

# **Literature Study of the Role of Values and Corporate Social Responsibility in Ethical Consumption Decisions: Fast Food Industry**

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**Abstract:** This literature study helps to identify and understand the factors that influence consumers' decisions to buy from food brands involved in corporate social responsibility. Ethical marketing refers to the process by which companies market their goods and services by focusing not only on how their products benefit customers, but also how they benefit socially responsible or environmental causes. It includes everything from ensuring advertisements are honest and trustworthy, to building strong relationships with consumers through a set of shared value. Companies with a focus on ethical marketing evaluate their decisions from a business perspective as well as a moral perspective. Companies often add unnecessary ingredients to products that decrease their nutritional value, food is often stripped of important nutrients like fiber and vitamins when manufactured, it is left with more calories and less nutrients, and consuming causes greater risk of disease. The food is also cheap and addictive, making it a perfect option for low income families who can't afford higher priced products and organic foods. Making food cheap and available at the cost of health helps food corporations make money.

**Keywords:** consumption decision, corporate social responsibility, ethics, fast food, marketing, norms, values.

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## **Introduction**

Ethics of Food industry applications have been identified as one of the most important topics worthy of research in marketing and producing fields. Marketing ethics concern on rules that they are acceptable for marketing attributes. Ethical market regulates and establishes long term competitors' relationships, being trust among the buyer and seller. Marketing ethics aim to prevent from misunderstanding and challenges while defining marketing. When we pay attention to companies' marketing strategies we observe that most of them are not in favor of consumers, on the contrary they are in favor of companies. Ethical considerations are becoming dominant in consumer food choices because of the unease expressed by many regarding the increasing gap between production processes and consumption, consumers are no longer involved in food production, and have less and less knowledge of, and trust in, production processes. Food, however, is and continues to be an intrinsic good for consumers. The co-responsibility of consumers with producers regarding their food choices has large implications for food product development, labeling and advertising [1].

The fast food industry could be having a catastrophically catalytic effect on global warming, according to a new report from Farm Animal Investment Risk and Return (FAIRR). Given its high dependence on natural resources such as water, land and feed for livestock, the animal agriculture involved in creating fast food products is a sizable contributor to environmental issues [2]. The report from FAIRR identified three key ways in which the fast food industry is bad for the environment: its use of land, its consumption of water and its emission of greenhouse gases (GHGs). Meat and dairy farms are the biggest factor behind change in the way land is used globally, often prompting deforestation and diverting resources away from other valuable needs. Meanwhile, the industry is also estimated to use as much as 10% of global water flows [2].

Fast food places use a lot of packaging. From the wrappers and straws to the boxes and bags, fast food packaging counts for an estimated 40 percent of all litter (including drinks, chips, candy, and other snacks) with Styrofoam being the most common food waste [3]. The intensive resources required to make just a standard cheeseburger, from growing the wheat to make the buns to feeding the cattle, and eventually their slaughter, and even the energy required to pickle the cucumbers, the resulting consumption is phenomenal converting to CO2 emissions of somewhere between 1 – 3.5 kg (without taking into account the methane produced by the cow itself) [3].

Modern food packaging is made from a variety of manufactured and synthetic materials, including ceramics, glass, metal, paper, paperboard, cardboard, wax, wood and more, plastics [4]. Modern food packaging provides a way to make food safe, reliable, shelf-stable and clean. Unfortunately, most food packaging is designed to be single use and is not recycled. Instead, packaging is thrown away and often litters waterways. Because so much food packaging (especially plastic) has ended up in waterways, the United Nations has declared the plastic pollution of oceans "a planetary crisis." This is a problem not only for humanity, but for all aquatic life. There are other environmental impacts from food packaging as well, including to air and soil [4].

This paper examines the issue of consumer behavior with specific reference to the fast food industry not as an identifiable research problem but as a growing phenomenon which has spread. The research on consumer behavior in the fast food industry is intended to gain a deeper understanding of purchasing behavior of fast food consumers and to investigate the main influencing factors on the growth of the industry [5].

Consumers may face numerous ethical dilemmas when contemplating a fast food purchase, such as trying to balance personal needs with the greater good of the environment and society. Facing a huge number of choices, consumers buying power is increasing, which results in changing consumers' buying behavior. They not only satisfy with the basic needs for hunger, but emphasize on more factors as well. Additionally, the economic recession has made consumers generally more cautious in their fast food spending (Mintel, 2009) and hard to select which fast-food restaurant to dine [6]. Given that not all fast food purchase decisions include ethical considerations, it is nevertheless important to determine which factors regarding fast food brands' CSR may encourage consumers to make sustainable fast food consumption choices.

### **Theoretical Framework**

In the present literature study, a research model was developed based on the theory of reasoned action (TRA) and expectations confirmation theory (ECT), within the context of consumers' fast food consumption decisions.

The aim of this literature study is to identify and understand the factors that influence consumers' decisions to buy from fast food brands involved in corporate social responsibility (CSR) activities. A dual theoretical framework comprised of the theory of reasoned action (TRA) and expectations confirmation theory (ECT) was employed to investigate consumer attitudes.

### **Corporate Social Responsibility**

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental [7].

To engage in CSR means that, in the ordinary course of business, a company is operating in ways that enhances society and the environment, instead of contributing negatively to them. Corporate social responsibility is a broad concept that can take many forms depending on the company and industry. Through CSR programs, philanthropy, and volunteer efforts, businesses can benefit society while boosting their brands [8]. As important as CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employees and corporations; boost morale; and help both employees and employers feel more connected with the world around them [7].

In today's socially conscious environment, employees and customers place a premium on working for and spending their money with businesses that prioritize corporate social responsibility (CSR). CSR is an evolving business practice that incorporates sustainable development into a company's business model [9]. It has a positive impact on social, economic and environmental factors. Recognizing how important socially responsible efforts are to their customers, employees and stakeholders, many companies now focus on a few broad CSR categories:

- **Environmental efforts:** One primary focus of corporate social responsibility is the environment. Businesses, regardless of size, have large carbon footprints. Any steps they can take to reduce those footprints are considered good for both the company and society.
- **Philanthropy:** Businesses can practice social responsibility by donating money, products or services to social causes and nonprofits. Larger companies tend to have a lot of resources that can benefit charities and local community programs. It is best to consult with these organizations about their specific needs before donating.
- **Ethical labor practices:** By treating employees fairly and ethically, companies can demonstrate their social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States.

• **Volunteering:** Attending volunteer events says a lot about a company's sincerity. By doing good deeds without expecting anything in return, companies can express their concern for specific issues and commitment to certain organizations [9].

### **Theory of Reasoned Action**

The Theory of Reasoned Action model was proposed in 1975 by Fishbein and Ajzen. It focuses on the construction of a system of observation of two groups of variables, which are: – attitudes defined as a positive or negative feeling in relation to the achievement of an objective; – subjective norms, which are the very representations of the individuals' perception in relation to the ability of reaching those goals with the product [10]. The Theory of Reasoned Action suggests that a person's behavior is determined by their intention to perform the behavior and that this intention is, in turn, a function of their attitude toward the behavior and subjective norms (Fishbein & Ajzen, 1975). The best predictor of behavior is intention or instrumentality (belief that the behavior will lead to the intended outcome). Instrumentality is determined by three things: their attitude toward the specific behavior, their subjective norms, and their perceived behavioral control. The more favorable the attitude and the subjective norms and the greater the perceived control, the stronger the person's intention to perform the behavior [10].

According to TRA, if people evaluate the suggested behavior as positive (attitude) and if they think others want them to perform the behavior (subjective norm), this results in a higher intention (motivation) and they are more likely to perform the behavior. A high correlation of attitudes and subjective norms to behavioral intention and to behavior has been confirmed in many studies [11]. The second change from Information Integration theory is that Reasoned Action uses two elements, attitudes and norms (or the expectations of other people), to predict behavioral intent. That is, whenever our attitudes lead us to do one thing but the relevant norms suggest we should do something else, both factors influence our behavioral intent [12].

Research studies in the fast food field have used TRA to predict purchase intentions and purchase behavior in various contexts. TRA is appropriate for the present study as it provides a well-grounded theoretical approach to explaining how individual-level cognitions predict intentions and behavior. Along with the examination of consumer attitudes towards patronizing fast food brands engaged in CSR activities, this framework also allows for exploration of the role of other problem-relevant interventions based on theory. Finally, using TRA allows for the investigation of factors that affect consumer attitudes based on their belief structures and value orientations.

### **Expectation-Confirmation Theory**

Expectation-confirmation theory (ECT) posits that expectations, coupled with perceived performance, lead to satisfaction. This effect is mediated through positive or negative confirmation between expectations and performance. If a product outperforms expectations (positive confirmation), then satisfaction will result. If a product falls short of expectations (negative confirmation), then the consumer is likely to be dissatisfied [13].

The four main constructs in the model are: expectations, performance, confirmation, and satisfaction. Expectations reflect anticipated behavior. They are predictive, indicating expected product attributes at some point in the future. Expectations serve as the comparison standard in ECT, that is, what consumers use to evaluate performance and form a confirmation judgment. Confirmation is hypothesized to affect satisfaction, with positive confirmation leading to satisfaction and negative confirmation leading to dissatisfaction [14].

Expectation-confirmation theory (ECT) is one of the most widely used theoretical perspectives in the consumer behavior literature and has helped researchers to better understand consumer satisfaction, post-purchase behavior and service marketing [15]. ECT posits that expectations along with perceived performance determine post-purchase satisfaction. This effect is mediated by whether or not there is a disconfirmation between expectations and satisfaction. Expectations in the consumer behavior literature have been conceptualized as beliefs or predictions about brands or products having desired attribute(s) [16].

Pre-acceptance expectations also play an important role in the consumer purchase decision process especially during the pre-purchase stage [17]. Pre-purchase expectations regarding a firm's socially responsible behavior play an important role in consumers' decisions to patronize businesses. Consumer expectations regarding corporate behavior and how these expectations are formed are not yet fully understood. This study employs ECT to better understand consumer expectations of fast food brands' CSR activities and resulting pre-purchase perceptions based on their personal value orientations.

### **Knowledge of Environmental Issues in the Fast Food Industry**

The fast food industry has become a focus of media criticism for its apparent lack of interest in environmental and nutritional issues. Demonstrates the scale of the industry's response and provides an objective assessment of current initiatives which have been specifically designed to improve the image of fast food companies [18]. The fast food industry could be having a catastrophically catalytic effect on global warming, according to a new report from Farm Animal Investment Risk and Return (FAIRR). Given its high dependence on natural resources such as water, land and feed for livestock, the animal agriculture involved in creating fast food products is a sizable contributor to environmental issues.

The report from FAIRR identified three key ways in which the fast food industry is bad for the environment: its use of land, its consumption of water and its emission of greenhouse gases (GHGs). Meat and dairy farms are the biggest factor behind change in the way land is used globally, often prompting deforestation and diverting resources away from other valuable needs. Meanwhile, the industry is also estimated to use as much as 10% of global water flows [19]. However, it is perhaps in regard to the sector's emissions that the greatest concerns lie. It is estimated that emissions from agriculture (including methane emissions from meat and dairy farming) will comprise 70% of the maximum allowable GHGs by 2050, if the world is to keep to its aim of limiting global warming to less than 2°C. As yet, animal agriculture has not come up with a concerted plan to tackle its GHG emissions, which has brought action from the investors [19].

### **Consumer Expectations of Fast Food Brands Ethical Behavior**

Even if companies try to apply some strategy in order to attract attention, customers have some standards which mean evaluation about quality and their expectation from fast food companies [20]. Customers expect followings:

- Efficiency service
- Making promise which is about doing a business with regard to apply legal procedures of companies
- Desiring to have necessary help from company to customer
- Right information and knowledge
- Doing a business with regard to provide empathy

After this information, we must examine the question of whether answering these expectations by fast food companies or not. They claim that they work for happiness of customers because they produce some foods which provide time saving. They generally use self-service type. They give excellent services and customers eat fast foods such as pizza, hamburger etc. It seems good. But customers don't think bad sides of fast foods. Actually companies avoid giving bad information about their products so people eat and then they will have some problems in following ages. Of course people cannot see harmful sides of fast food in their younger time. Obesity and high cholesterol are crucial health problem for the consumer of fast foods [21].

According to Fan (2005), the ethical brand has characteristics of responsibility, integrity, respect, honesty, and accountability towards some shareholders. Recently some researches have shown that in the current socio-economic environment, growing number of customers give high value to the brands/companies which take care of ethical concerns. Therefore it is inevitable for companies to demonstrate ethical commitments at corporate, strategical and operational level.

From the last decade, companies are investing their massive budgets in the creation and developments of brands. The creation of brand means that the brand communicates company message at all levels which become the reason of satisfaction for all stakeholders. Consumer perceived ethicality (CPE) is vital to gauge Consumer response that can affect their attitude toward buying behaviors. Brand awareness, brand image, and CPE are considered the three key drivers of brand equity [21].

### **CONCLUSION**

Fast food industry is one of the world's fastest growing sectors in food industry, consumers may face numerous ethical dilemmas when purchasing food in general. Less is known about the role of personal values and moral norms in companies' decisions to produce food related products and if they were engaged in corporate social responsibility or not. The objective of this study was to understand the factors that affect consumers' intentions to purchase fast food from producers involved in ethical marketing, and how far these companies go to fulfill the corporate social responsibility. Ethics within marketing can be defined as the way in which the moral standards of a company are being reflected on marketing decisions, behavior and attitudes; it is not at all easy to decide what the responsibility of an enterprise for society is. Responsibility in general means that someone is to blame, something has to be done or some kind of trustworthiness can be expected, but to which extent can a corporation have these human characteristics. Although, some businesses for the way they

market their products, misleading the consumers and sometimes even hurting their health. The global fast food industry contributes significantly to pollution and ecological hazards [22].

The production of food raises a number of issues that need to be considered. The packaged food industry essentially consists of manufacturing using farm produce. Clearly hygiene, quality control, health and safety considerations are of great importance [23]

This study provided an initial investigation of the complex process of consumers' decisions to patronize fast food brands engaged in CSR. Most importantly, this study demonstrates that some of the key determinants (knowledge of environmental issues and expectations of brands' ethical behavior) of consumers intentions to patronize fast food brands engaged in socially responsible business practices can be successfully influenced by coordinated marketing communication efforts and the provision of information regarding fast food brands' socially responsible business practices. Corporate social responsibility is an essential "non-product" dimension of a brand. Consumers evaluate a brand based on its overall image and reputation.

Fast food brand marketers should recognize consumers' abilities to accurately evaluate their CSR programs and make efforts to promote such activities as a way of reputation building.

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