

Corporate Social Responsibility (CSR) Perception on Purchase Intention of Consumer in Fast Food Restaurant

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ABSTRACT

This research analyzes the influence of CSR Perception, Purchase Intention, Price Fairness, and Satisfaction on the purchase intention of McDonald's food products consumers in East Java using cognitive consistency theory as the theoretical basis. Data were collected through questionnaire surveys and analyzed using the Structural Equation Modelling (SEM) method. The research results obtained from 180 respondents show that out of six hypotheses, four are supported and two are not supported, namely CSR to Price Fairness and satisfaction have a significant effect, satisfaction to Price Fairness has a significant effect, then satisfaction to purchase intention has a significant effect, while corporate social responsibility and Price Fairness do not have a significant effect on purchase intention. The results of this study were processed through the measurement model and structural model. This research provides insights for fast food restaurant in formulating marketing strategies to increase consumer purchase intentions in East Java.

Keywords: Corporate Social Responsibility, Purchase Intention, Price Fairness, Satisfaction

1. INTRODUCTION

A company's good name is crucial for its development, as it allows the company to be recognized by the wider community, especially if the company has a good reputation among the public. Purchasing intention refers to the desire, willingness, and preference of consumers that motivates them to buy a product (Mirabi et al., 2015). The purchase of a product or service provides an opportunity for the company to grow. To establish a good reputation, companies need to engage in Corporate Social Responsibility (CSR) to create a positive impression among the public. CSR influences a company's value, and the better a company's CSR publication, the higher its value (Romadhoni et al., 2023). To increase public purchasing interest, companies must raise awareness among the public about their name and the products or services they offer. In today's era of globalization, many changes have occurred in the eating habits of the public. This is due to the development of the food industry worldwide, marked by the proliferation of fast-food restaurants globally, including in Indonesia. Fast food, also known as quick-service food, refers to food that can be served and consumed quickly. Fast food is intended to be served in a short time.

Initially, fast-food restaurants functioned as a commercial strategy to attract customers who often did not have time to sit and wait for food (Abdul et al., 2023). Various types of fast food are available, ranging from light to heavy meals. The public's eating habits have changed with the increasing number and type of food available, including a growing trend towards consuming fast food. With Indonesia's large population, there is great potential for the food industry, including fast food. Corporate social responsibility(CSR) initiatives for strategic reasons (Lindorff, Prior Jonson, & McGuire, 2012). These reasons may include building reputation (Branco & Rodrigues, 2006); mitigating negative environmental or social impact of business (Dahlsrud, 2008); attracting customers (Kuokkanen & Sun, 2020). McDonald's is one of the companies operating in the Fast Food Restaurant in Indonesia. The name McDonald's is not unfamiliar to the public, as it had established its name before entering Indonesia. McDonald's, or McD, was founded in 1940 in California by Ricard and Maurice, serving fast food such as hamburgers, soft drinks, and french fries. McDonald's first entered Indonesia in 1991 through a joint venture between McDonald's Corporation and PT Rekso Nasional Food. The company made various efforts to attract customers when it first entered Indonesia and received a positive response from the Indonesian public. Corporate Social Responsibility (CSR) is a topic that is always relevant in the industrial world, especially in terms of environmental conservation. CSR is one of the approaches that is suitable for giving a good appreciation to companies in the eyes of the public. CSR is a commitment by a company or group to work legally and contribute to improving the quality of local communities in

the context of the general public. The purpose of this study is to determine perception about CSR has led to positive impact on customer outcomes, in particular, consumers' purchase intention (Grappi, Romani, & Bagozzi, 2013). This relationship flows through CSR outcome variables such as satisfaction (Luo & Bhattacharya, 2006). Interestingly, customers are even willing to pay higher prices for the products of a company that in their perception are socially responsible (Barone, Miyazaki, & Taylor, 2000). This research is based on a study by (Jha et al., 2022), which was replicated to examine the situation in Indonesia. For comparative research, studies by (Jiddi, 2023) and (Urinbaeva & Clugston, 2023) were used. The determination of variables was based on three previous studies (Jha et al., 2022), (Jiddi, 2023), and (Urinbaeva & Clugston, 2023), which found several research gaps, including gaps in CSR with Purchase Intention and gaps in CSR with Satisfaction. The results of the study conducted by Thi & Van (2016) in Vietnam stated that CSR (economic, legal, philanthropic, and environmental responsibility) increases repurchase intention. Similarly, a study by Tsai et al. (2016) in Taiwan found the same results. In other words, research on customer service (CSR) shows that CSR programs make companies appear caring towards the community, which makes customers want to continue purchasing from the company (Upamannyu et al., 2015). Therefore, the hypothesis can be formulated as follows:

H1: CSR has a positive effect on Purchase Intention.

The results of the study by Onlaor and Rotchanakitumnuai (2010) show that there is a supporting relationship between CSR application and Price Fairness. The price paid by customers to purchase goods or services, but unfair price changes make customers dissatisfied and feel unfair. By setting fair prices for customers, companies demonstrate their concern for the environment and customers by implementing CSR programs. Therefore, one of the economic aspects of CSR programs is the perception of Price Fairness, which indicates that the company has a strong commitment to CSR programs and will encourage customers to pay higher prices for products. Therefore, the hypothesis can be made:

H2: CSR has a positive effect on Price Fairness.

The results of the study by Lynch and Chernetony (2004) show that brands that are emotionally and positively attached to customers' minds will be more difficult to fade over time due to increasing competition. The results of the study by Loureiro et al. (2012) show that customers' perceptions of CSR will influence individual satisfaction with the product, but not all CSR has a significant impact on customer satisfaction. One type of CSR that generally has a significant impact on customer satisfaction is CSR in terms of environmental sustainability. A similar opinion was also expressed by Chung et al. (2015), that CSR has a positive impact on customer satisfaction. The relationship between CSR and Customer Satisfaction is also supported by the study (Hassan & Nareeman, 2017) and (Pérez & Bosque, 2015). Therefore, the hypothesis can be made:

H3: CSR has a positive effect on Customer Satisfaction.

A customer will not feel satisfied if their desires and expectations are not met, and vice versa will be very satisfied if what they experience is better than what they expected. As stated by researchers in Zeithaml and Bitner (2000), there is a positive correlation between perceived quality and repurchase intention. Customer satisfaction arises from the fulfillment of perceived quality indicators, which ultimately leads to a positive relationship with repurchase intention. Furthermore, Hikmat (2022) states that customers will feel satisfied if the goods or services received meet their expectations. If customers feel satisfied, there will be repeat purchases. Therefore, the hypothesis can be concluded:

H4: Customer Satisfaction has a positive effect on Purchase Intention.

According to Saulina and Syah (2018), customer loyalty is defined as the customer's commitment to frequently visit the store to repurchase in any situation. Currently, companies' strategies to achieve customer satisfaction generally shift to price and service quality. Price is the only marketing element that can generate direct revenue for the company (Chen & Wang, 2011). Herrmann et al. (2007) explain that Price Fairness directly and indirectly influences perceived satisfaction. Consumers may no longer purchase goods or services if they do not feel that the sacrifices made are worth the value, so the hypothesis can be concluded:

H5: Price Fairness has a positive effect on Purchase Intention.

According to Ruliansah and Seno (2020), quality, service, and value can increase customer satisfaction. Albari's (2023) study shows evidence that there is a positive relationship between customer satisfaction and price. According to Wicaksono (2020), customers will feel satisfied when they receive value or benefits from a product or service in accordance with what they pay. Cheap prices are a source of customer satisfaction. In the study conducted by Lesnussa et al. (2021), significant results were obtained regarding the effect of customer satisfaction variables on

price. Price can also increase customer satisfaction because price is a promotional tool that affects customer satisfaction. Therefore, the hypothesis can be formulated:

H6: Satisfaction has a positive effect on Price Fairness.

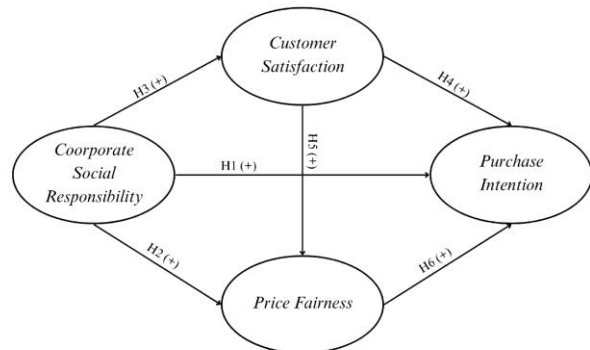


Figure 1. Research model

Source: Jha et al. (2022)

2. RESEARCH METHODS

Based on the research objectives, this study is categorized as basic research, which is used to develop existing research fields. This study falls into the category of causal research, which shows the correlation and direction between independent and dependent variables. This research method can also demonstrate the strength of the variables involved. Furthermore, based on the approach, this research uses a quantitative approach because it uses sampling methods on a population to obtain numerical data. Our research methodology is quantitative and questionnaire survey is the technique of gathering data that we have used (Chilisa & Kawulich, 2012). In this research, all variables use interval scales, which show clear differences and distances on a specific scale. An alternative to interval scales is created by providing assessments on a series of questions, measured on a five-point scale, based on a numerical scale. Values closer to 5 indicate higher ratings or agreement with the given statement, while values closer to 1 indicate lower ratings or disagreement with the statement. In this research, there are various variables that influence each other, with 1 dependent variable, Purchase Intention, and independent variables, Corporate Social Responsibility (CSR), Satisfaction, and Price Fairness. The type of data used in this research is primary data because data collection uses questionnaires. The target population for this research is Gen Z living in East Java who have purchased McD fast food products. The sample is a part of the population whose characteristics will be studied, and is usually a representation of the population as a whole. The researcher uses purposive sampling because not all samples meet the criteria for research. In testing the relationship between variables, Structural Equation Modeling (SEM) is used. This research uses two softwares for data processing, SPSS and AMOS. The collected sample data will first be tested for validity and reliability through SPSS. After completing the validity and reliability test, the next step is to perform analysis using SEM on AMOS software.

3. RESULT AND DISCUSSIONS

First, validity and reliability tests were conducted with 50 respondent data using SPSS 26 on five variables to measure Corporate Social Responsibility, Price Fairness, Satisfaction, and Purchase Intention. The results showed that all items were valid with Pearson Correlation values ranging from 0.610 to 0.899. All measurement items were reliable with Alpha (α) Cronbach values ranging from 0.766 to 0.902.

Table 1. Goodness of Fit-Index Measurement Model

No.	Goodness of Fit	Kriteria	Hasil Uji	Keterangan
1	CMIN/DF	$\leq 3,00$	1,576	Good Fit
2	RMSEA	$\leq 0,08$	0,057	Good Fit
3	GFI	Marginal Fit (0,8-0,9) Good Fit ($\geq 0,9$)	0,864	Marginal Fit
4	CFI		0,938	Good Fit
5	TLI		0,930	Good Fit

After conducting validity and reliability tests, the data obtained from 180 respondents will be analyzed using SEM (Structural Equation Model). The first stage is the measurement model analysis for all construct variables, which aims to evaluate how well the indicators used can explain the latent variables in this study. This process ensures that each indicator is valid and relevant in representing the latent variable being measured. The following is the result of the model fit test displayed in the measurement table 1.

The measurement model test was conducted twice due to the presence of first-order dimensional variables. Table 1 shows that the model fit test results on the measurement model have met the established criteria. Therefore, the model is considered suitable for continuation to the next stage. The following is the result of the model fit test on the Structural Model, see table 2.

Table 2. Goodness of Fit-Index Structural Model

No.	Goodness of Fit	Kriteria	Hasil Uji	Keterangan
1	CMIN/DF	$\leq 3,00$	1,576	Good Fit
2	RMSEA	$\leq 0,08$	0,057	Good Fit
3	GFI	Marginal Fit (0,8-0,9) Good Fit ($\geq 0,9$)	0,864	Marginal Fit
4	CFI		0,938	Good Fit
5	TLI		0,930	Good Fit

In the Goodness-of-Fit testing stage for the Measurement Model and Structural Model, the results show that the model meets the established criteria, indicating that it can be considered a fit model. The next stage is hypothesis testing, which aims to evaluate the relationships between variables, in line with the hypotheses formulated earlier. A hypothesis is considered supported if it meets the following criteria: (1) The value of the standardized estimates indicates a direction of influence consistent with the hypothesis formulated and supported by empirical data; (2) The magnitude of a significant influence is indicated by a Critical Ratio (C.R.) value ≥ 1.96 at a significance level of $\alpha = 5\%$. Below are the results of the hypothesis testing.

Table 3. Hypothesis Test Results

Hipotesis		Standardized Estimate	Critical Ratio (C.R.)	p-value	Keterangan
H1 (+)	CSR \rightarrow PI	0,102	1,129	0,259	Not Supported
H2 (+)	CSR \rightarrow PF	0,396	4,388	***	Supported
H3 (+)	CSR \rightarrow SAT	0,507	5,047	***	Supported
H4 (+)	SAT \rightarrow PI	0,612	4,896	***	Supported
H5 (+)	PF \rightarrow PI	0,192	1,320	0,187	Not Supported
H6 (+)	SAT \rightarrow PF	0,579	6,750	***	Supported

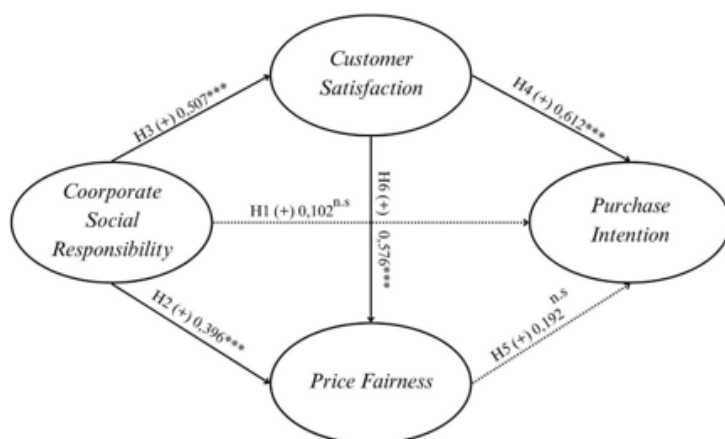


Figure 2. Research Result Model

Hypothesis 1 is found to be unsupported. Although the direction of influence between the Corporate Social Responsibility (CSR) variable and Purchase Intention aligns with the formulated hypothesis, the analysis results show that the |C.R.| value is less than the significant threshold (1.645). The Standardized Estimate recorded a value of 0.142, which is positive (+), but the |C.R.| value only reached 1.129 with a p-value of 0.259. This indicates that the relationship is not statistically significant, so this hypothesis cannot be accepted.

Hypothesis 2 is supported. The direction of influence between the Corporate Social Responsibility (CSR) variable and Price Fairness is consistent with what was formulated in the initial hypothesis. Hypothesis 3 is also supported. The influence direction between the Corporate Social Responsibility (CSR) variable and Satisfaction is in line with the formulated hypothesis. Hypothesis 4 is supported. The direction of influence between the Satisfaction variable and Purchase Intention proves to be consistent with the formulated hypothesis. Hypothesis 6, on the other hand, is fully supported in this study. The direction of influence between the Satisfaction variable and Price Fairness is consistent with the formulated hypothesis.

Hypothesis 5 is found to be unsupported. Although the direction of influence between the Price Fairness variable and Purchase Intention aligns with the initial hypothesis, the analysis results show that the |C.R.| value does not meet the significance criteria (less than 1.645). The Standardized Estimate of 0.160 is positive (+), suggesting a positive relationship, but the |C.R.| value only reached 1.320 with a p-value of 0.187. This indicates that the relationship is not statistically significant, so this hypothesis cannot be accepted.

This finding for the hypothesis 1 aligns with the research conducted by Jha et al. (2022), which revealed that Corporate Social Responsibility (CSR) has a positive but insignificant effect on Purchase Intention.

Similarly, this finding is consistent with the study by Ramesh et al. (2019), which explained that CSR does not have a significant influence on Purchase Intention. This may occur because, despite companies spending substantial funds on CSR, the lack of impact could be due to various reasons. One key factor is that consumers must be aware of how effective CSR activities are. CSR initiatives may fail to shape or influence purchase intentions if communication between the company and consumers is weak or ineffective.

According to Adenan et al. (2018), purchase intention is the driving force that motivates a person to selectively focus on a product spontaneously, naturally, easily, and without coercion before making a purchase decision. Another possible reason for the insignificant effect is consumers' perception that a company's CSR actions are merely self-serving (egoistic) rather than genuinely socially driven. Consumers are more likely to accept a company's CSR efforts if they believe the company is truly committed to social welfare without self-interest (altruistic). When customers perceive a company's CSR initiatives as selfless or altruistic, they tend to develop a positive attitude and trust toward the company, which in turn enhances their willingness to purchase its products or services (Dai & Guo, 2024).

The research finding of hypothesis 5 aligns with Sherli et al. (2023), who stated that this phenomenon may occur because individual consumers' price evaluations can be influenced by various situational and environmental factors. From a situational perspective, the presence of numerous fast-food businesses offering similar products at comparable prices in the vicinity explains why price perception does not significantly affect consumers' purchase intentions. Perceptions of Price Fairness and the assessment of value-for-money impact are also influenced by consumers' personal income levels. Consumers have the autonomy to choose the fast-food products they desire, especially given the abundance of options available at relatively similar prices. Additionally, consumers tend to respond passively to perceived unfair pricing (Malc et al., 2016). Therefore, Price Fairness does not have a significant effect on purchase intention, as consumers have varying financial capacities and differing sensitivities to price evaluations.

4. CONCLUSIONS AND RECOMMENDATIONS

Based on the research findings and data processing, starting from a smaller sample of 50 respondents to a larger sample of 180 respondents using AMOS 26 software, the conclusion drawn is that out of seven hypotheses, five were supported, while two were not. The following is a specific explanation of each tested hypothesis:

1. Corporate Social Responsibility (CSR) does not influence Purchase Intention for McDonald's products.
2. Corporate Social Responsibility positively influences Price Fairness for McDonald's products.
3. Corporate Social Responsibility positively influences Satisfaction with McDonald's products.
4. Satisfaction positively influences Purchase Intention for McDonald's products.
5. Price Fairness negatively influences Purchase Intention for McDonald's products.
6. Satisfaction positively influences Price Fairness for McDonald's products.

4.1. Recommendations for McDonald's

Based on the research findings, it is recommended that McDonald's in East Java improve or optimize communication between the company and its customers. This is because information about the company's implementation of Corporate Social Responsibility is not well received by the public. Ideally, CSR should create a positive impression and increase customer purchase intention, but it has not been effective in doing so.

4.2. Recommendations for Future Research

For future studies, researchers should expand the scope beyond East Java. This will help determine whether the findings remain consistent in different regions or if variations exist. Increasing the sample size is also recommended to verify the consistency of the results. A broader assessment covering aspects such as health, product quality, and consumer trust should also be conducted. Considering the current digital era, it is important to examine how social media influences purchase intention for McDonald's products. Additionally, qualitative research or interviews should be conducted to gain a deeper understanding of the company's actual situation. This would help determine whether different research methods yield similar or differing results. It is advisable to expand the respondent coverage to determine whether the findings of this study remain consistent or reveal variations. A broader assessment should be conducted, encompassing factors such as health considerations, product quality, and consumer trust in the brand. Given current trends, it is also essential to examine how social media influences purchase intentions toward McDonald's products. Additionally, to gain deeper insights into McDonald's business performance, further research should be conducted by aligning with the fast-food market's target audience, specifically focusing on McDonald's core customer base.

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