Integrating Corporate Social Responsibility and Organizational Capabilities: A Strategy Fit Model for Enhancing Customer Loyalty

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Abstract

This study investigates the effect of Corporate Social Responsibility (CSR) on customer loyalty in notary public offices in Isfahan, Iran, with a focus on the mediating roles of trust and reputation and the moderating role of organizational capability through CSR_Strategy Fit. Data were collected from 389 customers using a structured questionnaire measuring CSR, trust, reputation, loyalty, organizational capability, and CSR_Strategy Fit. Partial Least Squares Structural Equation Modeling (PLS_SEM) was applied for analysis. Results indicate that the direct effect of CSR on customer loyalty is not significant, while its indirect effect through trust and reputation is significant. Additionally, the novel concept of CSR_Strategy Fit strengthens the positive influence of CSR on customer loyalty when aligned with organizational capabilities, highlighting the importance of integrating CSR initiatives with internal strengths. This study introduces CSR_Strategy Fit as a dynamic moderating framework and suggests that managers should align CSR with organizational capabilities to build trust, enhance reputation, and foster customer loyalty in service organizations.

Keywords: : Corporate Social Responsibility, CSR_Strategy Fit, Customer Loyalty, Trust, Reputation, Organizational Capability, Notary Offices

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Introduction

In today's competitive and dynamic business landscape, Corporate Social Responsibility (CSR) has emerged as a critical strategic tool for organizations worldwide. CSR, which represents a firm's commitment to social and environmental responsibilities, has progressed from being a voluntary initiative to a strategic necessity, enabling businesses to respond to shifting consumer expectations while promoting sustainability (Latifa et al., 2020). As consumer values have evolved, ethical practices, environmental stewardship, and efforts toward social well_being have become key determinants of brand perception and customer loyalty. Today's customers are more likely to engage with firms whose values align with their own, making CSR a vital component of organizational identity. Studies confirm that CSR directly influences profitability, competitive positioning, and long_term resilience (Cheah et al., 2023). From a customer_centered perspective, CSR has been identified as closely intertwined with customer loyalty, which is widely regarded as a crucial advantage in gaining and sustaining a competitive edge. Customers tend to develop stronger emotional connections with businesses that engage in socially responsible practices, fostering trust and reinforcing reputational benefits-both of which significantly enhance loyalty (Jiddi, 2023). In turn, loyal customers provide organizations with critical benefits, including greater profitability, improved resilience in competitive or crisis situations, and a sustained reputation for ethical excellence (Castaldo et al., 2023).

Despite the wealth of research on CSR, gaps exist in understanding how CSR initiatives translate into customer loyalty. Most studies have focused on the direct effects of CSR, neglecting the complex internal dynamics and enabling mechanisms that amplify CSR's impact (Islam et al., 2020; Ahn et al., 2021). Existing research has largely overlooked the strategic alignment between CSR practices and organizational capabilities-a dynamic that forms the basis of this study. This research introduces CSR Strategy Fit, a novel theoretical construct grounded in the Resource Based View (RBV) and Stakeholder Theory. CSR_Strategy Fit emphasizes the alignment between CSR initiatives and internal organizational resources, proposing that this alignment leads to greater trust, reputation, and loyalty outcomes. Unlike studies that treat CSR as an isolated driver of external stakeholder engagement, the framework of CSR_Strategy Fit highlights CSR as an integrated, strategic initiative that works in synergy with a firm's capabilities.

To address key gaps in the literature, this study aims to:

1. Examine CSR's impact on customer loyalty through mediating factors such as trust and reputation—both established as critical drivers of customer behavior.

2. Measure the moderating role of CSR_Strategy Fit, offering a framework for understanding how alignment between CSR initiatives and organizational capabilities strengthens the CSR_loyalty relationship.

3. Identify specific organizational capabilities that improve the effectiveness of CSR initiatives, revealing actionable insights for service_oriented organizations.

The study is situated in the underexplored context of notary public offices in Isfahan, representing a service_oriented sector with distinct challenges and practices. Using structural equation modeling (SEM) to analyze data from 389 respondents, the study provides evidence of the significant indirect effects of CSR on customer loyalty via trust and reputation. Moreover, it confirms the importance of CSR_Strategy Fit in amplifying these outcomes.

By introducing the CSR_Strategy Fit construct, this research contributes to filling critical gaps in CSR literature, offering both theoretical advancements and practical recommendations. In particular, the study underscores the strategic importance of

integrating CSR initiatives with internal capabilities, enabling organizations to better meet customer expectations, enhance loyalty, and secure a sustainable competitive edge.

2. Literature Review and Hypothesis Development

The relationship between Corporate Social Responsibility (CSR) and customer loyalty has been the subject of considerable scholarly attention. According to stakeholder theory, CSR is not merely a philanthropic activity but a strategic approach to aligning organizational objectives with the expectations of a diverse stakeholder group, especially customers, who are considered primary stakeholders. This framework not only underscores the ethical imperatives of CSR but also its business advantages, with a strong emphasis on CSR's critical role in enhancing customer loyalty. Despite ample evidence supporting a positive link between CSR and customer loyalty, the literature often neglects the underlying contextual and moderating factors influencing this relationship. This study seeks to address this important gap by investigating the specific circumstances (boundary conditions) under which CSR is most effective in generating customer loyalty. Particularly, we incorporate Resource_Based View (RBV) theory to examine how internal organizational capabilities-alongside the strategic alignment between CSR initiatives and these internal strengths (referred to as CSR_Strategy Fit)-impact this relationship. Through the introduction of the CSR_Strategy Fit Model, this study advances the current CSR debate by analyzing both external stakeholder engagement and the internal dynamics of organizational competencies.

2.1. Corporate Social Responsibility and Customer Loyalty

Over the years, CSR has evolved from being a purely voluntary moral practice into a fundamental component of corporate strategy. Originally viewed as a social obligation, CSR is now widely recognized as a key driver of competitive advantage (Wang et al., 2024). In its current form, CSR encompasses corporate activities that both mitigate negative social impacts and support business objectives such as customer loyalty. Engagement in CSR initiatives helps organizations strengthen customers' emotional attachment to the brand, increasing overall satisfaction and loyalty. Empirical evidence shows that customers demonstrate greater loyalty and advocacy towards firms visibly engaged in CSR (Wang et al., 2024; Tan et al., 2022). CSR activities communicate shared values and create a positive brand image in the consumers' minds.

H1: Corporate Social Responsibility (CSR) has a positive and significant effect on customer loyalty.

2.2. CSR and Customer Trust

A major mechanism through which CSR affects customer loyalty is the cultivation of customer trust. Effective CSR activities foster public perceptions of organizations as ethical, transparent, and genuinely committed to societal well_being (Suhartanto, 2019). Customers are more inclined to trust organizations demonstrating consistent and responsible behaviors across financial, environmental, and social dimensions (Islam et al., 2020). Such trust reduces customers' perceived risks and encourages stronger, more durable relationships.

H2: Corporate Social Responsibility (CSR) has a positive and significant effect on customer trust.

2.3. CSR and Organizational Reputation

CSR significantly enhances a company's reputation, especially in competitive markets. Engagement in socially responsible initiatives serves as a signal of organizational goodwill and responsibility to both customers and other stakeholders (Roberts & Dowling, 2002). A strong reputation not only consolidates existing

stakeholder relationships but also creates sustainable competitive advantages (Jalilvand et al., 2017). Through consistent and transparent CSR, organizations reinforce their commitment to social values, boosting stakeholder confidence and trust in their brand.

H3: Corporate Social Responsibility (CSR) has a positive and significant effect on organizational reputation.

2.4. Customer Trust and Organizational Reputation

Trust does not merely increase customer loyalty; it is also crucial in establishing a favorable organizational reputation. When customers trust a company, their perception of the firm's overall reputation improves. There is abundant research confirming the significant and positive correlation between customer trust and corporate reputation (Pavlov & Fygenson, 2006; Muflih, 2021).

H4: Customer trust has a positive and significant effect on organizational reputation.

2.5. Customer Trust and Customer Loyalty

Trust is widely recognized as a foundational element for fostering long_term loyalty and solidifying customer relationships (Pratminingsih, 2013). Within relationship marketing, trust serves as the emotional foundation for customer_brand affinity and recurring engagement (Ahn et al., 2021).

H5: Customer trust has a positive and significant effect on customer loyalty.

2.6. Organizational Reputation and Customer Loyalty

Organizational reputation is an intangible asset that strongly influences customer purchasing decisions and loyalty. Customers often rely on reputation as a heuristic, particularly when facing major purchases or high uncertainty (Hetzel, 2016). Firms enjoying high reputational standing are seen as more reliable, reinforcing customer loyalty (Tan et al., 2022).

H6: Organizational reputation has a positive and significant effect on customer loyalty.

2.7. Corporate Social Responsibility, Customer Trust, and Customer Loyalty

Research by Keh and Xie (2009) and Jiddi (2023) highlights customer trust as a pivotal mechanism connecting CSR and loyalty. CSR initiatives give insight into a company's character, underscoring honesty and transparency in its business conduct. When customers perceive CSR initiatives as authentic and aligned with sustainability, it greatly fosters trust, which subsequently increases loyalty. The mediating role of trust in the CSR–loyalty link is well_supported (Martínez & del Bosque, 2013; Ahn et al., 2021; Islam et al., 2020).

H7: Customer trust mediates the relationship between corporate social responsibility and customer loyalty.

2.8. Corporate Social Responsibility, Reputation, and Customer Loyalty

The role of corporate reputation as an important intermediary between CSR and customer loyalty has been affirmed repeatedly (Roberts & Dowling, 2002). According to the Resource_Based View (RBV), reputation represents a strategic intangible asset essential to long_term competitive advantage and customer retention (Islam et al., 2020). Empirical findings show that CSR initiatives have a measurable effect on strengthening corporate reputation, which in turn enhances customer loyalty (Tan et al., 2022). Large organizations leverage this dynamic to drive both financial and relational outcomes. The mediating influence of reputation in the CSR–loyalty connection is also supported (Islam et al., 2020; Osakwe & Yusuf, 2020).

H8: Organizational reputation mediates the relationship between corporate social responsibility and customer loyalty.

2.9. Moderating Role of Organizational Capability

Organizational capability—defined as the skills, resources, and processes required for quality service and innovation-plays a crucial moderating role in the relationship between CSR and customer loyalty. As noted by Luo and Bhattacharya (2006),

customer outcomes are heavily dependent on the quality and consistency of a company's core offerings. Existing research (Perez et al., 2013; Sen & Bhattacharya, 2001) suggests that even robust CSR activities cannot compensate for weak organizational capability: if a company lacks product/service quality, CSR efforts may backfire, diminishing customer trust and loyalty. In contrast, the combination of high organizational capability with effective CSR fosters stronger loyalty and customer retention (Islam et al., 2020).

H9: Organizational capabilities moderate the effect of corporate social responsibility on customer loyalty, such that this effect is strengthened at high levels of organizational capability and weakened at low levels.

2.10. The Roles of CSR_Strategy Fit in Enhancing CSR Effectiveness

The concept of "CSR_Strategy Fit" describes the degree to which a company's CSR initiatives are aligned with its organizational capabilities and strategic objectives. This alignment_as proposed in the CSR_Strategy Fit Model_is central to maximizing the positive effects of CSR on customer loyalty. A strong CSR_Strategy Fit ensures that CSR resonates as authentic and relevant to both customers and internal stakeholders (Park, 2024). Organizational capabilities such as innovation, operational excellence, and customer focus serve as catalysts by translating CSR activities into impactful customer experiences. Integration of CSR into core business strategies boosts both the credibility and effectiveness of these initiatives (Apaydin et al., 2023).

Three primary outcomes result from high CSR_Strategy Fit:

1. Strategic Synergy: CSR initiatives complement and enhance internal resources and innovative capacity, thereby strengthening loyalty.

2. Dynamic Integration: Alignment creates positive feedback between CSR and organizational processes, building both trust and corporate reputation.

3. Sustainability: Organizations with strong CSR_Strategy Fit enjoy both short_term gains in loyalty and long_term brand equity and market differentiation.

In summary, the CSR_Strategy Fit Model reframes CSR as not just an outward_facing strategy, but as an internally integrated, strategic driver of corporate sustainability and differentiation, emphasizing leadership, transparency, and sustainable value creation (Emezi, 2014).

H10: The alignment between CSR initiatives and organizational capabilities (CSR_Strategy Fit) positively moderates the impact of CSR on customer loyalty, such that higher alignment leads to stronger loyalty outcomes.

Figure 1 provides a visual depiction of the hypothesized relationships among CSR, organizational capabilities, customer trust, corporate reputation, and customer loyalty, representing direct, mediating, and moderating paths as articulated in the presented hypotheses.

Figure 1: The proposed model
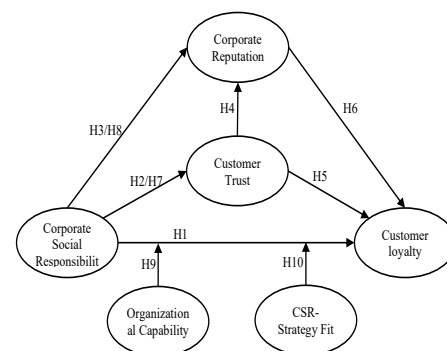
2.11. Research background

Recent empirical studies provide robust backing for the conceptual model presented in this paper.

Sharma and Kumar (2025) investigate the antecedents and customer-related outcomes of perceived corporate social responsibility (CSR) authenticity in Indian banks. By

developing an integrated conceptual model, the authors identify key factors—such as transparency, motivation, and alignment of CSR activities—that influence customers' perceptions of CSR authenticity. Using a quantitative approach and surveying customers of various Indian banks, the study employs structural equation modeling (SEM) to analyze the relationships among these variables. The findings reveal that perceived CSR authenticity positively affects important customer outcomes, including trust, loyalty, and advocacy. This research enriches the existing literature on CSR by clarifying how banks' genuine CSR initiatives can foster stronger customer relationships and contribute to sustainable business success. Wang et al. (2024) investigated the impact of Corporate Social Responsibility (CSR) on passenger satisfaction and loyalty in two international Chinese airports. The study also examined the moderating role of Green Human Resources Management (GHRM) in the relationship between CSR, passenger satisfaction, and loyalty. Findings from 269 questionnaires revealed a significant positive effect of CSR on passenger satisfaction and loyalty, with GHRM acting as a moderator. The research contributes to understanding CSR and GHRM's role in airport customer dynamics, offering practical recommendations for service industries. Jiddi (2023) investigated how investment in Corporate Social Responsibility (CSR) affects customers' attitudinal and behavioral loyalty in Moroccan hotels. The study explored the mediating roles of customer-company identification (C–CI), trust, and satisfaction in the relationship between CSR and loyalty, collecting data from 385 hotel customers and analyzing it using PLS-based structural equation modeling. Results showed that CSR significantly boosts customer loyalty mainly through C–CI and trust, while its direct effect on customer satisfaction was not significant. Interestingly, the study found that C–CI enhances both trust and satisfaction, and

trust also positively impacts satisfaction. Gezahegn, Durie, and Kibret (2024) examine the relationship between corporate social responsibility (CSR), customer satisfaction, and customer loyalty within the Ethiopian banking sector. The study aims to determine how CSR initiatives undertaken by Ethiopian banks influence customer satisfaction levels and, subsequently, impact customer loyalty. Using a quantitative research approach, data is collected from a sample of bank customers in Ethiopia. The researchers analyze the data to assess the direct and indirect effects of CSR on customer satisfaction and loyalty. The findings provide insights into the role of CSR in enhancing customer relationships and contributing to the sustainable growth of the banking sector in Ethiopia. The study suggests that banks in Ethiopia can improve customer satisfaction and loyalty by prioritizing and effectively communicating their CSR efforts. Baghbanian and Yaser (2023) examine the effect of the social responsibility of the Shiraz Municipality on citizen satisfaction and trust. The study investigates how the social responsibility initiatives and actions undertaken by the municipality influence the satisfaction levels and trust of the citizens residing in Shiraz. By focusing on the relationship between municipal social responsibility and key civic attitudes, the research aims to understand the impact of these efforts on strengthening the bond between the local government and its population. The findings of this study provide insights into the significance of social responsibility in municipal governance for enhancing citizen well-being, fostering positive perceptions, and building trust within the community. Nazari, Habibeh, and Fazeli Visari (2022) examine the relationship between corporate social responsibility, corporate image, brand image, and customer purchase intention. Their study shows that CSR positively influences both corporate and brand image, which subsequently enhances customers' purchase intentions.

3. Research Methodology

This study adopts an applied, descriptive-correlational research design aimed at providing practical managerial insights regarding the relationships among Corporate Social Responsibility (CSR), customer trust, organizational reputation, customer loyalty, organizational capabilities, and CSR-Strategy Fit. The statistical population consisted of customers of notary public offices in Isfahan, Iran. Inclusion criteria required participants to be at least 18 years old, have experienced services from a notary office in the last twelve months, and be willing to participate in the study. Individuals who did not meet these criteria were excluded. Because the total population was large and not precisely determinable, a simple random sampling technique was used to ensure representativeness and increase the generalizability of the findings. Based on Morgan's Table, the minimum sample size for large populations was set at 384 respondents. In practice, data were collected from 389 valid questionnaires, surpassing the required threshold for robust structural equation modeling.

Data collection was conducted through a structured and self-administered questionnaire, carefully adapted from previous, validated studies to align with local context and research objectives. The questionnaire was designed and distributed electronically using the Porsline online survey platform. It was sent to customers of 159 selected notary offices in Isfahan, resulting in 389 usable responses included in the final analysis. Before full deployment, a pilot study was carried out with 30 respondents to test the clarity and suitability of the items; revisions were made based on the feedback received. The final instrument assessed six primary constructs: Corporate Social Responsibility (9 items, adapted from Wang et al., 2024; Muflih, 2021; Latifa et al., 2020), Customer Trust (5 items, from Muflih, 2021; Islam et al., 2020), Organizational Reputation (4 items, from Latifa et al., 2020; Islam et al., 2020), Customer Loyalty (4 items, from Latifa et al., 2020), Organizational Capability (4 items, from Islam et al., 2020), and CSR-Strategy Fit, which was indirectly calculated using the absolute deviation approach from Mostafa (2020):

CSR-Strategy Fit = 1 - | CSR Score - OC Score |

Where "CSR Score" is the mean of the CSR items and "OC Score" is the mean of the organizational capability items, with the index ranging from 0 (no fit) to 1 (perfect fit). All items were rated on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree).

To ensure the validity and reliability of the measurement instrument, several steps were taken. Content validity was established through the evaluation by an expert panel consisting of five individuals with advanced academic backgrounds (at least a master's degree, four with PhDs and one MBA) and at least five years of experience in CSR or management of notary offices. The expert panel included both university professors in service management and practitioners experienced in social responsibility. Their feedback led to refinements in item wording and content coverage. Construct validity was assessed using convergent validity (average variance extracted, AVE) and discriminant validity (Fornell-Larcker criterion). Reliability was confirmed through Cronbach's Alpha and Composite Reliability (CR), all exceeding the 0.7 threshold, indicating satisfactory consistency of the constructs.

Data analysis was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) within the SmartPLS software environment. PLS-SEM was selected owing to the presence of both mediation and moderation in the proposed model, the ordinal nature of data that did not meet normality assumptions, and the adequacy of sample size for this analytical approach. The analysis examined direct, indirect (mediated), and moderating effects among the key research variables.

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Ethical considerations were strictly observed throughout the research process. All participants were fully informed about the nature and purpose of the study, assured of the confidentiality of their responses, and explicitly advised that they could withdraw at any stage. Written informed consent was obtained from all respondents in line with recognized ethical guidelines.

4. Research Findings

This section presents the findings of the research, including the analysis of respondents' profile, measurement model assessment, structural modeling, and the key role of CSR-Strategy Fit, which is indirectly measured based on the formulas described in the methodology. Adjustments have been made to the CSR-Strategy Fit section based on the actual mean values of the variables.

4.1. Respondents' Profile

Respondents' demographic information is summarized in Table 1, highlighting gender, age, frequency of visits, and reasons for visitation.

Table 1: Respondents' profile

Variable	Description	Frequency	%
Gender	Male	345	88.7
	Female	44	11.3
Age	18-30 years	58	14.9
	30-40 years	147	37.8
	40-50 years	118	30.3
	50-60 years	52	13.4
	> 60 years	14	3.6
Number of visits	once	85	21.9
	2-5 times	147	37.8
	5-10 times	42	10.8
	>10 times	115	29.6
Reason for Visit	Real Estate Services	175	45.0
	Automotive Services	184	47.3
	Signature Certification	103	26.5
	Other	106	27.2

4.2. Measurement Models

The constructs were evaluated using factor loadings, reliability measures (Cronbach's alpha (CA), Composite Reliability (CR)), and validity tests (Average Variance Extracted (AVE)). Results are summarized in Table 2.

• Factor Loadings: All loadings exceeded the threshold of 0.7, confirming strong relationships between observed items and constructs.

• Construct Reliability: CR and CA values exceeded 0.7, ensuring consistent reliability for all constructs.

• Construct Validity: AVE values were above 0.5, demonstrating adequate convergence of items.

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Table 2: The result of measurement model estimates

Construct/Item	Loading	CA	CR	AVE
CSR		0.941	0.945	0.681
Providing consultation services to customers. (CSR1)	0.764			
Respecting commitments to customers. (CSR2)	0.852			
Protecting customers' personal information and privacy. (CSR3)	0.794			
Supporting the environment and helping to preserve it. (CSR4)	0.804			
Organizing employees to provide standard services when needed. (CSR5)	0.879			
Ensuring employees are knowledgeable and friendly in assisting customers. (CSR6)	0.861			
Encouraging employees to develop their professional skills. (CSR7)	0.85			
Maintaining a clean and hygienic office environment. (CSR8)	0.765			
Emphasizing social responsibilities towards the community. (CSR9)	0.848			
Customer Loyalty		0.956	0.956	0.855
Encouraging others to use the services of this office. (loy1)	0.946			
Using the services of this office in the future. (loy2)	0.959			
Saying positive things about this office. (loy3)	0.925			
Choosing this office as the first option for notary public services. (loy4)	0.932			
Customer Trust		0.957	0.966	0.852
Providing sincere service to customers. (trs1)	0.925			
Having high responsiveness to customers. (trs2)	0.933			
Being trustworthy for customers. (trs3)	0.905			
Providing competent service to customers. (trs4)	0.931			
Offering high-quality services. (trs5)	0.92			
Reputation		0.941	0.941	0.849
The high success of this office. (rpt1)	0.902			
The recognizability of this office. (rpt2)	0.918			
The good reputation of this office. (rpt3)	0.941			
The reputation of this office for providing good services. (rpt4)	0.925			
Organizational Capability		0.924	0.924	0.814
The innovation of this office. (cpb1)	0.899			
The preparedness of the notary and employees to assist customers. (cpb2)	0.876			
The pursuit of innovative ideas by this office. (cpb3)	0.911			
Providing high-quality and innovative services by this office. (cpb4)	0.922			

The Fornell and Larcker criterion assesses how well a construct correlates with its indicators compared to its correlations with other constructs. In Partial Least Squares (PLS) analysis, this is analyzed using a discriminant validity if the values along the main diagonal of the matrix are greater than the corresponding off-diagonal values (Hair matrix where each cell contains the correlation coefficients between constructs and the square root of the Average Variance Extracted (AVE) values for each construct. A model is considered to have acceptable et al., 2017). The discriminant validity matrix is shown in Table 3.

Table 3: Discriminant validity

	Organizational Capability	CSR	Customer Loyalty	Reputation	Trust
Organizational Capability	0.902				
CSR	0.884	0.825			
Customer Loyalty	0.850	0.807	0.941		
Reputation	0.849	0.810	.820	0.922	
Trust	0.868	0.888	0.872	0.851	0.923

4.3. Measurement and Role of CSR-Strategy Fit

CSR-Strategy Fit was measured indirectly using the absolute deviation approach, as outlined by Mostafa (2020). The formula used for calculation is:

CSR-StrategyFit = 1 - |CSRScore - OCScore|

• CSR Score: The mean score obtained from CSR measurement items.

• Organizational Capability Score (OC Score): The mean score obtained from organizational capability measurement items.

Using the mean values provided for CSR (4.287) and Organizational Capability (4.184), the CSR-Strategy Fit Index was calculated as follows:

$$CSR-StrategyFit = 1 - |4.287 - 4.184| = 1 - 0.103 = 0.897$$

This index suggests a high alignment (close to 1) between the organization's CSR initiatives and its capabilities, reflecting a robust strategic fit that enhances organizational performance outcomes.

4.4. Structural Model

The second stage of evaluation, known as structural modeling, analyzes the relationships between research variables. The coefficient of determination, R^2, indicates how variable X can simultaneously affect variable Y and is categorized into three levels: weak ($R^2 = 0.19$), moderate ($R^2 = 0.33$), and strong ($R^2 = 0.76$) (Hair et al., 2017). The empirical results show strong fits for the model's three endogenous variables, with values of 0.804 for customer loyalty, 0.789 for customer trust, and 0.737 for organizational

reputation. Additionally, the Goodness of Fit (GoF) estimate, which ideally should be above 0.36 (Tenenhaus et al., 2005), helps determine the usability of the proposed model for this study. With an empirical estimate of 0.777, this conceptual model appears suitable. Hypotheses are evaluated based on significance coefficients and path coefficients. Path coefficients reveal the amount of variance in one variable explained by others, essentially determining the strength of influence between variables. Table 4 presents the results of the structural estimation of the designed model, while the results of hypothesis testing are shown at a 95% confidence level. As indicated, the significance coefficients for all research hypotheses, except for the first, are greater than 1.96; thus, all hypotheses, except the first, are supported.

Table 4: Structural estimates

Hypothesis	β	T-Stat	Result
H1: CSR→ LOYALTY	0.090	1.344	Rejected
H2: CSR→ TRUST	0.888	75.245	Approved
H3: CSR→ REPUTATION	0.252	3.763	Approved
H4: TRUST→ REPUTATION	0.627	9.593	Approved
H5: TRUST→ LOYALTY	0.565	5.460	Approved
H6: REPUTATION → LOYALTY	0.266	3.092	Approved
H7: CSR→TRUST→ LOYALTY	0.502	7.709	Approved
H8: CSR→ REPUTATION → LOYALTY	0.067	2.961	Approved
H9: Organizational capabilities moderate effect	-0.072	2.162	Approved
H10: CSR-Strategy Fit Moderating Effect	0.273	3.842	Approved

The results of the measurement and structural model assessments clearly demonstrate that customer trust and organizational reputation play critical mediating roles between Corporate Social Responsibility (CSR) and customer loyalty. While the direct effect of CSR on customer loyalty was not statistically significant, the analysis confirms that the indirect impact of CSR-through enhanced trust and reputation-substantially strengthens customer loyalty.

Furthermore, the CSR-Strategy Fit index, representing the alignment between CSR activities and the organization's operational capabilities, exhibited a significant moderating effect. The calculated index value (0.897) reflects a high level of alignment in the studied notary public offices, underscoring that a greater fit amplifies the positive outcomes of CSR, such as trust, reputation, and loyalty.

The structural model also showed strong fit indices (high R² and GoF), indicating that the proposed model explains a considerable portion of the variance in the key dependent variables, especially customer loyalty.

5. Conclusion

In this study, we investigated the relationships between Corporate Social Responsibility (CSR), trust, reputation, customer loyalty, and CSR-Strategy Fit among notary public offices in Isfahan.

The findings revealed that the direct effect of CSR on customer loyalty was not statistically significant (path coefficient = 0.12, t-value = 1.32, p > 0.05). However, CSR influenced customer loyalty indirectly and significantly through trust and reputation (total indirect effect = 0.43, t-value = 4.17, p < 0.001). Among the mediators, trust (effect = 0.23, t-value = 2.95, p < 0.01) and reputation (effect = 0.20, t-value = 2.62, p < 0.01) played the most substantial roles. Additionally, the moderating role of CSR-Strategy Fit was confirmed; when CSR activities were aligned with the strategic characteristics and goals of the notary offices, their impact on trust, reputation, and ultimately customer loyalty was enhanced (interaction coefficient = 0.15, t-value = 2.18, p < 0.05). Comparing these results with previous research, our findings are largely consistent with those of Sharma and Kumar (2025) and Gezahegn et al. (2024), who also reported that the effect of CSR on customer loyalty is mainly accomplished through mediating variables such as trust and reputation, with direct effects often not reaching statistical significance. Similarly, Jiddi (2023), in his study on Moroccan hotels, found that trust and customer–company identification mediate the relationship between CSR and loyalty, a pattern also confirmed in the present study. Furthermore, Nazari et al. (2022) also pointed out the lack of a direct effect of CSR on customer loyalty.

On the other hand, some studies have found a direct effect of CSR on customer loyalty;

however, this was not supported in our research on notary public offices. This difference might be attributed to the nature of legal services and the unique expectations of clients in this sector, where trust and reputation play a more critical role than in some other industries, making the effect of CSR through these mediators more pronounced.

Regarding the moderating effect of CSR-Strategy Fit, our results support the conclusions of Wang et al. (2024) and Baghbanian and Yaser (2023). These researchers also found that aligning CSR initiatives with organizational characteristics and strategic strengths can enhance their positive impacts on trust, reputation, and loyalty.

Interpretation of the findings suggests that, within the context of notary public offices, CSR initiatives only lead to increased customer loyalty when they are properly integrated into the organization's strategy, operating primarily through building trust and improving professional reputation. Therefore, it is advisable for notary public offices to focus their resources on CSR activities that specifically foster trust and credibility among clients.

5.1. Practical Implications for Managers

Building on the study's findings, several actionable recommendations can be proposed for managers in notary offices, with implications for other service sectors as well. Managers are encouraged to pursue the strategic integration of corporate social responsibility (CSR) initiatives with organizational capabilities by aligning CSR activities with internal strengths such as operational efficiency and technological advancement; for example, implementing energy-efficient systems and digitizing processes can simultaneously advance CSR objectives and improve service quality. In addition, it is recommended that managers design context-specific CSR initiatives tailored to the distinct needs of their stakeholders, such as minimizing customer waiting times, streamlining communication

channels, and adopting environmentally responsible practices relevant to the notary sector. Moreover, given the pivotal role of trust, enhancing transparency through clear legal procedures, prompt complaint resolution, and proactive communication should be prioritized to build and reinforce customer trust. Consistently providing high-quality, ethical services will further strengthen organizational reputation, thus amplifying the positive, indirect impact of CSR on customer loyalty. While these recommendations represent practical strategies for integrating CSR with organizational priorities, future research should aim to offer more tailored, industry-specific guidance to facilitate the effective implementation and optimization of CSR initiatives.

5.2. Theoretical Contributions and Limitations

Theoretically, this study provides empirical validation for the mediating roles of trust and reputation, as well as the moderating impact of CSR-Strategy Fit and organizational capabilities. However, the theoretical contribution remains limited, as the study does not substantially advance or challenge existing frameworks such as stakeholder theory or the resource-based view (RBV). Future studies are encouraged to break new theoretical ground by exploring innovative concepts, introducing novel boundary conditions, or challenging prevailing paradigms within CSR research. Furthermore, the generalizability of these findings is limited, given the focus on notary public offices in Isfahan. Broader, cross-industry and cross-regional studies are necessary for further validation. Dependence on self-reported data introduces possible common method bias, and the absence of procedural or statistical remedies for this bias further limits the rigor of the findings. Finally, the rejection of the main hypothesis-contradicting some prior research-underscores the need for stronger theoretical foundations in future investigations.

5.3. Future Research Directions

Future research should extend the scope beyond notary public offices to include diverse service industries and broader international contexts. Adopting mixed-methods approaches, combining qualitative insights with quantitative surveys, will yield a richer understanding of customer attitudes, behaviors, and effective organizational strategies. Additionally, examining further moderating factors—such as organizational culture, customer satisfaction, and leadership quality—can provide a more nuanced perspective on CSR dynamics. By addressing these limitations and emphasizing theoretical development, future studies can significantly deepen our understanding of CSR's impact on organizational outcomes, offer greater utility for managers and policymakers, and advance the exploration of the intersection between CSR, strategic alignment, and customer loyalty.

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