

## **CORPORATE SOCIAL RESPONSIBILITY IN PAKISTAN: MIMICRY OF THE WEST OR A MILESTONE GUIDING CONSUMER BEHAVIOUR?**

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Owing to the fact that the corporate social responsibility (CSR) activities initiated by the firms have gained enough momentum in the developed countries, whereas the impact of such activities on customers' buying behaviour in the developing countries is however underexplored. This study strives to explore the relationship between CSR and consumer-buying behaviour in the context of the fast food industry, the second largest industry of the country having 180 million consumers. Based upon the theoretical foundations of social identity theory, the study offers and validates a unique model which takes into account the mediating role of corporate image between the relationship of CSR and consumer buying behaviour. Using a sample size of 1500 from five major cities of Pakistan, the structural equation modeling reveals that CSR has a significant positive effect on the consumer buying behaviour and corporate image mediates the CSR and consumer behaviour nexus. This study provides empirical evidence for the firms by verifying the influence of corporate social responsibility as a major deciding factor to gather the long term patronage of the customers as an organizational objective in the fast food industry of a developing country

**Key words:** *Corporate Social Responsibility, Corporate Image, Consumer Buying Behaviour, Competitive advantage*

### **Introduction**

The success of consumer based organizations lies in the fact that how consumers respond to the product and services offered by the

organizations and the initiatives taken. CSR has become a very important aspect for consumers and they want the companies to establish and maintain their focus on the CSR related activities (Vitell, 2015). According to Amatulli et al., (2018), CSR has emerged out to be a leading research theme in majority of the consumer behavior literature. To demonstrate a desired buying behaviour, the customers expect the firms to be socially responsible. In the modern contemporary business world, being socially responsible has turned out to be an expectation rather than a competitive tool to attain the supremacy over competing firms. The globalization of the fast food industry has made the companies to expand their businesses beyond national borders and is evident from the presence of western fast food chains in the developing countries. With this expansion, the corporate social responsibility concept is getting momentum in the developing nations. The fast food restaurants that engage in corporate social responsibility initiatives tend to generate positive customers' buying behaviour. Thus CSR initiative can be an essential practice to gather a long term competitive advantage among competing firms (Lee et al., 2013).

According to (Tian et al., 2011), consumers tend to be favourable to the firms that communicate their CSR initiatives in comparison to those firms that fail to do so. The firms' CSR initiatives have generated a positive reputation and image which eventually leads to improve their market share (Porter & Kramer, 2006). Thus CSR initiatives have been used by many firms to instill a positive image in the minds of the customers and also a differentiated tactic as a part of their overall management strategy. The positive corporate image resulting from CSR initiatives could affect the consumers' buying behaviour and will help build a long lasting relationship.

Many leading fast food chains like McDonalds, Yum! Brands and Starbucks have engaged in CSR activities and have portrayed a positive image in the minds of their consumers, subsequently influencing the behavior. It is imperative to study the perceptions of their consumers in the developing countries, which will help them to device strategies to get hold of long term consumers' patronage.

Though numerous studies have been conducted in the last few decades related to CSR and especially on the relationship between CSR and consumer buying behaviour, yet a little has been studied in the context of hospitality industry. Past studies, conducted on (CSR) have largely attempted to get an insight on the relationship of CSR and the financial performance of the firm and how CSR impacts the employees' behaviour. It has been suggested by many past studies that the customers'

loyalty, commitment, trust, satisfaction and perceptions are largely influenced positively by CSR which further impact the consumer buying behaviour (Chien & Chi, 2019; Ashraf, Ilyas, Imtiaz & Ahmad, 2018; Babic–Hodovic, Arslanagic – Kalajdzic & Imsirpasic, 2017; Saleem, Zahra, Yaseen Nikou, 2017; Setiawan & Sayuti, 2017; Arslan & Zaman, 2014; Su & Teng, 2018). Many researchers have mentioned that the mediating or moderating variables should also be clarified between CSR and its outcome rather solely gauging the direct impact of CSR (Anser et al., 2018)

Contrary to these results, other scholars have suggested that there is no significant impact of CSR on consumer buying-behaviour and it cannot be considered an imperative factor in predicting the purchase behavior (Al Jarah & Emeagwali, 2017; Bhattacharya & Sen, 2004; Gurlek et al., 2017). Due to these contrasting results by previous studies, this subject matter calls for a more extensive exploration to gather empirical evidence in favour of either of the outcomes.

Furthermore, the involvement of CSR is also deemed crucial in the strategic marketing policies and business activities of an organization, which influences the consumers' purchase behaviour (Shukla, Goel & Tiwari, 2019; Wang, 2018). It is inevitable to examine consumer buying-behaviour from the spectacles of CSR because most of the marketing strategies are based on this notion. Therefore, in light of the ever progressing interest in CSR and its importance in predicting the consumer purchase behaviour (Arikan & Güner, 2013); this study embarks on a journey to examine the impact of CSR on consumer buying behavior and to study the mediating role of corporate image.

## **Literature Review and hypothesis development**

### **Corporate Social Responsibility**

The concept of CSR has posed an issue in the academic research and business practices over the course of last 5 decades (Dentchev, 2009; Carroll & Buchholtz, 2006). Bowen (1953) carried out the initial CSR theoretical development. Although copious amounts of research have been conducted on this subject, still, the definition of CSR has always been debated by the scholars (Lee, 2008). This debate is instigated by the fact that CSR is indeed a broad concept in its scope, and thus many scholars have provided their own definition. Carol (1979) suggested

that CSR encompasses certain expectations that the society has from an organization at given point in time. These expectations are from the economic, ethical, legal and philanthropic domains. . The view point of Carroll (1979) was extended by Dahlsrud (2008) and presented five types of CSR which are economic, environmental, stakeholder, societal and voluntariness. Numerous other researchers have presented CSR as a concept explaining an array of principles, values and norms that influence behavior (Sherwin, 1983). A broad and narrow view of CSR was presented by (Devinney, 2009). The broad view focused on environmental responsibility, social obligations and legal obligations whereas, narrow view was related to the organization's obligation to earn profit. Vitell (2015) more recently conceptualized CSR in two types of exchange processes, which are voluntary and proactive. Voluntary engagement highlighted the notion that the organizations should not participate in the activities that can cause harm to society at large and proactive engagement implies that firms should take part in the activities that present social benefits.

This study follows the model presented by Carroll (1979) and focuses on the four dimension of CSR which are economic, legal, social and ethical. Given that these four dimensions may directly influence the consumer buying behaviour of the customers, they are strongly associated with the fast food industry context.

### **CSR and Corporate Image**

Corporate image (CI) is the impression of the company over its customers (Nguyen and Leblanc, 2001). According to Lai et al., (2010) the stakeholders' social concerns are addressed by corporate image of the organization. CSR activities bear the tendency of creating a collective perception of the public towards a company (Abimbola, & Kleyn, 2012). This perception must be stimulated by consistent and apt communication of the CSR activities of the organization. However, if the company employees the internally-controlled channels as opposed to the reactive communication channels for this communication of CSR activities, they are considered deceitful by the consumers (Wagner, Lutz, & Weitz, 2009). Past studies are testament to the fact that the companies those are engaged in CSR initiatives are able to portray a positive image of them only through effective communication, and this positive image is rewarded by the customers in the form of purchases made by them (Brown and Dacin,; Folkes and Kamins, 1999; 1997 Murray and Vogel, 1997).

Engagement in CSR activities has been a success factor in creating a positive corporate image (Golob & Bartlett, 2007). This positive image augments customers' loyalty and provides the organization its desired sustainability and competitive edge (Lantos, 2001). Even a negative corporate image can be switched to a positive one by investing in CSR initiatives with stakeholders' welfare as the motive.

However, the existing literature is insufficient in providing the evidence whether this view is applicable in a developing economy like Pakistan. This impact of CSR on corporate image is not extensively explored in Pakistan especially in the restaurant industry which accounts for the second largest industry in Pakistan. Considering these gaps in the CSR literature and based on four CSR dimensions presented by Carroll (1979), the devised hypothesis is as follows:

***H1: CSR has a significant positive effect on Corporate Image***

### **CSR, Corporate image and Consumer Buying Behaviour**

A study on CSR suggested that the challenges faced by organisations in developed countries in the implementation of CSR initiatives are entirely different from the ones faced by companies in the developing countries (Visser et al., 2010). In developing countries, business systems have largely delegated responsibilities to the private sector because of numerous issues like poor governance and weak institutions. Additionally, the multinational companies operating in such developing countries are faced with several cultural, religious, and complex social challenges (Werhane 2000).

Even though CSR as a concept has been, for the most part, identified as a need of the hour, very little is known about its impacts on consumers' minds and behaviours (Vahdati, Mousavi, & Tajik, 2015). Restaurants are such an organisation where the consumer of the end product is present inside the organisation and production and consumption is taking place simultaneously (Davis et. Al., 2008). If the CSR initiatives are perceived as positive by the customers, they in turn incentivise the restaurant by consuming its products (Akanno et.al., 2015).

### **Social Identity theory and CSR- Consumer behaviour relationship**

According to Tajfel (1978) the social identity theory provides individuals a sense of belonging to a certain group. A feeling of trust and

positive emotions emerges among the individuals who enjoy similarity being the part of that group (Ashforth and Mael, 1989). Subsequently the perceptions and behaviour of the member are influenced by the social group (Teng, 2017). Moreover when individuals identify themselves as a part of a certain social group, they strive to conform to the established norms of that group because the conformance in the social group strengthens their individual identity (Ambrose et al., 2018). For example Teng (2017) studied the gaming community and he found out that the members of the gaming community influence the perception and behaviours of the fellow members.

The contemporary studies on CSR have set the stage for further exploration of this concept in light of consumer buying behaviour and its mechanisms and contingencies are required to be investigated in the context of developing economies. Thus, in the light of the available literature, there is a lack of studies that attempts to find the relationship of CSR, corporate image and consumer buying-behaviour in developing economy, specifically in the fast-food restaurant industry. This gives rise to the second and third hypotheses of the study:

**H2: CSR has a significant positive influence on consumer buying behaviour**

**H3: Corporate image mediates the relationship between CSR and consumer buying behaviour**

#### **Corporate image and consumer buying behaviour**

The behaviour of customers is impacted by the positive corporate image (Nan & Heo, 2007). The relationship among corporate reputation, corporate retention and customer retention was explored by (Nguyen & Leblanc, 2001). The result inferred that a positive corporate image ensures customer retention and loyalty with the organisation. A similar study was conducted in the FMCG industry of Pakistan by Shabbir, Kaufmann, Ahmad, & Qureshi (2010) where the relationship between customer relationship management and consumer buying in intention was explored with the mediating role of corporate image. The results indicated that the relationship between the two mentioned variables was being partially mediated by corporate image. Based on the literature, it can be safely deduced that insufficient studies have been conducted to find the impact

of corporate image on consumer buying behaviour in a developing economy especially in context of fast food industry. Keeping in view the above mentioned gap, the fourth hypothesis of this study is mentioned below:

**H4: Corporate image has a significant positive influence on consumer buying behaviour.**

#### **Fast Food restaurants in Pakistan**

Fast food restaurants have become evidently popular in Pakistan in the recent years owing to their ability to offer convenience of grabbing the food on the go, accessible locations, and economic pricing (Memon, 2016). It has resulted in making fast-food industry, second largest industry of the country with a total of 180 million countrywide consumers (Memon, 2016). Furthermore, when fast food and food related businesses are considered, Pakistan has the world's 8th biggest market with an over 1000 large-scale food-processing companies (Memon, 2016). There has been a tremendous shift in the eating habits and life-styles of people of Pakistan, which has resulted in a drastic change in the Pakistan fast food industry. An average household spends 42 percent of its income on food annually according to a study conducted to measure the performance of fast food businesses operational in Pakistan. Furthermore, each year there is a 10 percent growth in the overall retail sales of processed foods in Pakistan.

In addition to this, supermarkets have also risen to popularity as a one-stop shopping spot. Ten percent of the total sales of these supermarkets are attributed to the retail fast food sales (Memon, 2016). Moreover, the Western style fast food restaurants are also on the increase in Pakistan because of the current trend of adopting western eating style. There is an overall 20 percent growth in fast food industry in Pakistan because of the 21 percent annual shift in eating habits of Pakistani citizens and the ever-increasing number of fast food restaurants (Memon, 2016). This makes fast food industry one of the fastest growing industries of Pakistan as well as of the world.

#### **Conceptual model**

A graphic display of the interrelationships in the conceptual model is given in Figure 1

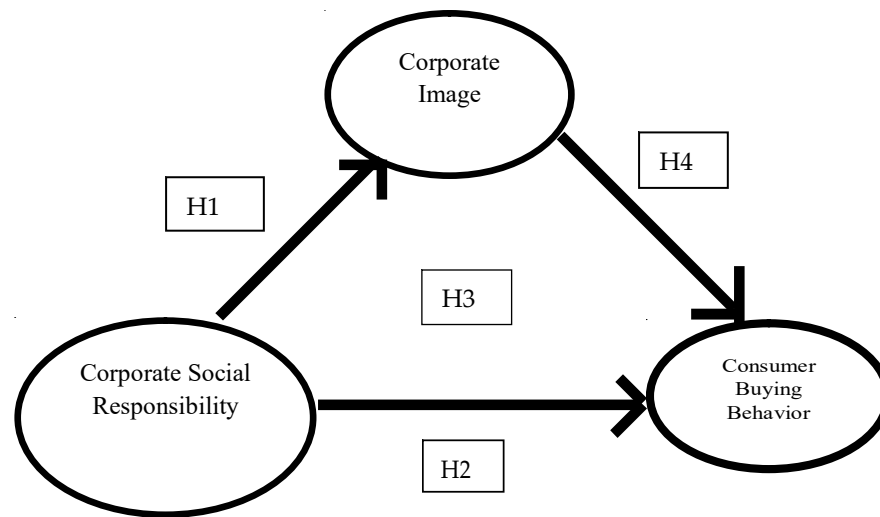


Fig 1:  
Conceptual Model

## Material and Methods

### Population and sample

It was planned to target consumers of the fast-food restaurants in Pakistan as the study population. Pakistan has more than 350 cities and every city has several fast-food restaurants. So, the number of restaurants was too large or unrecorded in all cities of Pakistan. Sampling frame considered for this study was derived from the list of restaurants registered with the relevant revenue boards of Pakistan. Therefore, the sample of this study considered the fast-food restaurants' consumers of five popular cities of Pakistan which are Lahore, Islamabad, Karachi, Quetta and Peshawar. 297 restaurants were short listed by using the sample calculator. Multistage sampling technique was incorporated to select from the sampling frame. Five respondents from each of 297 restaurants, who were present at the restaurants, were asked to fill the survey questionnaires.

### Instrument and Measurement of Variables

A self-administrated questionnaire was used with closed-ended questions. ". 16-Items scale of Carroll (1979) has been used to measure the CSR on a 5-point Likert scale. The scale had a Cronbach's alpha

value of 0.89. A 5-item scale developed by Nguyen and Leblanc (2001) was adopted with a 5-point Likert scale for corporate image. The reliability of this scale was 0.86. A 16-item scale of Zeithmal (1996) was used to measure consumer buying behaviour. The reliability of this scale was 0.90. The evaluation of the variables were based on interval scale and five point Likert scale 1= strongly disagree to 5= strongly agree were used to measuring these variables.

### **Data Collection**

A cross sectional survey was conducted in this study and the respondents were approached individually for data collection. The researcher with his hired team managed to personally visit 297 fast-food restaurants in five cities of Pakistan. Questionnaires were distributed to consumers who were availing the services at that time in the fast food restaurant with an aim to target five consumers from each restaurant. Completed questionnaires were collected back immediately to guarantee a high response rate. 1485 questionnaires were distributed among the respondents of five different cities of Pakistan i.e. Lahore, Islamabad, Karachi, Quetta and Peshawar but only 1425 questionnaires were returned for further analysis, thus depicting a response rate of 95%.

### **Ethical Considerations**

The information gathering for this research occurred through the researcher's personal visit to potential respondents who were consumers, availing services of 297 fast-food restaurants in five cities of Pakistan. In the same manner, potential respondents were given a descriptive statement at the start of questionnaire that elucidated the reason for this study, guaranteed the anonymity and confidentiality of respondents, educated them regarding their entitlement to leave the study whenever they wish to, and it was also explained that the returning of completed questionnaires will be considered as indication of agreeing to participate in research. The collected data was kept safe at the researcher's custody. The names of the respondents were not demanded in the questionnaire to ensure its full confidentiality.

Finally, the researcher designed the questionnaire by keeping in mind the respondents' sensitivity and not posing any question that could be addressed by false data and might evade socially unwanted inquiries.

## **Data Analysis**

A total of 1425 received questionnaires were carefully recorded in MS excel and SPSS. While the data entry was taking place, the post-coding of 1425 survey questionnaires was conducted followed by the rigorous scrutiny of the data regarding consistency, completeness and legitimacy. With the use of descriptive statistics, a total of 80 questionnaires were excluded from the data because of missing values in the responses. Unengaged responses were identified using the standard deviation (SD) technique. All such records, which had a value of Standard Deviation below 0.5, were removed as it indicated that these respondents answered all the questions of the survey in the same manner.

## **Reliability and Validity**

### **Reliability of the questionnaire**

An inter-item correlation matrix was developed for each construct in order to evaluate the internal consistency of the constructs. There was no negative correlation found among the items of the same construct.

Afterwards, the value of Cronbach's Alpha was also calculated for each of the three constructs under study. The Cronbach's Alpha value of 0.7 and above is considered to be the acceptable range of reliability. The Cronbach's alpha values for the individual constructs and overall questionnaire are shown in Table 1. It can be clearly seen that the Cronbach's Alpha values of the entire constructs are well above 0.7.

### **Validity of the Questionnaire**

Bryman (2015) suggested that face or content validity should be considered as a minimum threshold to confirm the validity of a scale which is an intuitive procedure and has to be established by the researcher. In order to achieve face and content validity, a session was conducted of group comprised of quality experts, practitioners and academics to examine the degree to which the items of the construct were actually measuring the aforementioned constructs. The 34 items of measures of corporate social responsibility, corporate image and consumer buying behaviour were left over for data collection after that session and further confirmation took place after the pilot study.

**Table 1: Reliability Analysis**

<b>Constructs</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
<b>Corporate Social Responsibility</b>	16	0.903
<b>Corporate Image</b>	5	0.863
<b>Consumer Buying Behaviour</b>	13	0.90
<b>Overall Reliability of the Questionnaire</b>	34	0.938

## **Results**

### **Descriptive Statistics**

The result of the descriptive analysis is shown in Table 2. It can be seen that majority 61 % respondents were male and 39% constituted female. The analysis of the age depicted an interesting result. The major chunk of the respondents was under 30 years of age (60%), which supports the notion that youngsters are fond of fast food. Descriptive analysis suggested that majority of the respondents were of a younger age and were either students or at the beginning stage of their career, that supports the above mentioned notion of their presence at a fast food restaurant.

### **Exploratory Factor Analysis (EFA)**

We used SPSS 23 to conduct exploratory factor analysis (EFA). Keeping abreast the requirements of structural equation modeling (SEM), maximum likelihood extraction method with pro-max rotation was incorporated to extract the factors. Since there were 34 items in the survey questionnaire intended to measure the three constructs; all 34 items were included in the EFA analysis. While conducting EFA an Eigen value greater than 1 was considered as a threshold value. Subsequently we found out that the pattern matrix divided the 34 items in to three factors by using the principle of Eigen value greater than 1 (Lattin et al., 2003).

**Table 2:** Demographic profile of the respondents

<b>Sr.</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>Respondents</b>
1	<b>Gender</b>		
	Male	758	61%
	Female	480	39%
2	<b>Age</b>		
	20-30	741	60%
	31-40	345	28%
	41-50	130	10%
	Above 51	22	2%
3	<b>Education</b>		
	High School	156	13%
	Bachelor	700	55%
	Post Graduate	28	28%
	PhD	35	4%
4	<b>Occupation</b>		
	Student	441	36%
	Employee	461	37%
	Businessman	265	21%
	Household	71	6%
5	<b>Income Level</b>		
	Less than 50,000	761	62%
	51,000-100,000	268	21%
	101,000 – 150,000	136	11%
	Above 150,000	73	6%

The total explained variance of all variables was 44%. The 11 items

of CSR and consumer buying behaviour were causing a problem of cross loading with corporate image; therefore, they were deleted from further analysis because of their cross loading with other factors. After removing those 11 items, we conducted the EFA again using the same procedure. The result showed that all the items were cleanly loading on three distinct constructs.

### Validity of the items and model fit

After extracting the three factors through EFA, we conducted the confirmatory factor analysis (CFA) to ensure the validity of items and model fitness. CFA model fitness results are given in Table 3, which shows that the values of all fitness indices for proposed three factor model are within threshold value range and model fit is acceptable. Figure 2 representing the CFA and its results in detail.

### Correlation Analysis

Initially, Bi-variate Pearson Correlation analysis was calculated among all study variables to analyze the relationships and their directions between the constructs, as given in Table 4. The outcomes of correlation analysis indicated that all control variables except income level were significantly correlated with study variables.

### Relationship among study variables and structural model

We built a structural model based upon the research hypotheses once the measurement model was tested and multivariate assumptions were established. The structural model represents the relationship among CSR, corporate image, and buying behaviour as shown in Figure 3.

**Table 3: Model fit indices**

Measure	Estimate (Measurement Model)	Threshold	Interpretation	Estimate (Structural Model)
<b>CMIN</b>	599.523	—	—	599.524
<b>DF</b>	185	—	—	185

Measure	Estimate (Measurement Model)	Threshold	Interpretation	Estimate (Structural Model)
CMIN /DF	3.241	Between 1 and 5	Excellent	3.241
CFI	0.956	>0.95	Excellent	0.956
GFI	0.954	>0.95	Excellent	0.954
RMR	0.023	<0.08	Excellent	0.023
RMSEA	0.043	<0.06	Excellent	0.043
PCLOSE	1	>0.05	Excellent	0.999

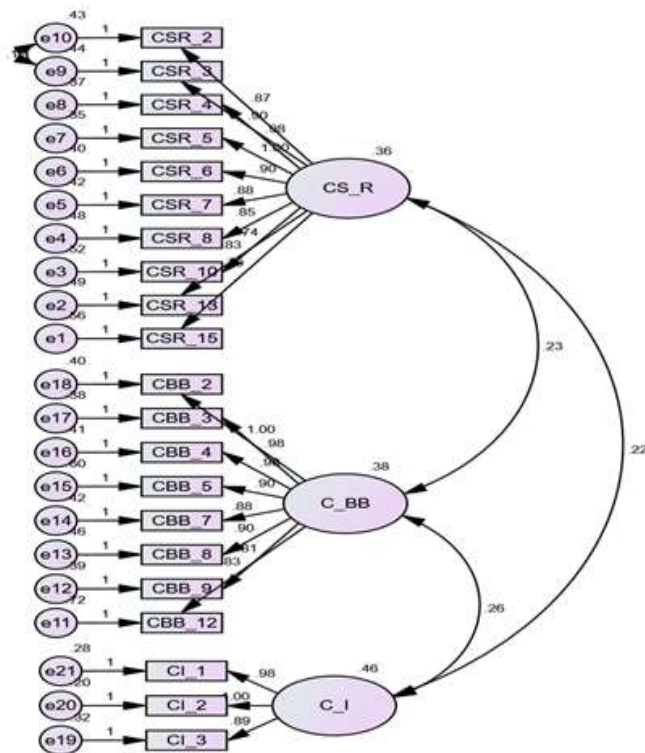


Figure 2: Measurement model

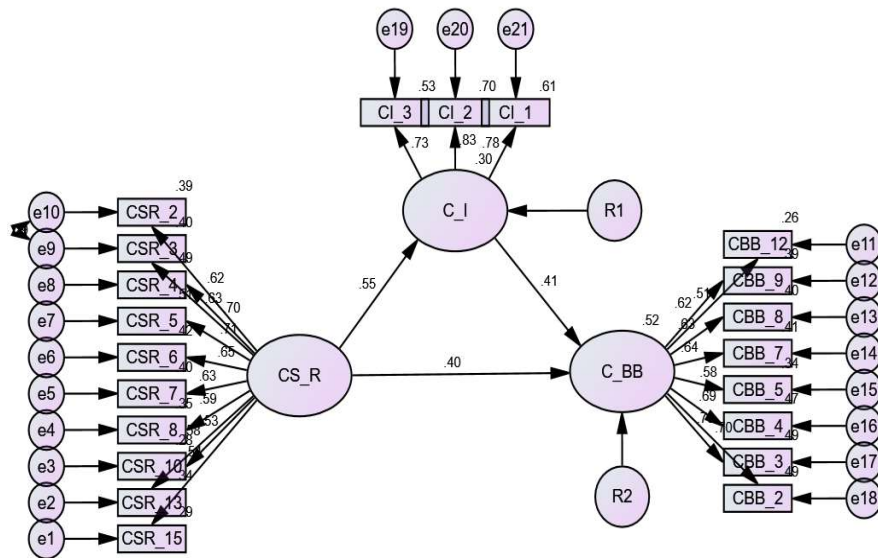


Figure 3: Structural Model

It can be seen that values of path coefficients of the structural model for all the entire hypotheses are significant.

Table 4: Correlations Analysis

Sr#	Variables	1	2	3	4	5	6	7	8
1	Gender	1							
2	Age	-.19**	1						
3	Education	-.05	.32**	1					
4	Income Level	-.20**	.48**	.35**	1				
5	CSR	-.18**	.12**	.10**	.04	1			
7	Corporate Image	-.19**	.15**	.09**	.03	.63**	.63**	1	
8	Buying Behaviour	-.23**	.15**	.06*	.04	.68**	.71**	.79**	1

**Note:**

\* significant at 5% level, \*\* significant at 10 % level, \*\*\* significant at 1 % level

We checked the model fitness of the structural model and the result depicted that the model fitness was adequate. Table 5 shows the standardized regression weights for all the possible paths of the structural model.

In the structural model, this hypothesis states that CSR will have significant positive impact on corporate image. The values of direct effect for this relationship is 0.55\*\*\* which shows that the consumers with higher CSR perception will have a positive corporate image as given in table 5. Therefore, hypothesis H1 is supported. The second hypothesis H2 of this study states that the CSR will have a significant positive impact on consumer buying behaviour. The value of the relationship of this link is 0.40\*\*\* as shown in Table 5, which confirms hypothesis H2 that a positive perception of CSR will have a significantly positive effect on consumer buying behaviour. Therefore, hypothesis H2 is supported. Table 6 shows the direct and indirect effects of CSR on consumer buying behaviour.

**Table 5:**  
Standardized Regression Weights for Structural Model

Path of variable	Estimate	P Value
CSR → Corporate Image	0.55	***
CSR → Buying Behaviour	0.40	***
Corporate image → Buying Behaviour	0.41	***

**Note:**

\* significant at 5% level, \*\* significant at 10 % level, \*\*\* significant at 1 % level

The findings of SEM depicts that there is a significant indirect effect of CSR on consumer buying behaviour and the effect size is

0.23\*\*\*, which entirely supports the proposed mediating path in H3. As both the direct and indirect effect between CSR and consumer buying behavior is statistically significant, it can be suggested that corporate image is partially mediating the relationship between CSR and consumer buying behavior. Hence Hypothesis H3 is supported. The hypothesis H4 of the study explains the relationship between corporate image and consumer buying behaviour. The value of the direct effect of this relationship is 0.41\*\*\* as shown in table 5, which further confirms that a positive corporate image will have significant positive influence on consumer buying behaviour. Thus hypothesis H4 is supported.

**Table 6:**  
Direct and indirect effects

Hypotheses	Direct Effect $\beta$ value	Indirect Effect $\beta$ value	P Value
CSR $\rightarrow$ Corporate Image	0.55		***
CSR $\rightarrow$ Buying behaviour	0.40		***
Corporate Image $\rightarrow$ Buying behaviour	0.41		***
CSR $\rightarrow$ Corporate image $\rightarrow$ Buying behaviour		0.23	***

**Note:**

\* significant at 5% level, \*\* significant at 10 % level, \*\*\* significant at 1 % level

**Discussion on the findings of the study**

As suggested by the findings of the study, all the four hypotheses are supported. According to hypothesis H1 CSR do have a significant positive effect on corporate image in the context of fast food restaurant industry in Pakistan. The finding is consistent with the previous studies in CSR literature. The result of the hypothesis H2 explains the fact that

if consumers of the fast food restaurant positively perceive the CSR initiatives of the restaurant, it is going to positively affect their buying behaviour towards that restaurant. This finding is in line with various prior studies (Amoroso & Roman, 2015; Rahim et al., 2011; Becker-Olsen et al., 2006; Fatma et al., 2016). According to hypothesis H3 corporate image influences the consumer buying behaviour. The results of the study suggest that if consumers of a Pakistani fast food industry develop positive corporate image about a restaurant, it will positively impacts their buying behaviour. The hypothesis H4 is a novel finding of this study, which suggests the mediating role of corporate image in predicting the consumer buying behavior in response to CSR initiatives by fast food restaurants in Pakistan. The results of the study confirm the relationship between CSR and consumer buying behaviour is partially mediated by corporate image.

### **Managerial Implications**

In a quest to maintain and sustain a competitive advantage, building a strong and loyal customer base is the main ingredient of this journey. The modern customer is more concerned about the issues pertaining to public welfare and society at large. If an organisation is actively participating in the CSR activities and is communicating those initiatives to the customers, there are high chances that customer will become loyal to that organisation. This research has several managerial implications. The fast-food restaurants should engage themselves in CSR initiatives and work on various mediums to communicate those initiatives to the customers. Though genuine CSR is noteworthy, still effective CSR communication is a corner stone for developing customer loyalty as ‘transparency encourages competitiveness’ (Chen and Wongsurawat, 2011, p.56). CSR initiatives demand fast-food industry to put their products and services for sales at a reasonable price, comply with law, participate and sponsor public events and aim to promote the overall social wellbeing of the society at large. This will help them to register a positive corporate image in the minds of the customers which eventually will influence their buying behaviour in their favour.

### **Limitations and Future Research**

This study examined the influence of CSR on buying behaviour of

consumers in fast-food industry. We selected fast foods because of time and resource constraint, the future studies can include full service restaurants, cafeterias and fine dining restaurants. Furthermore, the study was cross sectional in nature and self-administered questionnaire was adopted to collect data. The limitation can be overcome by using multi-time cross sectional design with time break. In future, researchers may replicate the study in different countries and different industries as consumers from different industries and countries may have their unique perceptions about CSR, so in turn CSR may show different kind of relationship with consumer behaviour.

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