Mediating role of corporate reputation in the relationship between corporate social responsibility and repurchase intention: A case study of McDonald's fast food restaurant chain

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ARTICLE INFO

DOI: 10.46223/HCMCOUJS.econ.en.13.2.2259.2022

Received: April 25th, 2021
Revised: June 15th, 2021
Accepted: June 17th, 2021

ABSTRACT

This study builds on a strong theoretical background to investigate the relationship between corporate social responsibility (CSR) and consumer repurchase intention through corporate reputation for McDonald’s distribution channel in Viet Nam. The study was carried out using two methods, qualitative and quantitative research. Qualitative research was conducted using deep interviews with twelve respondents. After being added from qualitative research, the official scale with twenty-one observed variables is used in quantitative research. A quantitative research approach with 279 valid samples was conducted to test the scale and theoretical model. Collected data were analyzed by using SPSS and AMOS softwares. The results demonstrated a positive impact of CSR on the corporate reputation and repurchase intention. This study adds to the existing literature on the role of CSR in marketing by finding that a good corporate reputation along with relevant and integrated CSR activities has a much stronger impact to the repurchase intention of consumers. Findings from research have shown that inappropriate CSR practices can negatively impact the behavior of certain consumers. In the short term, McDonald's CSR activities may convince consumers to repurchase, but it may not be very convincing and there is no guarantee that this repurchasing behavior will last, as only continuous CSR activities contribute to sustainable behaviour. Therefore, the theoretical contribution of this study is to introduce corporate reputation as a long-term benefit to the relationship between CSR and consumer repurchase intention.

1. Introduction

As consumers with many choices, how do they prefer one brand over another? Are they simply comparing the price and quality of each product? Or do they consider a corporate reputation where it stands, whether companies are transparent in their business practices? Studies have proven that consumers judge a product on their perception of the company - its reputation. Walker (1994) survey found that half of consumers are more likely to purchase based on the organization’s reputation. Creyer & Ross (1997) define that consumers are willing to spend more money on
products from ethical or regularly charitable companies. Nowadays the term “Corporate Social Responsibility” has become well known among consumers (Benezra, 1996). They prefer to buy from companies that contribute to society (Forte & Lamont, 1998). Therefore, corporate social responsibility (CSR) can be considered as the primary driver of brand reputation and can be used to establish connections with consumers.

Corporate reputation plays an important role and creates value for organizations as it affects the relationships between different stakeholders, such as employees, consumers, community members and the company itself (Bromley, 2001; Rindova & Fombrun, 1999). A “good” reputation is defined as an intangible asset that can provide an organization with a basis for maintaining a competitive advantage through valuable characteristics and difficult to imitate (Barney, 1991). The benefit of a good reputation is higher customer retention, which is associated with increased sales and reduced operating costs (Barney, 1991). As a socially resource, a positive reputation can be a key factor in maintaining a competitive advantage because it has been developed over a long period of time that competitors cannot easily shorten (Roberts & Dowling, 2002). Reputation can therefore be seen as an effective "weapon" of highly competitive organizations (Roberts & Dowling, 2002; Eberl & Schwaiger, 2005).

In Vietnam, the consumers have repeatedly called for a simultaneous boycott of products because of incidents related to environmental poisoning and refused to compensate the people of the business (for example: Tan Hiep Phat group, Vedan...). Therefore, it is difficult for a company's products to have a firm foothold in consumers if the business is not responsible for society and consumers. Faced with pressure from society, most large companies have actively considered CSR as an important strategy. Many programs have been implemented such as saving energy, reducing carbon emissions, using renewable materials, solar energy, improving domestic water, eradicating illiteracy, building schools, supporting natural disaster victims, etc. Some of the leading names in these activities are: Google, Intel, Unilever, Coca-Cola, GE, Nokia, HSBC, Toyota, Sony, UTC, Samsung, …

CSR plays an important role in improving the working environment and the quality of life, better products and services, law-abiding and transparent business practices, creating cultural norms and values (Razaq et al., 2013). CSR activities in the restaurant industry also play a similar important role. The top fast food brands claim to be the biggest contributors in the area of CSR. Many companies are increasingly investing in CSR projects, in part to build brand reputation, including McDonald's. Although, McDonald's has been very successful in other Asian markets such as China, Japan,… with thousands of stores. However, in Vietnam, this brand is still not developed as expected. After four years of entering the market from the ambition to open dozens of stores, McDonald's currently has only seventeen stores in Vietnam. McDonald's may fail if it doesn't understand Vietnam. It can be said that Vietnam is a rare place where McDonald's has not been able to develop and expand it’s business.

CSR in the fast food retail industry is easier to offend customers than retail selling other tangible products because food affects human health. Here, food poses more complexity as it carries all the characteristics of service industry, so the quality of food and service provided can only be measured by customer perception (Yang & Crowther, 2012). Consumers often want to be socially responsible and therefore seek ethical businesses to transact and build relationships with (Yang & Crowther, 2012). As this group of consumers increases in number, it is imperative for fast food retailers to actively practice CSR to gain a competitive advantage (Fetscherin & Usunier, 2012; Floor, 2006). An increasing number of studies show that consumers in both developed and developing countries are rapidly switching to consumers of socially and environmentally friendly products and services (Hutchinson et al., 2012; Floor, 2006). The role of corporate social responsibility in reinforcing the brand image in consumer ’s mind is still a matter of debate. So, it is the reason why this study wants to find out whether the reputation of McDonald's company can be improved from the aspect of social responsibility in the Vietnamese context.
2. Literature review

2.1. Business-to-Consumer (B2C) relationships

Relationship marketing is defined by Harker (1999) as “An organization engaged in proactively creating, developing, and maintaining committed, interactive, and profitable exchanges with selected customers (partners) over time is engaged in relationship marketing”. According to Palmatier (2008), relationship marketing is divided into three types: Business To Business relationship (B2B), Business To Customer relationship (B2C), and Customer To Customer relationship (C2C) and all of them will influence the customer’s purchasing behavior. B2C marketing refers to all marketing techniques and tactics used to promote a product or service to the end consumer. This close relationship can be mutually beneficial, and the strategy works best when both buyer and seller are interested in achieving long-term benefits. This contributes to the profitability of companies as higher relationship quality leads to more repurchasing and positive word of mouth (Kim et al., 2001).

Kotler (2002) said about the role of brands in helping customers make purchasing decisions. As consumers are always overwhelmed with information from many sales companies (which also means they have too many choices in a competitive environment), the most effective way for businesses to help consumers easily make purchasing decisions is to associate their brands with a perception of value. Thus, for B2C customers, they look for products with daily needs such as fashion, cosmetics, food, etc. These personal decisions are often quick and influenced by media, advertising or word of mouth. Unlike B2B marketing, which often relies on building lasting personal relationships, B2C marketing aims to elicit an emotional response and capitalize on the brand value (Ganesan, 1994). Therefore, understanding the needs and desires of customers when using B2C marketing tools can help businesses have adaptive strategies, help customers make purchasing decisions, and improve service quality and improve customer satisfaction (Yang et al., 2012).

Kotler (2001) showed that in the consumer “black box”, which includes product, price, promotion and location stimuli, are processed against other stimuli such as economic, political, social and technology to meet their needs. This response governs product choice, brand, retail location, dealer, time of purchase, quantity purchased, and frequency of purchase. Kotler's theory states that the difference in buyer behavior depends on the contents of the “black box” including buyer characteristics (included: attitude, motivation, perception, personality, lifestyle, knowledge) and decision making (included: problem identification, information seeking, alternative evaluation, purchase decision, and post-purchase behaviour). Currently, B2C is used to refer to businesses that retail products/services to users. In this study, the B2C model allows McDonald's to directly interact with buyers in many ways, along with McDonald's promotions, after-sales or other CSR practices. This helps consumers have a good impression in their black box, thereby influencing behaviors such as repurchases, word of mouth,....

2.2. Definition

Corporate social responsibility - CSR

CSR is not a new concept and many researchers have discussed its concept, effects and benefits for the hospitality and tourism industry. One of the earliest publications on CSR comes from Bowen's book (1953) on “Corporate Social Responsibility”. Since then many conceptualization terms have focused on actions that are beyond the organization interests to describe CSR such as Carroll (1991, 1999). CSR can maximize profits and create reputation and image for investors and businesses (Goodpaster, 1991; McWilliams & Siegel, 2001).

Moir (2001) defines CSR as “continuing commitment by business to behave ethically and contribute to economic development while improving the quality of workforce and their families as well as of the local community and society at large”. Jamali & Mrishak (2007) also define CSR
as "obligation to work towards meeting the needs of a wider array of stakeholders ". The widely cited definition of Carroll (1979) in the literature presents the concept of CSR with a more holistic approach than corporate social responsibility including economic, legal, ethical and charity for the whole society. Businesses are required to comply with the law, to act ethically, to engage in voluntary work, and to earn profits within a reasonable range.

Many scholars have emphasized that CSR should be valued as part of an organization's culture (Strautmaninis, 2007) and should include initiatives that go beyond the main goals of the company to generate profits and moreover benefit society (McWilliams & Siegel, 2001). Ness (1992) shows that organizations adopt a social responsibility policy if they fulfill obligations to individuals and organizations that go beyond basic economic and legal responsibilities. In the 21st century, the attention towards CSR has increased and many studies have been carried out in developed countries to explore the possible advantages of CSR in the organization. Organizations are focusing more on corporate social responsibility. Therefore, in today's world, CSR has been considered as a valuable method to realize an organization's economic goals in order to achieve its and generate profits (Garriga & Mele, 2004).

Corporate Reputation

Corporate reputation is described in the academic literature as organizational standing, goodwill, self-esteem, organizational identity, organizational image, brand and reputation (Shenkar and Yuchtmans-Yaar, 1997; Wartick, 2002). Weiss et al. (1999) define corporate reputation as the global awareness of the degree to which an organization is valued. According to Galbreath & Shum (2012) and Brown & Daci (1997), reputation as a result of past actions informs stakeholders about how well the company is meeting its commitments and this shapes their expectations. Reputation is an intangible asset with several potential benefits (Dierickx & Cool, 1989) related to a company's financial statements (Brickley et al., 2002; Fombrum, 1996; Roberts & Dowling, 2002; Shamsie, 2003). For existing customers, a good reputation may be a synonym for quality, and they may be willing to pay a higher price for the product (Roberts & Dowling, 2002). Potential customers may be more satisfied receiving advertising claims from companies with a better reputation than from others. (Goldberg & Hartwick, 1990). Companies can incur less costs to hire workers and suppliers (Roberts & Dowling, 2002) or increase the efficiency of commercial and sales efforts, new product introductions, and recovery strategies in times of crisis (Dowling, 2001).

The documents provide a variety of definitions for a corporate reputation and its structures such as a company's image, goodwill. Or corporate reputation have been used interchangeably with these terms. According to Walker (1994), a corporate reputation is "a relatively stable, issue specific aggregate perceptual representation of a company’s past actions and future prospects compared against some standard ". Although related, Eberl & Schwaiger (2005) make a clear distinction between reputation and image; says that reputation is more about a company's personality than its media image. It builds over time and is the result of interactions and relationships between a company and its stakeholders. In other words, it is based on awareness of stakeholders who have had direct and satisfied experience with the company.

2.3. Research hypotheses

CSR and corporate reputation

Moir (2001) states that a business's incentive to promote socially responsible activities may be due to some form of social expectation to maintain trust, support and legitimacy with the community, government and employees or as a means to improve shareholder value. According to Porter & Kramer (2006), the arguments for CSR have been based on four tenets: moral obligation, sustainability, licensing and reputational enhancement. While a company's reputation
is considered to arise from past beneficial actions of the organization such as product/service quality, high performance record, treating employees well record and conscious image building, CSR is a factor believed to enhance the corporate reputation of a company (Carroll, 1979).

Many studies have demonstrated that CSR has a significant positive impact on corporate reputation. For example, Siltaoja (2006) proposes that companies maintain ethical behavior as part of CSR. According to Abdullah & Aziz (2013), effectively initiating and managing CSR programs are important for a company as it shapes the organization cultural identity and strategically secures the reputation of its assets over the long term. Fombrun et al. (2004) suggest that the level of corporate charitable giving is positively related to the company's reputation. McWilliams et al. (2006) argue that CSR can be considered as a form of strategic investment because it contributes to building and maintaining the company's reputation. Kwarteng et al. (2016) noted that sustainable structures (economic, social and environmental) have a positive impact on corporate reputation. Therefore, implementing CSR programs helps to build a positive corporate reputation and brand image. Porter & Kramer (2006) show that many companies use reputation to justify social actions. Based on the above arguments, the following hypothesis is proposed:

**H1: CSR has a positive relationship with corporate reputation**

**CSR and repurchase intention**

Recent studies show that there is a positive relationship between CSR and consumers' attitudes towards these companies and their products (Agudo - Valiente et al., 2015; Creyer & Ross, 1997; Ellen et al., 2000). Individuals who are aware of aspects of CSR have a greater intention to purchase products, seek employment and invest in companies than individuals who are unaware of CSR. Aspects of CSR can positively influence internal outcomes as well as behavioral intentions of stakeholders, namely customers (Sen et al., 2006).

In addition, studies show that consumers are less skeptical when companies show a long-term commitment (Boccia, 2016; Lin et al., 2016; Webb & Mohr, 1998). A large number of surveys have shown that consumers appreciate the ethical aspects of products. In reality, very few consumers are willing to pay high prices for these products, a decision influenced by various factors, such as income level and education level (De Pelsmacker et al., 2005; Mohr & Webb, 2005). However, consumer expectations for CSR have increased in recent years as an increasing number of companies have social responsibility programs and their media on the subject (Covino & Boccia, 2016; Snider et al., 2003). Therefore, the hypothesis is proposed:

**H2: CSR has a positive relationship with repurchase intention**

**Corporate reputation and repurchase intention**

According to Kircova & Esen (2018) customers are considered as the main stakeholders that evaluate the corporate reputation. Therefore, it is important to build positive behavioral intentions of customers towards the organization due to the harsh competition and saturated market conditions (Gul, 2014). Past studies have shown that it is important for managers to build a strong relationship with customers for long-term business (Helm et al., 2010). For this purpose, corporate reputation is considered as an important tool that can help companies gain competitive advantage through enhancing their reputation (Gul, 2014). Furthermore, reputation can also help companies in times of crisis by changing customer behavior (Haery et al., 2014). However, just any negative event can damage a company's reputation, which can change a customer's behavior toward the products, as Gul (2014) suggests that it takes organizations more than twenty years to build a reputation, but it only takes five minutes to destroy.

According to Caruana et al. (2006), corporate reputation is defined as the overall assessment of stakeholders of a company's performance over time. It reflects the perceptions of many stakeholders about the effectiveness of the organization. Consumer's good impression of a brand reflects a good corporate reputation, which is considered more trustworthy for a company's
operations than a poor reputation. Furthermore, the brand's reputation also reflects the quality of the product (Kirmani & Rao, 2000). This therefore suggests that a reputable brand can help reduce perceived risks associated with performance inaccuracies and also information asymmetries that can lead to positive purchase intention (De Castro et al., 2006). Many other researchers such as Rose & Thomsen (2004); Aramburu & Pescador (2019) also describe the characteristics of corporate reputation. They are more concerned with establishing the corporate reputation with various stakeholders in the past to the future. (Gardberg et al., 2019). Finally, Kircova & Esen (2018) further describe that corporate reputation is viewed as a holistic idea that combines diverse aspects of companies and their stakeholders to distinguish between corporate reputation and a company image. The relationship between corporate reputation and consumer behavioral intention is predicted to be positive, where purchase intention depends on the corporate reputation as perceived by customers. Thus, the hypothesis is proposed:

\[ H3: \text{Corporate reputation has a positive relationship with repurchase intention} \]

2.4. Proposed research model

![Proposed research model](image)

H3: Corporate reputation has a positive relationship with repurchase intention

2.4. Proposed research model

3. Research method

Both qualitative research and quantitative research are used in this research. Qualitative research was conducted by deep interview with twelve consumers, in which one respondent is a marketing director, one respondent is a branch manager and the rest are regular customers who come to McDonald's fast food two-three times/week. Respondents will be asked about the ease of understanding of the study's concepts, research scales, and other comments. The interview results are the consensus on research factors and adjusted the scales, to serve the next quantitative research stage. The concept of "CSR" is added three observed variables and the concept of "CR" is added four observed variables after the qualitative research. While, the concept of "RI" initially has six observed variables, then RI6 is removed because the content coincides with RI1. Thus, the initial scale has fifteen observed variables measuring for all three concepts in the model, after qualitative research, there are twenty-one observed variables included in the official survey.

Quantitative research

In this study, the repurchase intention which is inherited and adjusted from the empirical research of Canon & Anthony (2014). The CSR scale will be inherited and adjusted from Lai et al. (2010); Canon & Anthony (2014). The corporate reputation scale is inherited and adjusted from
Lai et al. (2010); Canon & Anthony (2014); Kim, S & Kim, D (2016). Five point likert-scale “1-Totally disagree”, “2-Disagree”, “3-Neutral “, “4-Agree”, “5. Totally agree” is used to measure observed variables.

The sample is designed using non-probability and convenience sampling method. The questionnaire built with google form then shared by email, facebook and forums to collect data. By this method, it is easy for the respondents to access, saving time and costs. In order to send to the right audience, the research uses filtering questions. Only respondents who have used McDonald’s dishes with a frequency of one time/week or more are considered eligible. According to Green (1991), for exploratory factor analysis (EFA), the sample size must match the formula \( n = 50 + 8m \) (where \( m \) is the number of observed variables). In this research, the minimum sample size is: \( 50 + 8 \times 21 = 218 \). After collecting, there are 279 valid questionnaire forms used for analysis. This study used SPSS software and AMOS software as tools to process data: descriptive statistics, reliability scale, exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and SEM model.

4. Result

4.1. Statistics

Table 1

<table>
<thead>
<tr>
<th>Classification</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>137</td>
<td>48.9</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>142</td>
<td>51.1</td>
</tr>
<tr>
<td>Age</td>
<td>18 - 25 years old</td>
<td>156</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>26 - 35 years old</td>
<td>91</td>
<td>32.54</td>
</tr>
<tr>
<td></td>
<td>( \geq 36 ) years old</td>
<td>32</td>
<td>11.46</td>
</tr>
<tr>
<td>Education</td>
<td>Intermediate college</td>
<td>89</td>
<td>31.9</td>
</tr>
<tr>
<td></td>
<td>University</td>
<td>73</td>
<td>26.16</td>
</tr>
<tr>
<td></td>
<td>Postgraduated</td>
<td>18</td>
<td>6.45</td>
</tr>
<tr>
<td></td>
<td>Others (Primary school, Secondary school, High school)</td>
<td>99</td>
<td>35.49</td>
</tr>
<tr>
<td>Occupation</td>
<td>Officer</td>
<td>70</td>
<td>25.2</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>49</td>
<td>17.51</td>
</tr>
<tr>
<td></td>
<td>Management/Education/Medical</td>
<td>62</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Others (Pupil, Student, …)</td>
<td>98</td>
<td>35.29</td>
</tr>
</tbody>
</table>

Gender and age: the number of male and female is quite similar account for 48.9% and 51.1%, respectively. There was a difference between men and women in this study, but it was not significant.

Occupation: The majority of respondents are still in school (pupil, student,…), accounting for 35.29%. Followed by the officer group and the group of people doing administrative, educational or medical work with similar proportions (25.2% and 22%, respectively). The remaining proficiency groups are college and high school with five people each. This shows that the majority of McDonald’s customers are still studying. Other occupational groups have similar ratios.

Age: The age group between eighteen and twenty-five has the highest rate, accounting for 56%. The age group from twenty-six to thirty-five also accounted for the second highest rate with 32.54%. And the group aged over thirty-six accounted for the lowest rate of 11.46%. This shows that the majority of consumers of McDonald are young.

Education: Statistical results show that the group of customers with post-graduate degrees
accounted for the lowest rate with 6.49%. Customer groups with intermediate college degrees or lower education accounted for a high proportion, with 31.9% and 35.49% respectively. Finally, the group of customers with university degrees accounted for 26.16%. In general, the majority of McDonald’s customers belong to the group with a university degree or below, while a low percentage of customers with a postgraduate degree.

4.2. Descriptive statistic

Table 2
Descriptive statistic

<table>
<thead>
<tr>
<th>Coding</th>
<th>Content</th>
<th>Source</th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR1</td>
<td>McDonald's cares deeply about the local community</td>
<td></td>
<td>4.165</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR2</td>
<td>McDonald's shows concern about protecting the environment</td>
<td>Lai et al. (2010); Canon &amp; Anthony (2014)</td>
<td>4.326</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR3</td>
<td>McDonald's cares about customers' interests</td>
<td></td>
<td>4.247</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR4</td>
<td>McDonald's actively engages in social responsibilities</td>
<td></td>
<td>4.308</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR5</td>
<td>McDonald's is very concerned with women's rights</td>
<td></td>
<td>4.204</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR6</td>
<td>McDonald's takes the rights of employees with disabilities very seriously</td>
<td></td>
<td>4.222</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR7</td>
<td>McDonald's provides a safe dining environment for customers</td>
<td>Qualitative research</td>
<td>4.194</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CSR8</td>
<td>McDonald's creates healthy working conditions for employees</td>
<td></td>
<td>4.172</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR1</td>
<td>I believe that McDonald's delivers on what they promise to their customers</td>
<td>Lai et al. (2010); Canon &amp; Anthony (2014)</td>
<td>3.760</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR2</td>
<td>McDonald's has a good reputation</td>
<td></td>
<td>3.717</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR3</td>
<td>I believe that McDonald's reputation is better than its competitors</td>
<td>Lai et al. (2010); Kim, S &amp; Kim, D (2016)</td>
<td>3.749</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR4</td>
<td>I heard positive feedback about McDonald's</td>
<td></td>
<td>3.649</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR5</td>
<td>McDonald's is highly appreciated for service attitude</td>
<td></td>
<td>3.724</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR6</td>
<td>McDonald's has many convenience distribution stores</td>
<td>Qualitative research</td>
<td>3.717</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>CR7</td>
<td>McDonald's is highly appreciated for product quality on forums</td>
<td></td>
<td>3.720</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
Most of the observed variables of the CSR factor were answered by the respondents with a level above level 4. In which, the observed variable CSR2 has the highest mean value of 4.326 and the observed variable CSR1 has the lowest value of 4.165. This shows that consumers care more about protecting the general environment than about the local community where McDonald's is located.

The observed variables of the "corporate reputation" factor were answered by the respondents with a level above 3. In which the observed variable CR1 has a highest mean value of 3.760 and the observed variable CR4 has the lowest mean value of 3.649. This shows that consumers are more interested in the actions the store has promised than just hearing positive feedback from other consumers.

Finally, the observed variables of the “repurchase intention” factor were answered by the respondents with a level above 3. In which the observed variable with the highest mean value is RI4, reached 3.871, and the variable with the lowest mean value is RI1, reached 3.716. This means that if consumers perceive the social responsibility and reputation of McDonald's as good, they will be willing to pay more to buy McDonald's fast food. However, for this fast food item, there is also a lot of competition in Vietnam such as KFC, Lotteria, ... and consumers also have many other alternatives, so their repurchase intentions are also on the lowest average of their future behavioral intentions.

### 4.3. Reliability of scale and Exploratory Factor Analysis (EFA)

#### 4.3.1. Reliability test and EFA analysis

According to Hair et al. (1998), Cronbach's Alpha coefficient from 0.6 and above is acceptable. After performing Cronbach's Alpha test of CSR, CR and RI factor, all observed variables have the total correlation coefficient > 0.3 and all Cronbach's alpha coefficient > 0.7. Therefore, the study will not exclude any variables, all will be qualified to be added into EFA.

KMO value = 0.938 and the Sig. value of Bartlett's Test = 0.000 (Table 3), which shows that the observed variables are completely suitable for factor analysis in confidence interval 95%. This result indicates that the observed variables in the population are correlated with each other and exploratory factor analysis (EFA) is appropriate. After EFA, there are 3 components with Eigenvalue = 1.607 > 1 and total variance extracted 50.115% > 50% (Gerbing & Anderson, 1988), so the results of EFA are consistent. All factor loading of observed variables > 0.5, so the scale ensures convergence (Table 4).
Table 3
KMO Test

<table>
<thead>
<tr>
<th>Bartlett's Test</th>
<th>Approx. Chi-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>df</td>
</tr>
<tr>
<td>KMO Test</td>
<td>df</td>
</tr>
<tr>
<td>0.938</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
</tr>
<tr>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Table 4
Cronbach’s Alpha and EFA result

<table>
<thead>
<tr>
<th>Code</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>CR7</td>
<td>0.889</td>
</tr>
<tr>
<td>CR8</td>
<td>0.841</td>
</tr>
<tr>
<td>CR3</td>
<td>0.834</td>
</tr>
<tr>
<td>CR2</td>
<td>0.811</td>
</tr>
<tr>
<td>CR1</td>
<td>0.774</td>
</tr>
<tr>
<td>CR4</td>
<td>0.745</td>
</tr>
<tr>
<td>CR6</td>
<td>0.747</td>
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<tr>
<td>CR5</td>
<td>0.728</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>RI4</td>
<td></td>
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<tr>
<td>RI3</td>
<td></td>
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<tr>
<td>RI2</td>
<td></td>
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<tr>
<td>RI5</td>
<td></td>
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<tr>
<td>RI1</td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR2</td>
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</tr>
<tr>
<td>CSR3</td>
<td></td>
</tr>
<tr>
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<tr>
<td>CSR8</td>
<td></td>
</tr>
<tr>
<td>CSR2</td>
<td></td>
</tr>
</tbody>
</table>

4.4. Structural Equation Modeling (SEM)

In CFA result, Chi-square/df = 0.927 < 3, p-value = 0.003 < 0.05 (5%), RMSEA = 0.011 < 0.08, GFI = 0.945 > 0.8; CFI = 0.996 > 0.9, TLI = 0.997 > 0.9. Therefore, the proposed model was consistent with data. The results indicated that reliability, convergent validity and discriminant validity were guaranteed with CR coefficient from 0.888 to 0.939 (> 0.6), AVE from 0.613 to 6.659 > 0.5, standardized regression weights > 0.5 with sig. < 0.05 and p-value of disciscriminant validity test < 0.05.
The results of analyzing SEM model indicated that H1, H2, H3 were statistically significant in confidence interval 95% (p-value < 0.05). Bootstrapping with 1000 times result show that the initial estimates in the SEM model have good reliability (Table 6).

Table 5
Result of analyzing SEM model

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>Estimate Standardized</th>
<th>P-value</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>--- CSR</td>
<td>0.322</td>
<td>0.139</td>
<td>0.006</td>
</tr>
<tr>
<td>RI</td>
<td>--- CR</td>
<td>0.641</td>
<td>0.682</td>
<td>0.000</td>
</tr>
<tr>
<td>RI</td>
<td>--- CSR</td>
<td>0.257</td>
<td>0.118</td>
<td>0.048</td>
</tr>
</tbody>
</table>

Table 6
Bootstrapping result

<table>
<thead>
<tr>
<th>Môi tương quan</th>
<th>Bias</th>
<th>SE-Bias</th>
<th>C.R</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR  &lt;--- CSR</td>
<td>-0.002</td>
<td>0.003</td>
<td>-0.667</td>
</tr>
<tr>
<td>RI  &lt;--- CR</td>
<td>-0.002</td>
<td>0.002</td>
<td>-1.000</td>
</tr>
<tr>
<td>RI  &lt;--- CSR</td>
<td>0.000</td>
<td>0.002</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Hypothesis 1: CSR has a positively related to corporate reputation. Hypothesis 1 is accepted with p-value of 0.006 < 0.05, which is statistically significant with $\beta = 0.139$. This means
that when McDonald’s focus more on CSR activities, their corporate reputation will increase.

This result contributes to previous studies such as Lai et al. (2010) when showing that CSR activities have a relationship with corporate reputation. Branding to help customers recognize and choose retailers to make purchasing decisions has contributed to promoting the development of fastfood retail businesses. New strategies such as business sustainability through successful CSR activities are rapidly being introduced into the food retail sector (Jones et al., 2007; Vlachos, 2012; Mattila, 2009). Fast food retailers adopt CSR in their business strategy because it supports branding, corporate reputation, recognition and differentiation (Chomvilailuk & Butcher, 2013). CSR will be particularly beneficial for fastfood retailers, as they enter a market with strong concerns about consumer health, sourcing that affects animal rights, livestock, pesticide-free products and organic supplies. Studies show that CSR directly contributes to the corporate reputation, because customers who see CSR activities as beneficial to consumers, they will propagate and promote with friends and relatives, thereby inadvertently increasing corporate reputation.

**Hypothesis 2:** CSR has a positively related repurchase intention. Hypothesis 2 is accepted with p-value of 0.048 < 0.05, which is statistically significant with $\beta = 0.118$. This shows that in order to improve the repurchase intention of customers, McDonald’s must better implement CSR.

CSR in the field of management is a well-known concept linking business interests and environmental and community values. CSR is considered as a strategic policy that brings environmental and social competitive advantages. Research has shown that CSR based goodwill provides a tactical competitive advantage, sustains growth and it impacts positive to consumer behavior. This result shows that most of the respondents agree that McDonald's has a responsibility to society. In addition, the company's operations must meet certain ethical responsibilities, including programs for the environment, concern for the local community, the customer's interests, healthy working conditions for employees. This emphasizes the CSR, thereby influencing the behavioral intentions of consumers. This result is consistent with the results of previous studies such as Kim, S & Kim, D (2016); Enrique et al. (2019); Canon & Anthony (2014). It reflects the importance of CSR implementation ensuring that consumers are aware of these CSR activities and have repurchase intentions towards the brand.

**Hypothesis 3:** Corporate reputation has a positively related to repurchase intention. Hypothesis 3 is accepted with p-value of 0.000 < 0.05 which is statistically significant with $\beta = 0.682$. This shows that in order to make customers want to repurchase, McDonald's needs to try to develop the corporate reputation.

In this study, the results show that McDonald's reputation has a positively related to behavioral intention and this is the strongest effect. It proves that building a company reputation is also quite important for businesses to have a successful impact on customer behavior. It helps McDonald's understand the importance of building a reputation. This result is consistent with the study of Kim, S & Kim, D (2016); Enrique et al. (2019); Canon & Anthony (2014) because studies both suggest that CSR is seen as a precondition that is likely to have a short-term impact by encouraging repurchase intention and a long-term effect by helping to develop a corporate reputation which can provide a competitive advantage.

From the above research results, CSR in addition to having a direct impact on RI also has an indirect impact through CR with regression value of 0.095. Total impact of CSR on RI with a regression value of 0.213.

CSR at fast food retailers is more complex than in retail stores that sell physical products, as the quality of the food and services provided can only be measured only be measured using customer perception (Wagner et al., 2008). This implies that foodservice retailers need to take customer satisfaction seriously, considering factors such as nutrition, palatability and hygiene. CSR activities can have favorable results if they are perceived by customers as trustworthy, that
is, a good reputation is widely known. If the promoted CSR actions do not correspond to the actual behavior and reputation of McDonald's, the impression of the business may be adversely affected. Therefore, it must be remembered that the appropriate CSR tasks should be clearly and transparently defined. In this study, CSR is considered by customers as an added value to a corporate reputation, so companies should show customers their role in CSR activities to build a good reputation and improve consumer purchase intention. This can contribute to strong customer consumption behavior. Purchase intent cannot be driven by instant advertisements and it requires long-term planning, comprehensive strategy and meaningful intervention. This study uses CSR factor as a stimulus for fast food retailer McDonald's to have a good reputation, positive word of mouth, repurchasing. Research has demonstrated the strong impact of CSR factors on corporate reputation and repurchase intention. Therefore, McDonald's needs to focus more on CSR activities in order to improve its reputation and increase the repurchase intention of customer. In summary, repeat purchase intention can be improved by improving marketing and linking to CSR.

5. Conclusion

5.1. Discussion

The results demonstrated a positively correlation between CSR and corporate reputation and repurchase intention. More important, much of the literature on CSR has devoted to the effect of CSR on corporate reputation while ignoring the mediating role of corporate reputation in the relationships between CSR and repurchase intention of consumers. Thus, this study adds to existing knowledge about the role of CSR in marketing by finding that a good company reputation along with relevant and integrated CSR activities bring much stronger impact on repurchase intention.

As a partial mediator, a corporate reputation plays a direct role in consumer behaviors. Findings from this research have shown that inappropriate CSR practices can negatively impact the behavior of certain consumers. In the short term, McDonald's CSR activities may convince consumers to repurchase, but it may not be very convincing and there is no guarantee that repurchase behavior will last, as only the non-stop CSR activities contribute to sustainable behavior. This suggests that in order to benefit the most from CSR, McDonald's should develop a strong brand reputation using CSR programs as this will have a long-term and sustainable positively impact on repurchase intention. Therefore, the theoretical contribution of this study is to introduce corporate reputation as a long-term benefit to the relationship between CSR and consumer repurchase intention.

5.2. Implication

Overall, managers at McDonald's can build strong reputations for their businesses. However, due to competitive pressures, CSR is beginning to be recognized as a versatile tool to enhance reputation through positive consumer behavioral intentions. When service lacks consistency, it is difficult to maintain customer interest and purchasing behavior. This study found that CSR components more focused on retail may have a strong direct relationship or a close relationship mediated in part by corporate reputation. As a result, managers can build their retail brand or increase their company's reputation by using CSR activities that are deemed appropriate. As a result, managers in fast food industry may need to implement CSR programs that are able to build the corporate reputation continuously. This can be done by implementing CSR programs that are often closer to the customer's interests. This study shows that consumers are more likely to appreciate the CSR activities they see, so treating employees well will lead to happy employees, they will face customers with a cheerful and positive attitude.

To make consumers more aware of the company's CSR activities, McDonald's may use communication strategies to convey a positive image and reputation to society and consumers. Besides, it is necessary to improve the efficiency of staff when serving at stores, especially those who have to come into direct contact with customers. Therefore, McDonald's managers should
ensure that they develop human resource management policies that support their CSR strategies. Specifically, they should hire valuable employees that align with their brand's CSR practices and design training programs to encourage socially responsible behavior among employees.

Ultimately, McDonald's should adhere to a more honest and genuine approach to CSR, which should need a basis to do well in its own right. That is, the company should not just follow the profits and only perform CSR for the purpose of propagating and promoting the company's image, but really for the society, for the community and stakeholders. McDonald's needs to do the right thing, commit to core values, have a long-term vision of CSR to create positive transformational impacts on society and the environment.

5.3. Limitation and future research

The main limitation of this study is that the sample used is a small group of customers of McDonald's fastfood restaurant in Viet Nam. Due to interviewing by building a questionnaire on google form and sending it widely on social network, the respondents may not have any knowledge of CSR or have may not know about the CSR activities carried out by McDonald's when they were interviewed. As a result, generalizability may be distorted, as some respondents may have participated without being fully aware of McDonald's CSR activities.

Sampling research by non-probability sampling method, therefore, it is difficult to represent the representativeness of the study. Future research may survey with a larger sample.

The present study limited the influence of CSR and corporate reputation on consumer repurchase intention. Future research may use the variable “company image” to mediate the above relationships, or investigate more about “sustainable consumption behavior” of of consumers towards retail brands in the fastfood industry.

References


Enrique Bianchi, Juan Manuel Bruno, & Francisco J. Sarabia-Sanchez (2019). The impact of


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