hussey & Hussey, 1997). The research includes five major companies in the retail fuel industry, i.e. Jugopetrol AD, Petrol, Ina, Lukoil, and Hifa-Oil, as together hold more than 70% of the market share. Therefore, companies with 3 or fewer service stations are not included in the research for the purpose of this thesis, as it may limit generalizability to a broader context and could impose potential bias to the research.

The target population for this research is only residents of Montenegro over the age of 18. The population of Montenegro is 633,158 based on preliminary results of the recent population census from 2023 (Monstat, 2023). The methodology section follows a structured framework, depicting research design, data collection, and data analysis process.

3.1. Research Design

A six-section self-administered survey was developed following an extensive research guided by predetermined research questions to examine the CSR effect on customer trust and customer loyalty in the retail fuel industry in Montenegro, determine the relationship between customer trust and customer loyalty. The thesis examines collected data at one point in time, since the purpose is to explain the effect of CSR dimensions on customer trust and customer loyalty (Bell et al., 2019); thus causality estimates were not possible to examine.

The questionnaire began with an introduction outlining the purpose of the study, clarifying the explanation that the research was conducted for academic purposes as a part of master's thesis. Additionally, it assured confidentiality of data and provided contact email for any questions that might arise. The first section consisted of a demographic set of questions: gender, age, level of education, monthly net income. In the second section was devoted to a series of questions about the preferred retail fuel company and attitudes towards specific fuel retailer. Since the retail fuel industry has a unique context, slight modification was made to ensure relevance and specificity. The factors influencing the choice of a particular retailer in the fuel industry are based of a study by Dutsenwai et. al (2015). These factors also include CSR practice, loyalty programs, and service station location, as those are perceived to impact customer purchasing decisions. Total of 9 items were created to examine

the choice. Further on, in the same sections, were included the questions for customer trust (4 items), based on Martínez and Rodríguez del Bosque (2013), while questions related to customer loyalty (7 items) were adapted from Zeithaml et al. (1996), Dagger et al. (2011), García de los Salmones et al. (2005). All 11 items were scored on a Likert scale from 1 to 7 (Strongly Disagree – Disagree – Somewhat Disagree – Neither Agree nor Disagree – Somewhat Agree – Agree – Strongly Disagree).

The questions for CSR's four dimensions originated from a study by Maignan (2001) i.e. economic, ethical and philanthropic dimensions, whereas environmental dimension is based on a study by Martínez et al. (2013). While Maignan's questions were applicable to the retail fuel industry, given their widespread adoption, additional literature research was conducted to address environmental dimension aspects. Economic responsibility, Ethical responsibility and Philanthropic responsibility consisted of four items per dimension, while Environmental responsibility consisted of total five items. All 17 items were scored on a Likert scale from 1 to 7 (Strongly Disagree – Disagree – Somewhat Disagree – Neither Agree nor Disagree – Somewhat Agree – Agree – Strongly Disagree). Table 3.1 below depicts the dimensions, items per dimension and references used to formulate the statements and questions.

Table 3.1: Variables, Item Numbers and References

Dimensions/ Variables	Item number	Items	Reference(s)
<i>Customer trust</i>	CT1	1. The products/ services of this fuel retailer give me an impression of security	Martínez & Rodríguez del Bosque (2013)
	CT2	2. I trust the quality of the products/ services of this fuel retailer	
	CT3	3. This fuel retailer shows interest for its customers	
	CT4	4. This fuel retailer is honest with its customers	
<i>Customer loyalty</i>	CL1	1. I say positive things about this fuel retailer	Zeithaml et al. (1996); Dagger et al. (2011); García de los Salmones et al. (2005)
	CL2	2. I encourage friends and relatives to use products/ services from this fuel retailer	

	CL3	3. I recommend this fuel retailer to someone who seeks my advice	
	CL4	4. I am loyal customer to this fuel retailer	
	CL5	5. I consider this fuel retailer the first choice from which to buy products/ services	
	CL6	6. I plan to continue purchasing products/ services from this fuel retailer in the next few years	
	CL7	7. I would continue purchasing products/ services from this fuel retailer even if its rates increased slightly	
<i>Economic responsibility</i>	Econ_res1	1. I think that this fuel retailer maximizes profits	Maignan (2001)
	Econ_res2	2. I think that this fuel retailer controls their production costs strictly	
	Econ_res3	3. I think that this fuel retailer plans for their long term success	
	Econ_res4	4. I think that this fuel retailer always improves economic performance	
<i>Environmental responsibility</i>	Env_res1	1. I think that this fuel retailer protects the environment	Martínez et al. (2013)
	Env_res2	2. I think that this fuel retailer reduces its consumption of natural resources	
	Env_res3	3. I think that this fuel retailer recycles	

	Env_res4	4. I think that this fuel retailer communicates to its customers its environmental practices	
	Env_res5	5. I think that this fuel retailer exploits renewable energy in a productive process compatible with the environment	
Ethical responsibility	Eth_res1	1. I think that this fuel retailer permits ethical concerns to negatively affect economic performance	Maignan (2001)
	Eth_res2	2. I think that this fuel retailer ensures that the respect of ethical principles has priority over economic performance	
	Eth_res3	3. I think that this fuel retailer is committed to well-defined ethics principles	
	Eth_res4	4. I think that this fuel retailer avoids compromising ethical standards in order to achieve corporate goals	
Philanthropic responsibility	Phil_res1	1. I think that this fuel retailer helps solve social problems	Maignan (2001)
	Phil_res2	2. I think that this fuel retailer participates in the management of public affairs	
	Phil_res3	3. I think that this fuel retailer allocates some of their resources to philanthropic activities	
	Phil_res4	4. I think that this fuel retailer plays a role in our society that goes	

		beyond the mere generation of profits	
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Source: Self-elaborated

3.2. Data Collection

Data from primary sources were used in the explanatory research. The data were collected through a self-administrated questionnaire that the author distributed digitally via a tool called 1ka (www.1ka.si), used for construction of online questionnaires for research purposes. A convenience sampling method was used in this thesis, as participants were selected based on their accessibility to the author (Bell et al., 2019). Therefore, the link to the questionnaire was shared through direct link to respondents and social media platforms of the author. This approach led to snowball sampling, where friends and family of the author helped with further distribution to the questionnaire by reposting and sending the link to potential participants (Bell et al., 2019).

Before the final distribution of the questionnaire, as in most studies, a pilot study was conducted to provide valuable insights and critical functions for constructing a robust study design, that could be useful for future researchers (van Teijlingen & Hundley, 2001). The pilot study involved 12 participants to ensure that the questions were straightforward, the format was suitable, and the data were consistent and reliable. Overall feedback was positive, with a recommendation to simplify the translation of “retail fuel company”, to make it more understandable to participants. Additionally, statements related to ethical responsibility were slightly adjusted in translation to avoid confusion while answering. All of these suggestions were incorporated. The questionnaire is available in the Appendix 1.

Cohen et al. (2007) stated that a sample should have at least 100 cases, taking into consideration time and costs when setting the sample. The questionnaire ended up with total of 114 valid responses out of 264, representing 43.18% valid cases to perform an analysis, which is above 100 used as a “rule of thumb”. The remaining 150 cases were removed as the answers were not incomplete, which for sure would make the data inaccurate if those were included.

3.3. Data Analysis

Data analysis is the process through which data transform to detailed and complex knowledge, requiring various tests to draw meaningful conclusions (Bell et al., 2019). After the data was collected,

the author used the statistical software IBM SPSS statistics to measure and analyze the data, detect relationships, and find correlation that may not be apparent. For a purpose of accurate analysis, each question was defined as a variable. Before entering the data into IBM SP, cases with no responses were removed. Additionally, items marked as “Other” had negative values, as respondents selected pre-set answers, so the negative value were re-coded to “0” to indicate “no response”.

A descriptive analysis was performed to describe the characteristics of a sample, through measures of central tendency (average), and dispersion (spread), and the concept of normal distribution (Marshall & Jonken, 2010). The central tendency refers to the mean, median and mode, while dispersion refers to standard deviation, variation, minimum and maximum variables, kurtosis and skewness (Hayes, 2022). Most data are collected using a 7-point Likert scale, apart from demographic questions, preferred retail fuel company and factors influencing a choice of the company. For demographic questions the author used frequencies and percentages to describe the sample, whereas for variables, including customer loyalty, customer trust and four dimensions of CSR both central tendencies and dispersions were examined, in order to observe the tendency (Hayes, 2022). In order to analyze the variables, the author averaged the values, and got six new variables, namely CT (customer trust), CL (customer loyalty), ECON_RES (economic responsibility), ENV_RES (environmental responsibility), ETH_RES (ethical responsibility) and PHIL_RES (philanthropic responsibility).

Before performing analysis to observe possible correlation between the variables, the reliability and validity are examined in order to perceive the quality of the research, by assessing consistency and accuracy of the variables (Bell et al, 2019). To measure responsibility, the Cronbach's Alpha test was conducted. For the validity test, Spearman's correlation coefficient was used, which is often more powerful than a Pearson's correlation coefficient in the context of nonnormality (Bishara and Hittner, 2012). Additionally, Spearman's correlation test is ideal for ordinal data (Bell et al, 2019).

Bewick et al. (2003) stated that for investigating a relationship between variables includes two analyses: correlation and regression analysis. For the purpose of this thesis, regression analysis was conducted to observe how a dependent variable is affected by independent (Calvello, 2020). Multiple regression is conducted when there are two or more variable in question. The research has two dependents variables and four independent variables, therefore a two separate multiple regressions were conducted. Also in case of H3, the linear regression was conducted, since the research examined one dependent and one independent variable. Additionally, comparative charts are used to present findings in visual and simple way. After testing all hypotheses, the author has provided a general conclusion and practical recommendations.

CHAPTER 4

Results

The first section of the questionnaire consisted of four questions about the demographic characteristics of the respondents, covering their gender, age, level of education and monthly income. Among these questions, notable responses included a majority of female respondents of 69.30% and an age range predominantly between 30-44 years old with 56.14%. Regarding the education most of the respondents held undergraduate/ Bachelor's degree with 64.04%. For monthly net income, the most answered one was in the range EUR 1,001-2,500 with 45.61%, followed by the range of income of EUR 501-1,000 with 42.11%. These data are available in the Table 4.1 below.

Table 4.1: Demographic profile of the respondents (n=114)

	Frequency	Percentage (%)
GENDER		
Male	35	30.70%
Female	79	69.30%
AGE		
18-29	27	23.68%
30-44	64	56.14%
45-59	19	16.67%
60 and over	4	3.51%
EDUCATION		
Secondary education	15	13.16%
Undergraduate/ Bachelor's degree	73	64.04%
Master's degree	24	21.05%
PhD's degree	2	1.75%
MONTHLY INCOME (NET) IN EUR		
0-150	2	1.75%
151-500	2	1.75%
501-1,000	48	42.11%
1,001-2,500	52	45.61%
More than 2,501	10	8.77%

Source: Self-elaborated

Additionally, it would also be relevant to show the preferred retail company by the respondents and their purchasing habits with the retail fuel company. Among the five major players, the most preferred was Jugopetrol AD, under the EKO brand, with 58.77%, followed by Petrol with 14.91%, Ina with 12.28%, Lukoil with 7.89%, and Hifa-Oil with 6.14%. Respondents typically visit retail fuel companies 1 to 3 times per month, whereas in the case of Hifa-Oil is 4 to 6 visits per month. The frequency of visits on a monthly basis is presented in the Figure 4.1 below.

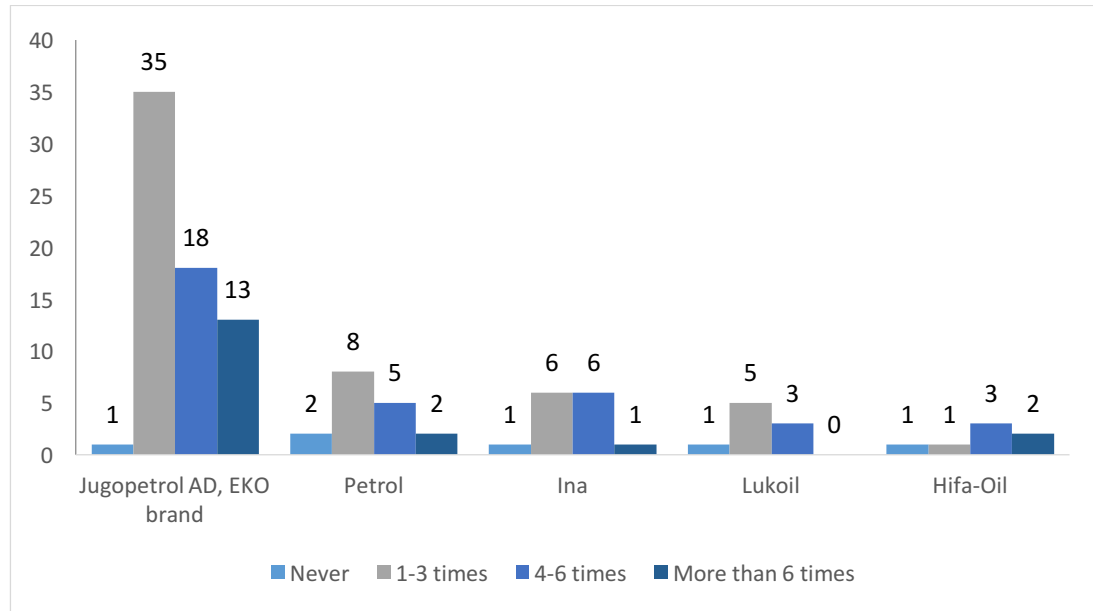


Figure 4.1: Frequency of visits per retail fuel company (n=114), Source: Self-elaborated

The main reason why respondents visited Jugopetrol AD, under the EKO brand, was the location of its service station, followed by product quality factor. For Petrol, respondents stated that station location was the primary reason for their visits. Similarly, respondents visited Ina primarily due to product quality factor, while location was the main factors influencing visits to Lukoil and Hifa-Oil.

Descriptive statistics provided summaries of the mean, media, mode, standard deviation, skewness and kurtosis for the new, averaged variables. The highest mean in the data was observed for ECON_RES at 5.46, and the lowest was for ETH_RES at 4.23. The median values, almost at the same level, from a low of 4.00 to a high of 5.75. Moreover, the mode was either at the value level of 4.00 or 6.00. The closeness of the mean and median values suggested there is no major skew in these data points, so they appear to follow a roughly normal distribution. Additionally, the standard deviation was performed, ranged between 0.91 and 1.36, where CT and CL have relatively low standard deviations, while ENV_RES and PHIL_RES have a slightly higher one, indicating slightly higher variability.

The skewness and kurtosis coefficients are used to provide insights into distribution, precisely skewness measure the asymmetry of the data distribution, and kurtosis measures tail behavior (Bai &

Ng, 2012). The highest value of the skewness was -0.08 for ETH_RES, indicating a nearly symmetrical distribution, and the lowest of -0.64 for CT. Overall skewness is low, suggesting relatively normal distributions of all variables. The kurtosis values ranged from -0.49 to 0.71, suggesting that all variables have distribution close to normal, with no heavy tail. Table 4.2 below depicts aforementioned descriptive statistics of all six variables.

Table 4.2: Statistical description of dependent and independent variables

Variable	Mean	Median	Mode	Std. Deviation	Skewness	Kurtosis
CT	5.13	5.25	6.00	1.04	-0.64	0.29
CL	5.10	5.29	6.00	1.24	-0.58	-0.28
ECON_RES	5.46	5.75	6.00	0.91	-0.44	-0.30
ENV_RES	4.23	4.20	4.00	1.36	-0.09	-0.49
ETH_RES	4.25	4.00	4.00	1.07	-0.08	0.71
PHIL_RES	4.47	4.50	4.00	1.26	-0.47	-0.04

Source: Self-elaborated

As previously mentioned, the questionnaires for all variables included multiple items within the same area. Therefore, to group these variables, it was needed to test whether they measure the same underlying dimension. Cronbach's Alpha test was conducted to examine reliability. According to Pallant (2007), a Cronbach's Alpha value above 0.7 is acceptable, and the inter-item correlation matrix must display positive numbers to confirm that the items measure the same underlying characteristics. All groups measuring six variables achieved a Cronbach's Alpha above 0.7, as shown in Table 4.3 below. Additionally, the inter-item correlation matrix showed only positive values across for all groups.

Table 4.3: Reliability (Cronbach's Alpha test)

Variable	Cronbach's Alpha	N of Items
CT	0.82	4
CL	0.90	7
ECON_RES	0.79	4
ENV_RES	0.89	5
ETH_RES	0.74	4
PHIL_RES	0.88	4

Source: Self-elaborated

Validity testing was conducted using a Spearman Correlation test to determine whether the research actually measures what it is intended to measure (Golafshani, 2003). Wainer and Braun (1998) described validity in terms of construct validity, and for this research, validity was examined among the independent variables. All four independent variables, as shown on the Table 4.4, are positively correlated ($p>0$), so this finding could support the idea that CSR is complex and multi-dimensional concept.

Table 4.4: Spearman Correlation test of independent variables

Variable		ECON_RES	ENV_RES	ETH_RES	PHIL_RES
ECON_RES	Correlation Coefficient	1.000	0.366**	0.307**	0.321**
	Sig. (2-tailed)		0.000	0.001	0.000
ENV_RES	Correlation Coefficient	0.366**	1.000	0.736**	0.655**
	Sig. (2-tailed)	0.000		0.000	0.000
ETH_RES	Correlation Coefficient	0.307**	0.736**	1.000	0.640**
	Sig. (2-tailed)	0.001	0.000		0.000
PHIL_RES	Correlation Coefficient	0.321**	0.655**	0.640**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	

******. Correlation is significant at the 0.01 level (2-tailed).

Source: Self-elaborated

Regression analysis was performed to test the pre-set hypotheses and observe relationships between different variables. For two of the three hypotheses, a multiple regression was conducted, since the research predicted four independent variables and one dependent variable. For the third hypothesis a simple linear regression was used to explore the relationship between two variables. Standard residuals were used to identify outliers; any residual outside of the range +3 and -3 were considered as outliers (Tabachnick & Field, 2019). Additionally, this approach enabled to perform the model's comparison across different variables, and assume normally distributed errors (Field, 2013). Therefore, measures such as the standardized coefficient Beta, unstandardized coefficient B, standard error, t-value, significance (p -value), VIF, tolerance, and the standard residual range were used to test the relationships of the variables in Model 1 and Model 2. Measures used for Model 3 included: R, R²,

adjusted R², t-value, significance (p-value), F-value, unstandardized coefficient B, and standardized coefficient Beta.

In Model 1 (Hypothesis 1), the effect of four CSR dimensions on customer trust was examined. The ANOVA results ($F=11.407$, $p=0.000$) show that Model 1 is statistically significant. Additionally, by observing the unstandardized Beta coefficient and significance together for each individual predictor on CT, we may conclude that ECON_RES ($B=0.263$, $p=0.000$) and ENV_RES ($B=0.201$, $p=0.050$) have positive effect on CT, while ETH_RES ($B=0.121$, $p=0.036$) and PHIL_RES ($B=0.092$, $p=0.498$) do not independently contribute to CT in Model 1. Pallant (2016) suggested to perform collinearity diagnostics, including VIF and tolerance to ensure that multicollinearity does not affect the model's reliability. For Model 1, all VIF values were below 10, and tolerance values were above 0.1. The standard residual range was from -3.421 to 2.222. A thorough description of the results would be in the next subchapter, and Table 4.5 below provides an overview of the multiple regression analysis results.

Table 4.5: Multiple regression analysis (Hypothesis 1)

Independent Variables	Unstd. coefficient t B	Std. Error	Std. coeff. Beta	t	Sig.	VIF	Tolerance	Std. Residual (Range)
Constant	2.053	0.555	-	3.696	0.000	-		-
ECON_RES	0.263	0.098	0.230	2.685	0.008***	1.133	0.883	-
ENV_RES	0.201	0.101	0.262	1.980	0.050*	2.707	0.369	-
ETH_RES	0.121	0.125	0.124	0.966	0.336	2.559	0.391	-
PHIL_RES	0.062	0.092	0.075	0.679	0.498	1.905	0.525	-
Model 1 Summary					$F=11.407$; Sig.=0.000			Std. Residual R: -3.421 to 2.222

$p<0.05^*$, $p<0.001^{***}$ $n=114$

Source: Self-elaborated

In Model 2 (Hypothesis 2), a multiple regression was also performed, so to examine the four CSR dimension effect on customer loyalty (CL). The ANOVA results ($F=19.802$, $p=0.000$) show that Model 2 is statistically significant. When predictor variables are observed independently, ECON_RES ($B=0.337$, $p=0.002$) and ENV_RES ($B=0.261$, $p=0.019$) have positive and significant effect on CL, while

ETH_RES ($B=0.190$, $p=0.163$) and PHIL_RES ($B=0.130$, $p=0.195$) did not show a statistically significant effect. All VIF values are below 10, as well tolerance value above 0.1, indicating that multicollinearity is not affecting the model. Standard residual range was from -2.646 to 2.041. Table 4.6 below shows the output of Model 2 regression.

Table 4.6: Multiple regression analysis (Hypothesis 2)

Independent Variables	Unstd. coefficient B	Std. Error	Std. coefficient Beta	t	Sig.	VIF	Tolerance (Collinearity Statistics)	Std. Residual (Range)
Constant	0.773	0.600	-	1.289	0.200	-	-	-
ECON_RES	0.337	0.106	0.247	3.185	0.002***	1.133	0.883	-
ENV_RES	0.261	0.110	0.285	2.379	0.019*	2.707	0.369	-
ETH_RES	0.190	0.135	0.164	1.406	0.163	2.559	0.391	-
PHIL_RES	0.130	0.099	0.131	1.305	0.195	1.905	0.525	-
Model 2 Summary					F=19.826 ; Sig.=0.000***			Std. Residual Range: -2.646 to 2.041

$p<0.05^*$, $p<0.001^{***}$ $n= 114$

Source: Self-elaborated

For a simple linear regression, R^2 is used to show the proportion of variance in the dependent variable explained by the independent variable, with values above 0.26 considered acceptable. On the other hand, Tabachnick and Fidell (2019) suggested to use adjusted R^2 for a more conservative estimate of model fit. In Table 4.7 below, the output for hypothesis 3 examines the effect of customer trust (CT) on customer loyalty (CL), and shows that 55.1% (R^2) of the variance in CL is explained by CT. The ANOVA test ($F=137.316$, $p=0.000$) confirms that the model is highly significant. The unstandardized

B coefficient is 0.884, with a t-value of 11.7418 and a p-value of 0.000 showing the significant positive effect.

Table 4.7: Linear regression (Hypothesis 3)

R	R ²	Adjusted R ²	F	Sig.	Unst. coeff. B	Beta	t	Std. Error of the Estimate	Std. Residual (Range)
0.742	0.551	0.547	137.316	0.000 ***	0.884	0.742	11.718	0.83800	From -2.998 to 1.789

p<0.001*** n= 114

Source: Self-elaborated

Following the findings of the analyzed data, Table 4.8 shows an overview of key results, and whether pre-determined hypotheses are supported or not.

Table 4.8: Summary of Hypothesis

Hypothesis	Short Description	Key results (B, Beta, t, p-value)	ANOVA F, p-value	Results
H1	Effect of four CSR dimensions on Customer Trust	ECON_RES (B=0.263, ρ =0.000), ENV_RES (B=0.201, ρ =0.050); ETH_RES & PHIL_RES (ρ >0.05)	F=11.407, ρ =0.000	Partially supported
H2	Effect of four CSR dimensions on Customer Loyalty	ECON_RES (B=0.337, ρ =0.002), ENV_RES (B=0.261, ρ =0.019; ETH_RES & PHIL_RES (ρ >0.05)	F=19.802, ρ =0.000	Partially supported
H3	Customer Trust effect on Customer Loyalty	B=0.884, Beta=0.742, t-value=11.718, p<0.001	F=137.316, ρ =0.000	Supported

Source: Self-elaborated

Discussion and Conclusions

Three main objectives were outlined in the Introduction section, where the first one consisted of examining the effect of CSR on customer trust and customer loyalty within retail fuel companies. The second one was to analyze the relationship between customer trust and customer loyalty. The last objective was focused on providing recommendations for future steps in CSR practices and their marketing strategies in retail fuel companies.

Regarding the first and second hypotheses, depicted by Model 1 and Model 2 are statistically significant as described in the section above with value of $p < 0.001$ for both models. Moreover, economic responsibility and environmental responsibility are also statistically significant and have a strong effect on customer trust and customer loyalty. However, this research implies that the impact differs according to the dimensions considered. In both Model 1 and Model 2, ethical responsibility and philanthropic responsibility did not show statistically significant results, indicating that these dimensions did not have a substantial impact on customer trust and customer loyalty.

Since the research examined CSR through four dimensions, the *H1 and H2 are partially supported* by the analyzed data. Similar results were identified in several studies indicating, that not all the dimensions of CSR have an effect on trust (Abid & Moulins, 2015) and loyalty (Schramm-Klein & Zentes, 2008; Ailawadi et al., 2011). This mainly depends on the context and the customer groups considered (Maignan & Ralston, 2002; Matten & Moon, 2008; Freeman & Hasnaoui, 2011). Hence, CSR activities may differently affect customers, and it is important to conduct a customer segmentation analysis when performing and communicating certain CSR actions. The findings confirm that economic responsibility is relevant to customers and it has a direct influence on loyalty (Mittal et al., 2008). The result suggests that a customer is more likely to trust and remain loyal to retail fuel companies that have stable and positive financial performance. Additionally, environmental responsibility is also an important dimension in industries where its impact is negative, like in the retail fuel industry. Similar research by Kim et al. (2020) supported this finding, showing that customers are more loyal to companies that have specific environmental commitment. On the other hand, ethical responsibility in this research did not show a strong influence on customers, as ethical practices may not be visible to customers, and consequently would not influence their behavior (Carrigan & Attalla, 2001). This implication is also supported by García de los Salmones et al. (2005), suggesting that ethical activities should be communicated in order to build loyalty. The philanthropic responsibility effect on both customer trust and customer loyalty in this research is not significant, as customers might perceive activities within this dimension as secondary. Retail fuel companies performed various philanthropic

activities that were communicated to the general public, but these may be seen as not directly giving a benefit to a customer. This is supported by Sivarak and Chen (2021), who showed that philanthropic activities contribute to overall brand image, but they have lower influence on customer loyalty than operational CSR activities.

Hypothesis 3 that portrayed the effect of customer trust on customer loyalty is supported, with statistically significant result ($p < 0.001$). The strong relationship between these two variables aligns with the literature review, therefore it is especially relevant in the retail fuel industry. This is supported by Choi and La (2013), suggesting that trust impacts loyalty in the service industry, where customers rely on companies that have integrity and are consistent in their communication.

Although the analyzed data did not support to the full extent two out of three hypotheses, the research suggests that CSR has a certain effect on customer trust and customer loyalty within the context of the retail fuel industry, including that by building trust toward customer through various activities, would result in loyalty towards a specific retail fuel company.

5.1. Theoretical Implications

The primary purpose of this thesis was to examine the relationship between CSR, customer trust, and customer loyalty, and its effect in the retail fuel industry. Overall, CSR has a moderate effect on customer trust and customer loyalty, as two hypotheses are partially supported. Partially supported hypotheses lead to the implication that CSR is not a one-size-fits-all solution, supporting the multi-dimensional CSR theory, suggests that different dimensions could have different levels of influence on customer behavior (García de los Salmones et al., 2005; Marin et al., 2009).

The lack of literature is noted in the context of the retail fuel industry, as well as when referencing to Montenegro. Those two contexts would make the research of this thesis unique in its findings. Additionally, the research of this thesis contributes to the knowledge by suggesting that the CSR effect is contextual, meaning that the effect of CSR practices can vary depending on the industry, customer expectations, and social or environmental issues relevant to that industry. Several studies found similar outcome where certain CSR dimensions were influenced by industry-specific context (García de los Salmones et al., 2005; Marin et al., 2009; Kim et al., 2020). Therefore, the results of the research support the CSR theory that not all dimensions contribute equally across industries.

The significant relationship between customer trust and customer loyalty examined in this research may observe trust as a potential mediator in the relationship between CSR and loyalty. Previous studies affirmed the mediation role of customer trust in the relationship between CSR and customer loyalty (Pivato et al., 2008; Vlachos et al., 2009). This research also supports stakeholder

theory, in the context of the retail fuel industry, economic and environmental practices have a significant effect on customer behavior. The stakeholder theory states that a company should address the expectations of all stakeholders by undertaking certain activities (Smith, 2008).

Therefore, it could be beneficial to examine the industry-specific models and focus on CSR dimensions that are aligned with stakeholder needs, as well as to explore trust as a moderating variable between CSR and loyalty in the context of the retail fuel industry.

5.2. Practical Implications

The research findings on the CSR effect on customer trust and customer loyalty may provide a step-by-step framework for companies to implement when developing and aligning strategy with their core vision and mission.

Firstly, companies should identify key CSR dimensions using the stakeholder approach, and prioritizing activities based on their needs, to make an impact, in this case customers (Carroll, 1991; Lee et al., 2012). Driven by the research results, economic and environmental practices should be the focus of CSR strategy towards the customers, such as stable pricing, investment in green technologies, recognized and transparent environmental practices. Even though the data showed no significant impact of ethical and philanthropic responsibility on customer trust and loyalty, these dimensions should not be neglected. Therefore, the suggestion is to create targeted CSR initiatives that could be perceived by customer to have direct influence on them (Bhattacharya et al., 2004). In order to achieve that, a CSR communication strategy should be developed for dimensions with less perceived impact to become more visible. Du et al. (2010) affirmed the importance of CSR communication strategies by increasing the visibility and impact of CSR efforts. Communication of CSR efforts should be done by including local communities, such as media representatives, relevant authorities, and other relevant stakeholders.

In order to enhance customer trust and loyalty, CSR practices should be transparent in communication and consistent (Du et al., 2010). While the European Commission outlined more requirements for reporting on CSR by publishing the Corporate Sustainability Reporting Directive (European Commission, 2021), in Montenegro this practice is non-existent. Nevertheless, a report on CSR initiatives and their outcomes should be a practice of each business, as reporting provides insight to stakeholders, and on the other hand, a company builds its trustworthiness. Lastly, a recommendation is to involve customers in active participation, by collecting feedback on CSR initiatives, and in this way a company can track the needs and expectations, build and adjust CSR strategies. This is supported by several researchers, stating that a company needs to understand

customers in order to align between customer perceptions with expectations and the company's CSR initiatives (Calabrese et al., 2015). Figure 5.1 below depicts a framework that could be used by retail fuel companies.

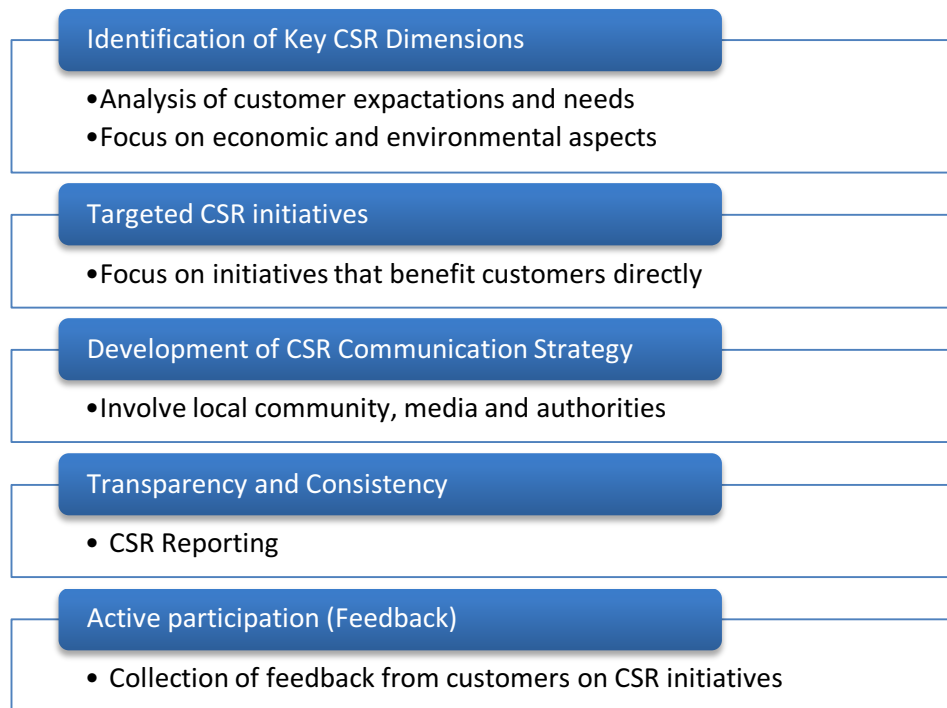


Figure 5.1: Proposal for CSR framework, Source: Self-elaborated

5.3. Limitations and Future Research

It is important to note that this study has certain limitations. Firstly, the hypotheses were tested within an industry- and country-specific context, which limits their external validity. The research findings are difficult to compare with previous studies, because there is a lack of available literature on such research. In order to achieve new and better conclusions, it would be necessary to perform slight modifications and also to repeat the research and/or to expand by examining the same or different perspectives. Moreover, study findings were based on aggregated measures of CSR's four dimensions, but this can also impose a limitation, as different CSR activities might have a different impact on customer behavior. Therefore, future research could consider adopting a context-sensitive or multi-dimension approach to CSR, where dimensions are treated independently, without equal weighting, prioritized by stakeholder's need and expectations.

An additional limitation was the use of convenience and snowball sampling, due to time and resource constraints. Moreover, the majority of respondents were female, so the sample may not represent the wider population. Therefore, the results from the study could be improved if a broader perspective is employed, with simple random or stratified samples. Since the study was conducted at one point in time, it may not consider changes in customer behavior or CSR perception over time. Longitudinal research may seize those changes in CSR effect on trust and loyalty over time. As for methodologies, the study used a quantitative survey method, as a means to gather data quickly, which might limit a comprehensive understanding of the findings. Therefore, a recommendation is to use mixed-method to generate more robust results by using surveys with qualitative interviews and focus groups. This approach might provide a further explanation why certain CSR dimensions effect customer trust and loyalty.

As stated before, the study was focused on four CSR dimensions, which potentially limited the study by not including other relevant dimensions that might have an effect on customers. Therefore, future research could include additional dimensions, such as legal, to provide a more holistic view of the CSR effect. The research could be expanded by comparing multiple industries that certainly could offer insights of CSR effect across industries. Lastly, the thesis results confirmed the CSR effect on customer trust and customer loyalty to certain extent, and that trust as mediator in the relationship could be further explained.

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APPENDIX

Appendix 1 – Survey

Dear Sir or Madam,

I am conducting a survey as part of a master's thesis research project titled "Corporate Social Responsibility Effect on Customer Trust and Loyalty in the Retail Fuel Industry in Montenegro." I invite you to participate and contribute to the interpretation of relevant results.

The primary objective of this thesis is to analyze attitudes towards Corporate Social Responsibility (CSR) practices in the retail fuel sector, a topic of increasing importance globally and within the EU. Your insights as a consumer will play a crucial role in understanding perceptions and behaviors related to CSR in the industry.

This research is conducted solely for academic purposes and will be treated with full confidentiality. The information provided by you will be used exclusively for the thesis and will remain confidential. If you have any questions or require further information about the survey or the research itself, please feel free to contact me at vanjaa@live.co.uk.

Thank you for considering participation in the study. Your contribution will be immensely valuable to the advancement of knowledge in the field.

Part 1: Demographic characteristics

1. Gender

☐ Male

☐ Female

2. Age

- ☐ 18-29
- ☐ 30-44
- ☐ 45-59
- ☐ 60 and over

3. Level of education

- ☐ Primary education
- ☐ Secondary education
- ☐ Undergraduate/ Bachelor's degree
- ☐ Master's degree
- ☐ PhD's degree

4. Monthly income (net)

- ☐ 0-150€
- ☐ 151-500€
- ☐ 501-1,000€
- ☐ 1,001-2,500€
- ☐ More than 2,501€

Part 2: Preferred retail fuel company and attitudes towards specific fuel retailer

5. How many times do you shop fuel products and/ or services on monthly basis?

- ☐ Never
- ☐ 1-3 times
- ☐ 4-6 times
- ☐ More than 6 times

6. Which retail fuel company and brand do you often buy product and/ or services from?

- ☐ Jugopetrol AD, EKO brand
- ☐ Petrol
- ☐ Ina
- ☐ Lukoil
- ☐ Hifa Oil

☐ Other, _____ (please specify)

7. What are the main reasons for the choice of yours?

- ☐ Fuel service station location
- ☐ Product quality
- ☐ Product assortment
- ☐ Customer service
- ☐ Sales promotion
- ☐ Loyalty program
- ☐ Recognized CSR practice
- ☐ Price of fuel products
- ☐ Recommendation
- ☐ Other, _____ (please specify)

8. The products/ services of the fuel retailer give me an impression of security.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. I trust the quality of the products/ services of the fuel retailer.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. The fuel retailer shows interest for its customers.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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11. The fuel retailer is honest with its customers.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. I say positive things about the fuel retailer.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. I encourage friends and relatives to use products/ services from the fuel retailer.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. I recommend the fuel retailer to someone who seeks my advice.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. I am loyal customer to the fuel retailer.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. I consider the fuel retailer the first choice from which to buy products/ services.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. I plan to continue purchasing products/ services from the fuel retailer in the next few years.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. I would continue purchasing products/ services from the fuel retailer even if its rates increased slightly.

Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 3: Perception of economic responsibility of preferred retail fuel company

19. Please answer the following statements (Strongly Disagree- Disagree- Somewhat Disagree- Neither Agree nor Disagree- Somewhat Agree- Agree- Strongly Agree). Tick one box only for each statement.

I think that the fuel retailer where I often purchase products and/ or services:

	Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
Maximizes profits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Controls their production costs strictly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans for their long term success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Always improves economic performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 4: Perception of environmental responsibility of preferred retail fuel company

20. Please answer the following statements (Strongly Disagree- Disagree- Somewhat Disagree- Neither Agree nor Disagree- Somewhat Agree- Agree- Strongly Agree). Tick one box only for each statement.

I think that the fuel retailer where I often purchase products and/ or services:

	Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
Protects the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduces its consumption of natural resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recycles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communicates to its customers its environmental practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exploits renewable energy in a productive process compatible with the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 5: Perception of ethical responsibility of preferred retail fuel company

21. Please answer the following statements (Strongly Disagree- Disagree- Somewhat Disagree- Neither Agree nor Disagree- Somewhat Agree- Agree- Strongly Agree). Tick one box only for each statement.

I think that the fuel retailer where I often purchase products and/ or services:

	Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
Permits ethical concerns to negatively affect economic performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensures that the respect of ethical principles has priority over economic performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commits to well- defined ethics principles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Avoids compromising ethical standards in order to achieve corporate goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 6: Perception of philanthropic responsibility of preferred retail fuel company

22. Please answer to the following statements (Strongly Disagree- Disagree- Somewhat Disagree- Neither Agree nor Disagree- Somewhat Agree- Agree- Strongly Agree). Tick one box only for each statement.

I think that the fuel retailer where I often purchase products and/ or services:

	Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Agree	Strongly Disagree
Helps solve social problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participates in the management of public affairs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Allocates some of their resources to philanthropic activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plays a role in our society that goes beyond the mere generation of profits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank you for taking your time to answer all questions.

Vanja Jankovic, International Management, ISCTE Business School