East Asian Journal of Multidisciplinary Research (EAJMR)
Vol. 4, No. 12, 2025: 6009 - 6028

Community-Based CSR Implementation Strategy to Support Social and Economic Sustainability and Consumer Loyalty in MSMEs

Ferdy Roring[1*], Stanss Levynna Hermien Verronica Joyce Lapian[2], Willem Johan Frederik Alfa Tumbuan[3], Bode Lumanauw[4], Imelda Wellin Juliana Ogi[5]
Department of Management, Faculty of Economics and Business,
Sam Ratulangi University
Corresponding Author: Ferdy Roring ferdyroring@unsrat.ac.id

A R T I C L E I N F O

Keywords: Corporate Social Responsibility (CSR), Community Empowerment, Brand Loyalty, Competitive Advantage, Stakeholder Collaboration

Received : 19, November
Revised : 08, December
Accepted: 15, December

A B S T R A C T

This study explores the role of community-based Corporate Social Responsibility (CSR) programmes in promoting social and economic sustainability, increasing local consumer loyalty, and strengthening corporate brand image. Using a systematic literature review method, 106 relevant articles from 2014 to 2024 were analysed to identify key strategies, challenges, and the impact of CSR implementation on Micro, Small, and Medium Enterprises (MSMEs). The research findings show that community-focused CSR initiatives significantly contribute to the empowerment of local communities, create competitive advantages for companies, and promote long-term sustainability. This study contributes to the theoretical understanding of CSR in the SME context by highlighting the interrelationship between community empowerment, sustainability, and business performance. Practically, this research provides insights that local companies can apply to design and implement CSR programmes that deliver measurable social and economic benefits, while enhancing their competitiveness and brand reputation.

DOI prefix: https://doi.org/10.55927/eajmr.v4i12.516
ISSN-E: 2828 – 1519 (Online)
https://mtiformosapublisher.org/index.php/eajmr

INTRODUCTION

Research Background

Corporate Social Responsibility (CSR) has become an important element in global corporate sustainability strategies (Egels-Zandén, 2016; Hongxin et al., 2022; Lee-Wong & More, 2016). In recent decades, attention to CSR has continued to increase, in line with the business world's need to respond to the demands of a society that is increasingly concerned about social and environmental issues. Initially, CSR was often considered a moral obligation for companies to contribute to the welfare of society. However, CSR has now evolved into a strategic tool that can create competitive advantage, especially when effectively integrated with a sustainable business model (Lee-Wong & More, 2016). Innovative CSR strategies not only enhance a company's image but also strengthen its relationships with consumers, partners, and communities.

In a local context, such as in Manado City, the implementation of CSR has greater potential to create a positive impact than in more fragmented global markets. The geographical and emotional proximity between companies and local communities (Colovic et al., 2019; Lund-Thomsen et al., 2014; McCaffrey & Kurland, 2015) in Manado allows CSR to have a tangible, direct impact. The city of Manado, as one of the economic and tourism centres in North Sulawesi, has a unique social dynamic, where local communities are deeply connected to their cultural identity and values of togetherness. This provides a great opportunity for companies to design relevant CSR programmes, not only to meet community expectations but also to increase community involvement.

Furthermore, CSR focused on community empowerment in Manado can provide significant long-term benefits. By empowering the community, companies can help create job opportunities, improve local skills, and support local economic growth. For example, companies in the tourism sector can adopt CSR programmes that involve local communities in cultural and environmental preservation (Gatto & Parziale, 2024; Graafland, 2018), while the fisheries and agribusiness sectors can empower farmers and fishermen with training and market access. Such programmes not only have a tangible social impact but also strengthen the company's position as an entity that cares about the social and economic sustainability of the local community.

Problems, Objectives, and Significance of Research

Companies in Manado City face a number of problems in implementing sustainable Corporate Social Responsibility (CSR). Most CSR activities are still traditional in nature, focusing on philanthropy such as donations or charitable activities without considering the long-term impact on community empowerment.

This approach often fails to create significant or sustainable change for local communities. In addition, the lack of social marketing strategies that integrate CSR as a differentiation tool is an obstacle to maximising the potential of CSR in the local market. Companies in Manado also face resource constraints, both in terms of funding and expertise, making it difficult to design and implement CSR programmes that are effective and relevant to local needs. In this context, it is important to answer the following research questions:

1) How can local companies design and implement CSR programmed that focus on community empowerment?
2) What is the impact on the social and economic sustainability of the community?
3) To what extent can community-based CSR increase consumer loyalty and brand image?

Based on the above questions, this study aims to analyse how local companies in Manado can utilise CSR programmes to empower communities while building a strong brand image. In addition, this study will assess the impact of community empowerment through CSR on the long-term sustainability of companies in the local market, as well as identify the most effective social-based marketing strategies to increase local consumer loyalty. A Systematic Literature Review (SLR) approach will be used to explore insights from various previous studies, which will then be adapted to the local context in Manado. This study has significant importance in several aspects. For local companies, this study provides strategic guidance on how CSR can be used as a competitive differentiation tool. For the community, this study ensures that the implementation of CSR has a real impact on improving the social and economic welfare of the community. On the academic side, this study is expected to fill the literature gap regarding the relationship between community-based CSR and marketing strategies in the local market. With a comprehensive approach, this study contributes to the development of CSR that is not only philanthropic but also strategic and sustainable.

THEORETICAL REVIEW

CSR in relation to economic, legal, ethical, and philanthropic responsibilities

Corporate Social Responsibility (CSR) has developed into an important framework for companies seeking to balance economic performance with broader social and environmental responsibilities. The CSR pyramid proposed by (1991) provides a basis for categorizing CSR into four domains—economic, legal, ethical, and philanthropic responsibility. This model emphasizes the layered obligations of companies, ranging from generating profits, complying with legal standards, fulfilling ethical commitments, to contributing philanthropically to the welfare of society.

Recent studies have expanded this framework to explore the relevance of CSR in addressing social and environmental challenges in the contemporary era. Sanusi and Kartini (2022) highlight the importance of CSR as a mechanism for improving quality of life through sustainable programmed that directly impact communities and the environment.

Their research reinforces the philanthropic and ethical dimensions of Carroll's model, emphasizing CSR as a tool for strengthening social capital. Wang et al. (2021) examined the role of air pollution in driving CSR efforts in energy-intensive industries in China, finding that deteriorating environmental conditions are forcing companies to adopt stronger CSR practices.

This is consistent with the legal and ethical responsibilities in Carroll's pyramid, where companies respond to regulatory and social pressures to reduce their environmental impact. Similarly, Kraus et al. (2020) focused on the relationship between CSR and environmental performance, showing that CSR initiatives are often realized through strategic environmental planning and green innovation.

These efforts demonstrate how ethical and legal responsibilities can drive significant environmental outcomes. Safrina (2021) examined CSR practices in Indonesian state-owned enterprises, finding that these programmers not only fulfil legal obligations but also demonstrate corporate commitment to sustainable environmental management, combining Carroll's legal and ethical responsibilities with a strong philanthropic orientation. Finally, Sardana et al. (2020) examined CSR sustainability practices in India, revealing a positive relationship between environmental initiatives such as green innovation and financial performance, linking economic success with ethical and legal compliance.

These studies collectively illustrate the continued relevance of Carroll's pyramid, with companies utilizing CSR to navigate the complex interrelationships between economic, legal, ethical, and philanthropic responsibilities. This research emphasizes the transformational potential of CSR in addressing social and environmental challenges, while still supporting corporate objectives amid an evolving global landscape.

Theoretical and Practical Implications of CSR for the Future of SMEs

According to the World Business Council for Sustainable Development (WBCSD), Corporate Social Responsibility (CSR) is a continuous commitment by companies to behave ethically and contribute to economic development while improving the quality of life of their employees, their families, local communities, and society at large (Barnett, 2004).

CSR is a multi-layered concept consisting of four interrelated aspects. First, economic responsibility includes ensuring that companies are able to run their businesses at least to cover daily operating costs. Second, legal responsibility involves the obligation of companies to avoid illegal activities and comply with laws and regulations. Third, ethical responsibility describes the need for companies to act fairly and ethically in accordance with the law. Finally, philanthropic responsibility encompasses the creative involvement of companies in meeting community expectations (Discua Cruz, 2020; Graafland, 2018). CSR means conducting business in accordance with the wishes of the company's owners, usually in the form of generating as much profit as possible while complying with the basic rules established in society as regulated by law (Carroll, 1991).

This concept has gained significant attention in the business world, emphasizing the responsibility of organizations' to consider the impact of their activities on society and the environment (Lu et al., 2020). Although CSR is often associated with large companies, its relevance and implications for Micro, Small and Medium Enterprises (MSMEs) are also interesting to discuss. MSMEs are a term used to describe the business sector with a smaller scale of operations compared to large companies (Tumiwa et al., 2022; Tumiwa & Nagy, 2021). The definition of MSMEs is often based on several parameters such as the number of employees, the amount of assets, and annual income (Tumiwa et al., 2020), which differ in each country according to local economic and industrial conditions. Knight and Liesch (2016) define MSMEs as organisations with independent ownership and management structures, smaller in scale, and generally involved in the production, distribution, and marketing of goods and services (Hongxin et al., 2022; McCaffrey & Kurland, 2015). SMEs typically have limited labour, smaller revenues, and a more local rather than global market focus.

CSR in MSMEs is increasingly prominent in the current business landscape. In the context of MSMEs, CSR is a conscious effort to integrate social, environmental, and economic considerations into daily activities (Y. Yang et al., 2020). CSR is not only about compliance with social and environmental norms but also about providing a sustainable positive impact. Through CSR practices, SMEs can help shape a better future for communities, the environment, and the economy (Elkington, 1998). This study aims to fill the gap by providing an in-depth analysis of CSR practices in SMEs, highlighting the challenges, benefits, and strategies that can be developed to meet the needs of SMEs.

METHODOLOGY

Relevance of the SLR approach

Using the systematic literature review (SLR) method, this study synthesizes relevant literature on CSR in SMEs, highlighting the importance of CSR practices for these entities and acknowledging the limitations of existing research due to limited data and specific contextual considerations.

The SLR method is used to identify, review, and synthesized findings from various relevant studies in a particular field (Hossain et al., 2022). The use of the SLR method in our research on CSR in MSMEs offers several significant advantages.

First, SLR allows us to comprehensively explore the current research landscape, ensuring that no relevant studies are overlooked, which is essential for understanding the overall context and recent developments in CSR in MSMEs. Second, the objectivity and transparency provided by the systematic and repeatable SLR procedure minimizes bias, thereby increasing the credibility of our findings. Third, this method is highly effective in identifying gaps in existing research, providing a strong foundation for future research. In addition, SLR facilitates the comparison and integration of results from various studies, taking into account geographical, sectoral, and cultural diversity in CSR practices among SMEs. Finally, its ability to handle extensive and complex information allows us to present a rich and in-depth synthesis on this subject, offering more detailed and nuanced insights into CSR in the context of SMEs (Tumiwa et al., 2022).

Therefore, this methodological approach significantly strengthens the reliability and relevance of our research, making a substantial contribution to the literature in this field. In this study, the SLR on CSR in MSMEs was conducted in several stages.

Research Protocol

A research protocol is a systematic step that ensures that research is conducted in a structured, transparent, and repeatable manner, especially in a Systematic Literature Review (SLR) approach. In this study, the protocol began with determining research questions relevant to the implementation of CSR in SMEs. The research questions asked cover various important aspects, such as the differences in CSR implementation strategies between the manufacturing and service sectors (P_1), internal and external factors that influence the success of CSR (P_2), and the impact of CSR on brand image, reputation, financial performance, and MSME growth (P_3 and P_4). In addition, the role of SME owners (P_5), government support (P_6), and collaboration with suppliers and customers (P_7) are also key focuses for gaining a deeper understanding of CSR practices in SMEs.

The next step is to select an academic database to obtain relevant literature. This study uses the Scopus database, which is considered credible and comprehensive in providing access to scientific literature related to CSR in MSMEs. The keywords used in the literature search are 'CSR,' 'MSME,' 'CSR Practices,' and 'CSR Impact,' which are designed to cover various relevant aspects of the research.

The next process is the selection and evaluation of literature based on predetermined inclusion and exclusion criteria. Relevant articles are selected based on their thematic relevance to the SLR object, namely CSR in MSMEs. Articles from conferences or general reviews that are not directly relevant to the SLR topic are excluded. Additional articles are also used as references to provide broader explanations and support the research discussion.

This research protocol ensures that only relevant and high-quality literature is used, so that the results of the analysis can provide in-depth and reliable insights into the implementation of CSR in MSMEs. This systematic approach not only increases the credibility of the findings but also allows for the identification of research gaps, which are an important basis for the development of future studies. The following is a summary table of the results of the article selection used in this study:

Table 1. Data Selection Results and Inclusion Criteria (screenshot results attached)

Keyword search and syntax "CSR	Inclusion: 11,762 documents Exclusion: unrelated documents
Document Type: Article	Inclusion: 8,835 documents Exclusion: other documents (2,927 documents)
Languages: English and Indonesian	Included: 8,517 articles Excluded: articles not in English or Indonesian (318 articles)
Publication Year: 2014 - 2024	Inclusion : 7,359 articles Exclusion : articles prior to 2014 (1,158 articles)

Title and Abstract Alignment (TAA): CSR, MSMEs, Challenges, Benefits, Sustainability Practice, and Diversification	Inclusion : 106 articles Exclusion : articles unrelated to the research issues and objectives (7,253 articles)

Source: Data analysis results from the author, 2025.

The article selection process involved systematic steps to filter literature relevant to the topic of CSR research. An initial search using the keyword 'CSR' yielded 11,762 documents, which were then filtered to exclude irrelevant documents. After limiting the search to articles, the number of documents was reduced to 8,835, while other types of documents were excluded. Filtering by language narrowed the documents down to 8,517 articles written in English or Indonesian, with 318 articles in other languages excluded. Further filtering by publication year (2014-2024) resulted in 7,359 articles, eliminating articles prior to 2014 to maintain relevance to the current context. Adjusting the titles and abstracts at the final stage, which focused on CSR, MSMEs, challenges, benefits, sustainability practices, and diversification, resulted in 106 articles relevant for further analysis, with 7,253 irrelevant articles excluded. This process effectively filtered a large amount of literature into a more specific and relevant set of articles for the research purpose.

RESULTS AND DISCUSSION

Descriptive Data Analysis Results

Figure 1. Results of Metadata Description

The figure summarises literature-based research data on the theme of CSR and MSMEs, showing a comprehensive and diverse scope of analysis. A total of 106 relevant articles were analysed, covering publications from 2020 to 2024. These articles involved 286 authors, with 15 articles written by a single author. The research also included collaborations from 169 different author affiliations, illustrating the breadth of the academic network involved. The articles analysed came from 73 different journals published by 44 publishers, reflecting the diversity of academic sources used. In addition, 624 keywords related to CSR and MSMEs were used in these articles, highlighting the complexity of the topics discussed. The authors who contributed to this study came from 39 countries, enriching the analysis with global and contextual perspectives. This data shows that research on CSR and SMEs covers a variety of credible sources and provides deep insights into the relationship between corporate social responsibility and the small and medium-sized enterprise sector in various regions.

Analysis Results Based on Clusters

To analyse clusters, this study set a minimum number of occurrences for a term to be 6 times. Of the 2,845 terms analysed, 116 terms met this threshold. The following are the results of the network analysis based on the occurrence of these terms:

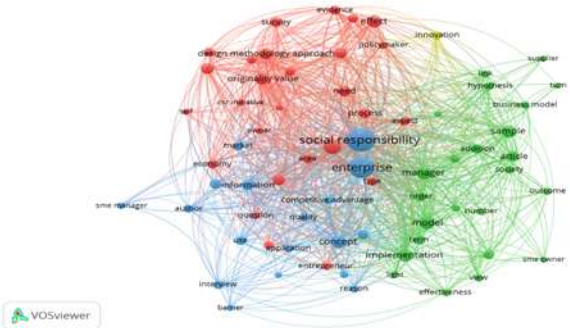

Figure 2. Visualisation of Terms in CSR and SME Research

The network visualisation shows the close relationship between key terms in research on Corporate Social Responsibility (CSR) and Micro, Small and Medium Enterprises (MSMEs). Terms such as 'social responsibility' and 'enterprise' appear as central nodes, reflecting the main focus of the research on corporate social responsibility in the context of MSMEs (Bevan & Yung, 2015; Bielawska, 2022; Hermawan & Rahayu, 2024). The colour clustering in this network provides a deeper understanding of the identified themes. The red cluster focuses on methodological aspects and CSR values, such as the design methodology approach and CSR initiatives, which indicate the importance of structure and strategy in research (Dixit & Priya, 2023; Marcinkowska & Sawicka, 2023; Salmi & Khan, 2019; Sinkovics et al., 2021; Zoysa & Takaoka, 2020). The green cluster describes the close relationship between CSR implementation and business models, with terms such as 'model,' 'implementation,' and 'business model', highlighting the research focus on the application of CSR in SME business schemes (Berniak-Woźny et al., 2023; León-Gómez et al., 2022; López-Pérez et al., 2018). Meanwhile, the blue cluster focuses on basic concepts, challenges, and the dissemination of information related to CSR, with terms such as 'information,' 'barrier,' and 'concept.' (Dixit & Priya, 2023; Lee-Wong & More, 2016; Wójcik-Mazur et al., 2021)

The relationships between key terms, indicated by thick connecting lines, indicate the frequency of their co-occurrence in the literature. For example, the link between 'social responsibility,' 'manager,' and 'implementation' reflects the important role of management in ensuring the successful implementation of CSR (Çera et al., 2022; Sendlhofer, 2020). Terms such as 'effectiveness,' 'competitive advantage,' and 'sustainability practice' indicate that research also extensively discusses the positive impact of CSR on the sustainability and competitiveness of SMEs (Battaglia & Frey, 2014; Biadacz, 2019; López-Pérez et al., 2018). Furthermore, the presence of terms such as 'application,' 'process,' and 'business model' indicates a balance between conceptual approaches and practical applications of CSR in real-world contexts (Corazza, 2018; Pazil et al., 2019; Rita et al., 2018).

Overall, this visualisation illustrates the complexity of the relationship between social responsibility, sustainability, and CSR implementation in SMEs. The clustering and relationships between terms provide insights into existing research focuses, such as practical application, sustainability impact, and challenges faced. It also provides opportunities to explore research gaps that have not been widely discussed, particularly in developing more targeted CSR strategies for SMEs. This visualisation demonstrates the importance of integrating theoretical and practical approaches to have a greater positive impact on the sustainability of SMEs.

Results of Data Analysis Based on Year of Observation

Data analysis based on the year of observation provides an overview of literature developments and research trends in a given period. In the context of this study, mapping the distribution of publications over time is important to understand how attention to the topics of Corporate Social Responsibility (CSR) and Micro, Small and Medium Enterprises (MSMEs) has evolved. In addition, this analysis also identifies peak research periods and the dynamics of academic contributions to this theme. By understanding publication patterns based on year, this study can reveal areas of focus and potential research gaps that have not been widely explored. The following graph is the result of the description based on year:

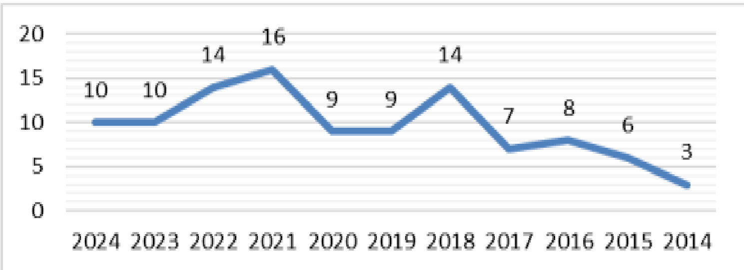

Figure 3. Distribution of Articles Based on Year of Publication

Figure 3 above shows the distribution of articles based on year of publication, indicating a growing interest in the topics of Corporate Social Responsibility (CSR) and Micro, Small and Medium Enterprises (MSMEs) in academic literature over the past decade. The number of articles has continued to increase, with a peak in publications occurring in 2021, when 16 articles were published.

This may reflect a global push to highlight corporate social responsibility and sustainability, particularly in the MSME sector, in response to the economic and social dynamics of the time. The previous years, such as 2014 to 2017, saw fewer publications, with an average of less than 10 articles per year.

However, starting in 2018, there was a significant increase with a more consistent number of articles, namely 14 articles in 2018 and 2022. This trend continued until 2023 and 2024, each recording 10 articles. The surge in articles during this period indicates that CSR and MSMEs are becoming increasingly relevant topics, especially in the context of the post-COVID-19 pandemic, which has prompted greater attention to sustainability and social responsibility (Barrio-Fraile & Enrique-Jiménez, 2021; MacGregor Pelikanova et al., 2021; Z. Wang & Le, 2022).

The period from 2020 to 2024, with a total of 59 articles, reflects a growing global awareness of the role of MSMEs in promoting sustainable economic development through CSR. These data not only indicate a growing research trend but also show that this topic is a major focus in recent academic literature. This trend provides a basis for understanding the development of academic discourse on CSR and MSMEs and identifying new areas of research that have not yet been widely explored.

To strengthen the discussion on the growth of literature in recent years, especially in adopting more modern concepts such as 'competitive advantage' and "sustainability practices (Moneva & Hernández -Pajares, 2018), we provide a visualisation by linking key terms with temporal dimensions. Figure 4 below provides insight into how the focus of research has evolved over time and identifies new trends that are relevant for further exploration.

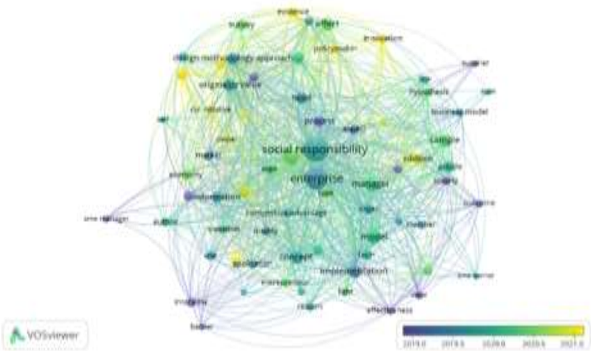

Figure 4. Visualisation of Overlay Terms in CSR and SME Research

Figure 4 above provides a visual representation of the key terms used in CSR and SME research, as well as their distribution by year. With colour overlays reflecting the chronology (2019-2021), it can be seen that terms such as 'social responsibility,' 'enterprise,' and 'implementation' were the main focus of research throughout the entire time frame. The yellow colour indicates newer terms, such as 'effect,' 'innovation,' and 'policy maker,' which indicate the latest research trends that are beginning to explore impact, innovation, and policy in the context of CSR and MSMEs.

Design Implementation of CSR programmes by local companies focused on community empowerment

The implementation of Corporate Social Responsibility (CSR) programmes by local companies focused on community empowerment requires a strategic approach that considers social, economic, and environmental needs.

Based on literature analysis and data visualisation, several important components in designing such CSR programmes can be identified.

First, CSR programmes must be designed based on a deep understanding of local community needs. Terms such as 'social responsibility' and 'enterprise', which appear as central nodes in the network visualisation, indicate the importance of integrating CSR with community goals to create real social impact (Battaglia & Frey, 2014; Dziuron & Halaszovich, 2023; Hermawan & Rahayu, 2024; Karam & Jamali, 2017; Marcinkowska & Sawicka, 2023). In the context of MSMEs, terms such as 'implementation,' 'competitive advantage,' and 'sustainability practice' emphasise that CSR programmes must also provide economic benefits to the community, such as creating job opportunities, improving skills, or providing access to markets (Colovic et al., 2019; Stübner & Jarchow, 2023; Z. Wang & Le, 2022).

Second, the design of CSR implementation must be collaborative, involving stakeholders such as the government, suppliers, customers, and the community itself. This is supported by findings in the literature that show the importance of collaboration to strengthen programme effectiveness. Terms such as 'manager,' 'policy maker,' and 'innovation' in the overlay visualisation indicate that the success of CSR implementation often depends on managerial support and innovative policies (Kraus et al., 2020; Lu et al., 2020;

Palacios-Manzano et al., 2024; Stawicka, 2021; Zheng et al., 2021). Third, CSR programmes must adopt a data-driven approach to ensure sustainability. The increasing distribution of articles year on year shows that sustainability has become a major theme in CSR discussions.

Programmes designed with sustainability in mind can have a long-term impact that not only meets the needs of the community but also strengthens the company's image in the local market (Rita et al., 2018; Zvarikova et al., 2024). This is reflected in terms such as 'effectiveness', 'business model' and 'sustainability'.

Finally, to ensure success, continuous evaluation is necessary. Programmes must be designed with measurable performance indicators, both in terms of social and economic impact (Corazza, 2018; Otero-González et al., 2021). As seen in the literature, active manager involvement and data-driven decision-making are key elements for long-term success.

Overall, the design of an effective CSR programme implementation must be based on an understanding of the local context, be oriented towards socio-economic impact, involve multi-stakeholder collaboration, and use a sustainable approach. With this strategy, local companies can increase community empowerment while strengthening their position in the local market.

The impact of CSR programmes on the social and economic sustainability of local communities

Strategically designed Corporate Social Responsibility (CSR) programmes have great potential to promote the social and economic sustainability of local communities. The resulting social impacts include improved community welfare through the provision of employment opportunities, skills training, and increased access to public facilities.

In network visualisations, terms such as 'social responsibility' and 'community empowerment' (Colovic et al., 2019; Salmi & Khan, 2019; Sanusi & Kartini, 2022) reflect the importance of CSR in building mutually beneficial relationships between companies and communities. CSR programmes that focus on empowerment, such as entrepreneurship training or SME development, provide local communities with the ability to become more economically independent (Hermawan & Rahayu, 2024).

From an economic perspective, CSR programmes can contribute to increasing community competitiveness by encouraging local innovation, opening up new market opportunities, and providing access to resources. Terms such as 'competitive advantage' and 'sustainability practice' in the literature indicate that CSR not only has a short-term impact but also creates long-term benefits for the community (Dziuron & Halaszovich, 2023). For example, companies that support the development of local MSMEs through funding or technical assistance contribute directly to the economic growth of the community.

In addition, CSR also affects environmental sustainability, which indirectly supports social and economic sustainability. Programmes such as waste management (Gatto & Parziale, 2024), environmental conservation (Graafland, 2018), or the use of renewable energy (Stawicka, 2021; Wójcik-Mazur et al., 2021) have a positive impact on communities by maintaining their quality of life and creating an ecosystem that supports local economic activities. Terms such as 'innovation' and 'sustainability' in the literature indicate that environmental sustainability is increasingly becoming a key focus in CSR implementation.

However, it is important to note that the success of CSR programmes in supporting the social and economic sustainability of local communities is highly dependent on the relevance of the programmes to the specific needs of the community (Gatto & Parziale, 2024; Lund-Thomsen et al., 2014; McCaffrey & Kurland, 2015). Programmes designed without considering the local context risk having minimal or even counterproductive impacts. Therefore, active community participation in the planning and evaluation of CSR programmes is key to their success.

Overall, community-oriented CSR programmes not only improve community welfare but also support sustainable economic growth. By focusing on the specific needs of the community, these programmes can be catalysts for significant positive change at the local level, strengthening the relationship between companies and communities, and creating a model for sustainable development.

Community-based CSR can influence local consumer loyalty and brand image

Community-based Corporate Social Responsibility (CSR) plays an important role in building local consumer loyalty and strengthening a company's brand image (Ben Youssef et al., 2018; Krishnan & Ahmad, 2019; López-Pérez et al., 2018).

CSR programmes designed to directly empower communities create strong emotional bonds between companies and communities. Local consumer loyalty can grow because consumers see companies not only as business entities, but also as partners who care about the welfare of their communities (Gorgenyi-Hegyes & Fekete-Farkas, 2019). Literacy in terms such as 'social responsibility' and 'community empowerment' in the literature supports the view that community-based CSR can create emotional value that increases consumer attachment to the brand (Çera & Ndou, 2024).

CSR that is relevant to local needs gives consumers a sense of pride and trust in the company. For example, programmes such as SME mentoring, skills training, or scholarships (Anesa & Bressan, 2024) for the surrounding community not only have a social impact but also increase consumers' positive perceptions of the brand (Hermawan & Rahayu, 2024).

In the network visualisation, terms such as 'sustainability practice,' 'effectiveness,' and 'competitive advantage' indicate the relationship between strategic CSR implementation and consumer trust in the brand. The positive impact of CSR on consumer loyalty is also rooted in the principle of social responsibility that society expects from companies (Gorgenyi-Hegyes & Fekete-Farkas, 2019).

Consumers who see companies making real contributions to the community tend to be more loyal to the products or services offered. This is supported by research showing that consumers prefer brands that are involved in social activities, especially when these activities are relevant to the local community (Ben Youssef et al., 2018;

Çera & Ndou, 2024; Kim & Bhalla, 2022; McCaffrey & Kurland, 2015; Moneva & Hernández-Pajares, 2018; Sawicka & Marcinkowska, 2023). A strong brand image is also formed when companies consistently demonstrate their commitment to social and environmental sustainability through CSR.

Terms such as 'innovation' and 'brand reputation' in the literature indicate that companies that implement community-based CSR are often perceived as more innovative, ethical, and trustworthy (Ben Youssef et al., 2018; Krishnan & Ahmad, 2019; López-Pérez et al., 2018).

Conversely, companies that only use CSR as a marketing tool without any real impact risk losing consumer trust, which can damage their brand image. However, the success of community-based CSR in influencing consumer loyalty and brand image is highly dependent on the credibility and transparency of its implementation.

Consumers are increasingly critical of 'greenwashing' practices or CSR that only aims to improve reputation without having a real impact (Khamisu et al., 2024; X. Yang et al., 2021). Therefore, it is important for companies to involve the community in designing, implementing, and evaluating CSR programmes so that their positive impacts can be felt in a tangible way.

Thus, community-based CSR carried out with a strategic and authentic approach can be an effective tool for building local consumer loyalty and strengthening a company's brand image. Programmes that focus on community empowerment not only provide social benefits but also create a deeper relationship between the company and its consumers, which ultimately increases business competitiveness and sustainability.

CONCLUSIONS AND RECOMMENDATIONS

The conclusion of this study shows that community-based Corporate Social Responsibility (CSR) programmes have great potential in empowering local communities, supporting social and economic sustainability, and strengthening local consumer loyalty and the company's brand image. The findings indicate that the strategic implementation of CSR that is relevant to local needs can create a significant positive impact, both in improving community welfare and in strengthening the company's competitiveness. Network visualisation and literature analysis also highlight the importance of collaboration, sustainability, and data-driven approaches in CSR design and implementation, particularly in the SME sector. However, this study has limitations, including the limited number of articles analysed, which may affect the generalisability of the findings. Furthermore, this study focuses more on theoretical literature than on empirical data specific to certain local contexts.

Given these limitations, further research could be directed towards empirical analysis to explore the impact of community-based CSR programmes across different sectors and geographical regions. Case studies of local companies that have successfully implemented CSR could also provide deeper insights into the best strategies for improving the social and economic sustainability of communities.

This research provides a theoretical framework that can be used as a basis for further studies in the field of CSR. Practically, this research offers guidance for local companies in designing CSR programmes that are strategic, relevant, and have a real impact on the community. Thus, the results of this study not only contribute to the development of CSR theory but also provide direct benefits to companies in building stronger relationships with communities and consumers, as well as creating more sustainable business models.

FURTHER STUDY

Further research should also examine how digital technology and innovation can be used to expand the reach and effectiveness of CSR programmes, as well as identify more concrete metrics to measure their success. The implications of this research's contribution to science lie in enriching the CSR literature, particularly in the context of MSMEs, by highlighting the relationship between community-based CSR, sustainability, and consumer loyalty.

ACKNOWLEDGMENT

The authors sincerely acknowledge the guidance, support, and contributions of all individuals and institutions who helped in the completion of this study on community-based CSR implementation strategies to enhance social and economic sustainability and foster consumer loyalty in MSMEs.

REFERENCES

Anesa, M., & Bressan, A. (2024). SMEs tax minimization as shared responsibility. *Critical Perspectives on Accounting*, *98*. https://doi.org/10.1016/j.cpa.2023.102698

Barnett, M. L. (2004). Book Review: Are Globalization and Sustainability Compatible? *Organization & Environment*, *17*(4), 523–532. https://doi.org/10.1177/1086026604268098

Barrio-Fraile, E., & Enrique-Jiménez, A.-M. (2021). The strategic value of corporate social responsibility (CSR): The present and future of its management. *Profesional de La Informacion*, *30*(3). https://doi.org/10.3145/EPI.2021.MAY.12

Battaglia, M., & Frey, M. (2014). Public policies of promotion of CSR amongst SMEs and effects on competitiveness: The case of Tuscany region. *International Journal of Business Governance and Ethics*, *9*(1), 1–26. https://doi.org/10.1504/IJBGE.2014.062762

Ben Youssef, K., Leicht, T., Pellicelli, M., & Kitchen, P. J. (2018). The importance of corporate social responsibility (CSR) for branding and business success in small and medium-sized enterprises (SME) in a business-to-distributor (B2D) context. *Journal of Strategic Marketing*, *26*(8), 723–739. https://doi.org/10.1080/0965254X.2017.1384038

Berniak-Woźny, J., Kwasek, A., Gąsiński, H., Maciaszczyk, M., & Kocot, M. (2023). Business Case for Corporate Social Responsibility in Small and Medium Enterprises—Employees' Perspective. *Sustainability (Switzerland)* , *15*(2). https://doi.org/10.3390/su15021660

Bevan, E. A. M., & Yung, P. (2015). Implementation of corporate social responsibility in Australian construction SMEs. *Engineering, Construction and Architectural Management*, *22*(3), 295–311. https://doi.org/10.1108/ECAM-05-2014-0071

Biadacz, R. (2019). Pro-quality cost accounts in a time of sustainable development. *International Journal of Supply Chain Management*, *8*(4), 980–989. https://www.scopus.com/inward/record.uri?eid=2-s2.0-85071527172&partnerID=40&md5=9b9d5169461adc40506b278fa224ca74

Bielawska, A. (2022). Socially Responsible Activity of Micro-, Small-, and Medium-Sized Enterprises—Benefits for the Enterprise. *Sustainability (Switzerland)*, *14*(15). https://doi.org/10.3390/su14159603

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, *34*(4), 39–48. https://doi.org/10.1016/0007-6813(91)90005-G

Çera, G., Khan, K. A., Bláhová, A., & Belas, J. (2022). Do owner-manager demographics in SMEs matter for corporate social responsibility? *Equilibrium. Quarterly Journal of Economics and Economic Policy*, *17*(2), 511–531. https://doi.org/10.24136/eq.2022.018

Çera, G., & Ndou, V. (2024). The role of innovation and social media in explaining corporate social responsibility–business sustainability nexus in entrepreneurial SMEs. *European Journal of Innovation Management*. https://doi.org/10.1108/EJIM-01-2024-0062

Colovic, A., Henneron, S., Huettinger, M., & Kazlauskaite, R. (2019). Corporate social responsibility and SMEs: Evidence from a transition and a developed economy. *European Business Review*, *31*(5), 785–810. https://doi.org/10.1108/EBR-01-2017-0022

Corazza, L. (2018). Small business social responsibility: the CSR4UTOOL web application. *Journal Of Applied Accounting Research*, *19*(3), 383–400. https://doi.org/10.1108/JAAR-11-2014-0122

Discua Cruz, A. (2020). There is no need to shout to be heard! The paradoxical nature of corporate social responsibility (CSR) reporting in a Latin American family small and medium-sized enterprise (SME). *International Small Business Journal: Researching Entrepreneurship*, *38*(3), 243–267. https://doi.org/10.1177/0266242619884852

Dixit, S. K., & Priya, S. S. (2023). Barriers to corporate social responsibility: an Indian SME perspective. *International Journal of Emerging Markets*, *18*(9), 2438–2454. https://doi.org/10.1108/IJOEM-02-2021-0294

Dziuron, C. L., & Halaszovich, T. F. (2023). CSR in domestic and foreign SMEs in Kenya: on the relationship between the SME manager's values, emotional commitment to long-term socio-economic development and the firm's CSR practices. *International Journal of Emerging Markets*. https://doi.org/10.1108/IJOEM-08-2022-1210

Egels-Zandén, N. (2016). Not made in China: Integration of social sustainability into strategy at Nudie Jeans Co. *Scandinavian Journal of Management*, *32*(1), 45–51. https://doi.org/10.1016/j.scaman.2015.12.003

Elkington, J. (1998). Accounting For The Triple Bottom Line. *Measuring Business Excellence*, *2*(3), 18–22. https://doi.org/10.1108/eb025539

Gatto, A., & Parziale, A. (2024). Towards a green and just industry? Insights from traditional leather districts in Southern Italy. *Science of the Total Environment*, *942*. https://doi.org/10.1016/j.scitotenv.2024.171552

Gorgenyi-Hegyes, E., & Fekete-Farkas, M. (2019). Internal csr as a strategic management tool in reduction of labour shortages. *Polish Journal of Management Studies*, *19*(2), 167–181. https://doi.org/10.17512/pjms.2019.19.2.14

Graafland, J. (2018). Does Corporate Social Responsibility Put Reputation at Risk by Inviting Activist Targeting? An Empirical Test among European SMEs. *Corporate Social Responsibility and Environmental Management*, *25*(1), 1–13. https://doi.org/10.1002/csr.1422

Hermawan, A., & Rahayu, W. P. (2024). Bank Indonesia's CSR: A Model For Social Entrepreneurship Transformation. *Journal of Lifestyle and SDG'S Review*, *4*(4). https://doi.org/10.47172/2965-730X.SDGsReview.v4.n04.pe01925

Hongxin, W., Khan, M. A., Zhenqiang, J., Cismaș, L.-M., Ali, M. A., Saleem, U., & Negruț, L. (2022). Unleashing the Role of CSR and Employees' Pro-Environmental Behavior for Organizational Success: The Role of Connectedness to Nature. *Sustainability (Switzerland)*, *14*(6). https://doi.org/10.3390/su14063191

Hossain, M. R., Akhter, F., & Sultana, M. M. (2022). SMEs in Covid-19 Crisis and Combating strategies: A Systematic Literature Review (SLR) and A Case from Emerging Economy. In *Operations Research Perspectives*. Elsevier Ltd. https://doi.org/10.1016/j.orp.2022.100222

Karam, C. M., & Jamali, D. (2017). A Cross-Cultural and Feminist Perspective on CSR in Developing Countries: Uncovering Latent Power Dynamics. *Journal of Business Ethics*, *142*(3), 461–477. https://doi.org/10.1007/s10551-015-2737-7

Khamisu, M. S., Paluri, R. A., & Sonwaney, V. (2024). Environmental social and governance (ESG) disclosure motives for environmentally sensitive industry: an emerging economy perspective. *Cogent Business and Management*, *11*(1). https://doi.org/10.1080/23311975.2024.2322027

Kim, Y., & Bhalla, N. (2022). Can SMEs in the food industry expect competitive advantages from proactive CSR when CSR trade-offs exist? *Corporate Communications*, *27*(2), 304–328. https://doi.org/10.1108/CCIJ-02-2021-0019

Kraus, S., Rehman, S. U., & García, F. J. S. (2020). Corporate social responsibility and environmental performance: The mediating role of environmental strategy and green innovation. *Technological Forecasting and Social Change*, *160*, 120262. https://doi.org/10.1016/j.techfore.2020.120262

Krishnan, M., & Ahmad, J. (2019). Developing strategic social responsibility for the manufacturing small and medium enterprise: An explorative study. *Humanities and Social Sciences Reviews*, *7*(2), 106–117. https://doi.org/10.18510/hssr.2019.7212

Lee-Wong, B. Y. W., & More, E. (2016). Management of corporate social responsibility in Hong Kong small and medium enterprises: Communication dimensions. *Journal of Global Responsibility*, *7*(2), 146–162. https://doi.org/10.1108/JGR-07-2016-0018

León-Gómez, A., Santos-Jaén, J. M., Ruiz-Palomo, D., & Palacios-Manzano, M. (2022). Disentangling the impact of ICT adoption on SMEs performance: the mediating roles of corporate social responsibility and innovation. *Oeconomia Copernicana*, *13*(3), 831–836. https://doi.org/10.24136/oc.2022.024

López-Pérez, M. E., Melero-Polo, I., Vázquez-Carrasco, R., & Cambra-Fierro, J. (2018). Sustainability and business outcomes in the context of SMEs: Comparing family firms vs. non-family firms. *Sustainability (Switzerland)*, *10*(11). https://doi.org/10.3390/su10114080

Lu, J., Ren, L., Zhang, C., Rong, D., Ahmed, R. R., & Streimikis, J. (2020). Modified Carroll's pyramid of corporate social responsibility to enhance organizational performance of SMEs industry. *Journal of Cleaner Production*, *271*. https://doi.org/10.1016/j.jclepro.2020.122456

Lund-Thomsen, P., Jamali, D., & Vives, A. (2014). CSR in SMEs: An analysis of donor-financed management tools. *Social Responsibility Journal*, *10*(4), 602–619. https://doi.org/10.1108/SRJ-02-2013-0012

MacGregor Pelikanova, R., Cvik, E. D., & MacGregor, R. K. (2021). Addressing the COVID-19 challenges by SMEs in the hotel industry – a Czech sustainability message for emerging economies. *Journal of Entrepreneurship in Emerging Economies*, *13*(4), 525–546. https://doi.org/10.1108/JEEE-07-2020-0245

Marcinkowska, E., & Sawicka, J. (2023). CSR initiatives in SMEs: employee perception and their influence on employment decisions. *Central European Management Journal*, *31*(4), 495–510. https://doi.org/10.1108/CEMJ-10-2022-0170

McCaffrey, S. J., & Kurland, N. B. (2015). Does "Local" Mean Ethical? The U.S. "Buy Local" Movement and CSR in SMEs. *Organization and Environment*, *28*(3), 286–306. https://doi.org/10.1177/1086026615586795

Moneva, J. M., & Hernández-Pajares, J. (2018). Corporate social responsibility performance and sustainability reporting in SMEs: An analysis of owner-managers' perceptions. *International Journal of Sustainable Economy*, *10*(4), 405–420. https://doi.org/10.1504/IJSE.2018.095268

Otero-González, L., Durán-Santomil, P., Rodríguez-Gil, L.-I., & Lado-Sestayo, R. (2021). Does a company's profitability influence the level of csr development? *Sustainability (Switzerland)*, *13*(6). https://doi.org/10.3390/su13063304

Palacios-Manzano, M., Leon-Gomez, A., & Santos-Jaen, J. M. (2024). Corporate Social Responsibility as a Vehicle for Ensuring the Survival of Construction SMEs. The Mediating Role of Job Satisfaction and Innovation. *IEEE Transactions on Engineering Management*, *71*, 168–181. https://doi.org/10.1109/TEM.2021.3114441

Pazil, A. H. M., Muhammad, M. Z., Othman, N. H., & Abdullah, A. (2019). Islamic-Corporate Social Responsibility (i-CSR): Prioritization activities among kelantanese SMEs muslimpreneurs using AHP approach. *International Journal of Innovation, Creativity and Change*, *6*(3), 65–80. https://www.scopus.com/inward/record.uri?eid=2-s2.0-85073117944&partnerID=40&md5=9dac62210d3c41f791a3e604459b85c9

Rita, D. I. G., Ferreira, F. A. F., Meidutė-Kavaliauskienė, I., Govindan, K., & Ferreira, J. J. M. (2018). Proposal of a green index for small and medium-sized enterprises: A multiple criteria group decision-making approach. *Journal of Cleaner Production*, *196*, 985–996. https://doi.org/10.1016/j.jclepro.2018.05.275

Safrina, S. (2021). Why CSR is relevant to environmental protection? A study of CSR performance on Indonesian limited liability state-owned companies. *IIUM Law Journal*, *29*((S2)), 43–67. https://doi.org/10.31436/iiumlj.v29i(S2).679

Salmi, H. A., & Khan, F. R. (2019). A comparative case study on accountability of corporate social responsibility (csr) practices in oman lng and omifco at sur city in oman. *Humanities and Social Sciences Reviews*, *7*(5), 490–502. https://doi.org/10.18510/hssr.2019.7556

Sanusi, S., & Kartini, M. (2022). Corporate Social Responsibility (CSR) as a Form of Implementing Corporate Responsibility to The Environment and Social Community. *HERMENEUTIKA : Jurnal Ilmu Hukum*, *6*(2). https://doi.org/10.33603/hermeneutika.v6i2.7463

Sardana, D., Gupta, N., Kumar, V., & Terziovski, M. (2020). CSR 'sustainability' practices and firm performance in an emerging economy. *Journal of Cleaner Production*, *258*, 120766. https://doi.org/10.1016/j.jclepro.2020.120766

Sawicka, J., & Marcinkowska, E. (2023). Environmental CSR and the Purchase Declarations of Generation Z Consumers. *Sustainability (Switzerland)*, *15*(17). https://doi.org/10.3390/su151712759

Sendlhofer, T. (2020). Decoupling from Moral Responsibility for CSR: Employees' Visionary Procrastination at a SME. *Journal of Business Ethics*, *167*(2), 361–378. https://doi.org/10.1007/s10551-019-04174-z

Sinkovics, N., Sinkovics, R. R., & Archie-Acheampong, J. (2021). The business responsibility matrix: a diagnostic tool to aid the design of better interventions for achieving the SDGs. *Multinational Business Review*, *29*(1), 1–20. https://doi.org/10.1108/MBR-07-2020-0154

Stawicka, E. (2021). Sustainable business strategies as an element influencing diffusion on innovative solutions in the field of renewable energy sources. *Energies*, *14*(17). https://doi.org/10.3390/en14175453

Stübner, A., & Jarchow, S. (2023). Family oblige: the link between CSR and succession intention in small and medium family firms. *Journal of Business Economics*, *93*(3), 389–431. https://doi.org/10.1007/s11573-022-01113-9

Tumiwa, J. R., & Nagy, A. (2021). Micro, Small, and Medium Enterprises in Emerging Economies and Economic Transition: A comparative study between Indonesia and Hungary. *International Journal of Entrepreneurship and Small Business*, *43*(1), 22. https://doi.org/10.1504/IJESB.2021.115312

Tumiwa, J. R., Tuegeh, O., Bittner, B., & Nagy, A. (2022). The Challenges To Developing Smart Agricultural Village In The Industrial Revolution 4.0. *Torun International Studies*, *1*(15), 0–2. https://doi.org/10.12775/TIS.2022.002

Tumiwa, J. R., Tuegeh, O. D. M., & Nagy, A. (2020). Factor Influencing MSMEs Performance Measurement - A Literature Review. *The Annals of the University of Oradea, Economic Sciences*, *Tom 29*(1), 151–162.

Wang, Y., Lu, T., & Qiao, Y. (2021). The effect of air pollution on corporate social responsibility performance in high energy-consumption industry: Evidence from Chinese listed companies. *Journal of Cleaner Production*, *280*, 124345. https://doi.org/10.1016/j.jclepro.2020.124345

Wang, Z., & Le, T. T. (2022). The COVID-19 pandemic's effects on SMEs and travel agencies: The critical role of corporate social responsibility. *Economic Analysis and Policy*, *76*, 46–58. https://doi.org/10.1016/j.eap.2022.07.008

Wójcik-Mazur, A., Wielgórka, D., & Piontek, K. (2021). Management of photovoltaic energy efficiency in smes in the light of the concept of corporate social responsibility (Csr). *Polish Journal of Management Studies*, *24*(1), 472–489. https://doi.org/10.17512/pjms.2021.24.1.28

Yang, X., Liao, S., & Li, R. (2021). The evolution of new ventures' behavioral strategies and the role played by governments in the green entrepreneurship context: an evolutionary game theory perspective. *Environmental Science and Pollution Research*, *28*(24), 31479–31496. https://doi.org/10.1007/s11356-021-12748-6

Yang, Y., Lau, A. K. W., Lee, P. K. C., & Cheng, T. C. E. (2020). The performance implication of corporate social responsibility in matched Chinese small and medium-sized buyers and suppliers. *International Journal of Production Economics*, *230*. https://doi.org/10.1016/j.ijpe.2020.107796

Zheng, Y., Li, C., & Liu, Y. (2021). Impact of environmental regulations on the innovation of SMEs: Evidence from China. *Environmental Technology and Innovation*, *22*. https://doi.org/10.1016/j.eti.2021.101515

Zoysa, A. D., & Takaoka, N. (2020). Corporate social responsibility performance of small and medium enterprises in regional Japan: an empirical examination. *Social Responsibility Journal*, *16*(4), 449–466. https://doi.org/10.1108/SRJ-05-2018-0116

Zvarikova, K., Dvorsky, J., Belas, J., & Metzker, Z. (2024). MODEL OF SUSTAINABILITY OF SMEs IN V4 COUNTRIES. *Journal of Business Economics and Management*, *25*(2), 226–245. https://doi.org/10.3846/jbem.2024.20729