Abstract

Corporate Social Responsibility (CSR) activities provide many positive outcomes such as high public opinion, prestige and customer loyalty, encouraging companies to demonstrate a positive attitude towards this subject. In this respect, restaurant businesses try to identify their stakeholders as well as their responsibilities for these stakeholders. The purpose of this study is to identify the stakeholders of restaurant businesses and also to determine the role of CSR-related activities in customer loyalty. In order to achieve this aim, this study utilised mixed methods research. Both qualitative and quantitative findings revealed that CSR activities carried out by restaurants had a positive role in customer loyalty, especially those activities aimed towards employers.

Keywords: CSR, Customer Loyalty, Restaurant Establishments

Introduction

Increasing competitive pressures in the restaurant industry and the fact that consumers tend to prefer socially responsible establishments and punish those that fail to fulfil their responsibilities has turned Corporate Social Responsibility (CSR) into an important means of competition. In this context, the restaurants utilised corporate social responsibility activities both in order to hold on to their current customers and attract new customers.

The activities included under CSR are subdivided into four groups, namely society, environment, employees and customers. However, currently there is no study that investigates the effect, or the extent of any effect, of each of these groups on the loyalty of restaurant customers. In this context, the aim of the research is to reveal the effect of corporate social responsibility sub-groups on customer loyalty.

Literature

The early literature is mainly dominated by studies in economic circles that aimed to determine the extent of the responsibilities of companies. However, studies conducted in subsequent years suggest that the subject does not only consist of the economic dimension, but that it has many different dimensions in addition to this (Caroll, 1991, 1999). Studies indicated that CSR is a basic necessity for companies and a strategy that needs to be implemented in order to maintain a competitive advantage (Galbreath, 2008; Lantos, 2002).

CSR has various effects both on companies and consumers. It was indicated in the literature that one of these effects is on customer loyalty (Aguinis & Glaves, 2012; Chen, Chang & Lin, 2012; de los Salmons, Crespo & del Bosque, 2005; Mandhachitara & Poolthong, 2011). Thus, the fulfilment of CSR activities is regarded as important in terms of increasing

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customer loyalty (Chen, Chang & Lin, 2012). The fact that customers prefer companies to fulfil their social responsibilities (Sánchez, 2010) requires the effective use of CSR activities. From a review of the studies in the literature, it was indicated that CSR and customer loyalty was investigated in different industries, and that customer loyalty has positive effects on these industries. However, the effect of these activities on restaurant customers is still uncertain. Although CSR was examined in the context of the restaurant industry, these studies remained limited to the financial performance of the restaurants (Inoue & Lee, 2011; Lee, Singal & Kang, 2013), customer satisfaction (Lee & Heo, 2009) and the value of the shareholders (Kim & Kim, 2014). Thus, this research aims to fill this gap in the literature by measuring the reaction of customers towards corporate social responsibility activities of restaurants.

**Research Method**

The mixed methods approach consisting of both qualitative and quantitative methods was used in this research. Within this context, face-to-face, semi-structured interviews were held with 19 restaurant managers in November, December and January 2012 to identify CSR activities conducted by the restaurants. Interviews were recorded using a voice recorder, they were then transcribed, and content analysis was carried out on the data. The findings obtained in this analysis were then used to develop a questionnaire.

A quantitative research method, namely a face-to-face survey, was used in the next stage of the research. The questionnaire used was developed from the literature reviewed and the findings at the qualitative stage, and the following hypotheses, forming the basis of the qualitative research model, were tested. The analyses used in the research consists of exploratory factor analysis, descriptive statistics and multiple linear regression analysis.

**H1:** Corporate social responsibility activities affect customer loyalty positively.

**H1a:** CSR activities for the customers affect customer loyalty positively.

**H1b:** CSR activities for the employees affect customer loyalty positively.

**H1c:** CSR activities for the environment affect customer loyalty positively.

**H1d:** CSR activities for the society affect customer loyalty positively.

The target population for the research consisted of restaurants in Turkey with a 1st or 2nd class tourism business licence, a private establishment licence and a Chamber of Commerce licence. As the target population identified was rather large, creating time and cost issues, Eskisehir city was determined as the target population for the study, and the restaurants in this city with the aforementioned licences were included in the scope of the study. As it was possible to access all of the restaurants in the target population, sampling was not used for the selection of the restaurants. However, convenience sampling techniques were used when collecting data from customers. Questionnaires were distributed to customers to complete in 13 restaurants during April, May and June 2013, and 499 questionnaires out of 600 were returned.

**Findings, Discussion and Suggestions**

The findings of the first stage of the research that aimed to identify the CSR activities carried out by restaurants resulted in four main themes: activities for the environment, activities for the employees, activities for the customers and activities for society.

The second stage of the research resulted in a five-factor structure, with the lowest level of the reliability score being 0.86, for CSR activities carried out by restaurants. A normal distribution test was applied to the data set, and it was determined that the data had a normal distribution. After this, multiple linear regression analysis was conducted to test the hypotheses. According to the results of the analyses, it was determined that only the CSR activities for the employees affect customer loyalty significantly ($p < 0.05$), and other variables do not affect customer loyalty significantly ($p > 0.05$). It was detected that customer loyalty, a dependent variable, is expressed as 10.5% when all independent variables are assessed.
cumulatively. Results indicate that CSR activities of restaurants have positive effects on customer loyalty. More specifically, findings reveal that companies fulfilling CSR responsibilities towards employees affects customer loyalty.

The research not only has theoretical implications in terms of filling the gap in the literature, but also implications for practice in terms of contributing to the customer loyalty endeavour. Restaurants must fulfil their responsibilities for their employees in order to hold on to their customers and make them loyal for the enterprise to succeed in the restaurant industry. Otherwise, restaurants where the employees are unhappy and the employee turnover rate is high may risk losing their current and potential customers, eventually creating economic problems.

As a suggestion for further research, it would be beneficial for researchers working in the field of hospitality to investigate the subject more extensively and test this in other restaurants (fast-food, ethnic, etc.) as well.

**References**


