

The Impact of Corporate Social Responsibility on Brand Perception: A Study on the Food and Beverage Sector in Turkey

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Abstract

The aim of this study is to investigate the effects of corporate social responsibility strategies on brand perception within the food and beverage sector in Turkey. The population of this study consists of consumers in Turkey. 385 people participated in this study and the convenience sampling method was used. A survey was conducted for this research. The relationships between CSR dimensions and Brand Perception dimensions were examined using correlation and regression analyses. According to the correlation analysis results, there is a positive and statistically significant relationship between “brand loyalty” and “legal and moral social responsibility” “brand loyalty” and “economic social responsibility”. Regression analysis results on the other hand showed that the “economic social responsibility” sub-dimension has a positive and statistically significant effect on “brand awareness” and “brand loyalty” sub-dimensions. The “corporate communication” sub-dimension has a positive and statistically significant effect on “brand loyalty” sub-dimension and “Common sense social responsibility” sub-dimension also has a positive and statistically significant effect on “brand loyalty” sub-dimension of the brand perception. However, it has been found that none of the CSR image dimensions have a statistically significant effect on perceived quality. In other words, while CSR activities increase customer loyalty and brand recognition, they do not have an impact on customers’ perception of quality.

Keywords: CSR, Brand, Food and Beverage Industry, Türkiye

JEL Classification: M31; M11; L66

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Introduction

Corporate social responsibility (CSR) activities stand out as a significant factor that increases the perceived value of a brand in the eyes of consumers. The rise in the number of conscious consumers and the increasing societal awareness of environmental and social issues have made it almost imperative for brands to take responsibility in these areas. This situation leads businesses to adopt CSR strategies not only to provide social benefits but also to strengthen their brand reputation and increase consumer loyalty. Research shows that brands with a strong CSR identity have a positive impact on consumer preferences and enhance brand perception. This, in turn, increases the potential of businesses to gain a sustainable competitive advantage (Koca, 2021). In this context, examining the impact of CSR activities on specific sectors is crucial for understanding how brands shape consumer perception. Thus, the aim of this study is set as to investigate the effects of CSR strategies on brand perception within the food and beverage sector in Turkey. There are several reasons for choosing the food and beverage sector. Firstly, the increase in food production and consumption significantly contributes to global greenhouse gas emissions and climate change, causing adverse effects such as biodiversity loss, harmful substance usage, and water consumption.

Agricultural practices, food processing, transportation, and meal preparation all contribute to these emissions, while economic growth and rising food demand have further increased environmental pressures. On the consumer side, growing environmental awareness and health concerns have heightened interest in eco-friendly and organic food products. This shift in consumer behaviour, influenced by environmental consciousness, has

created new market opportunities and competitive advantages within the food sector (Kızıldemir and Kaderoğlu, 2021). In this context, exploring how CSR practices of these companies influence consumers' brand awareness, perceived quality, brand loyalty, and brand associations would be valuable.

Definition of the Concept of Corporate Social Responsibility

Conceptually, CSR was first mentioned in H. Bowen's 1953 book "*Social Responsibilities of the Businessman*" (Yalçın, 2023). Since then, many researchers have defined the concept. Gedik (2020) defines CSR as a commitment by the business to minimise or completely eliminate any harmful effects on society while maximising long-term benefits.

Yalçın (2023) emphasises that CSR, from the perspective of businesses, highlights a voluntary role in contributing to a cleaner environment and a better society, rather than solely focusing on economic activities. Similarly, Snider, Hill, and Martin (2003) identified the fundamental characteristics of CSR, suggesting that it is a method of self-presentation and perception management conducted by the organisation to ensure that various stakeholders are satisfied with the institution's social behaviour. According to the World Business Council for Sustainable Development, CSR is the continuing commitment of businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as the local community and society at large (World Business Council for Sustainable Development, 2020). Moreover, it is essential for the long-term welfare of businesses. In line with this definition, many researchers such as Donaldson and Preston (1995) and Clarkson (1995) have stated that CSR is a direct result of businesses being reliable towards their stakeholders.

In these definitions, the concept of stakeholders is prominent. The stakeholder concept can be defined as all social parties with whom the business interacts within society, who are affected by the business's practices and who, in turn, influence the business through their actions (Baron, 2000). In other words, stakeholders can be described as individuals and entities with an interest in the business. Accordingly, the concept of CSR necessitates being responsible towards both internal and external actors in the environment (Üner and Baş, 2018). These areas of responsibility can be listed as: responsibilities towards employees, responsibilities towards consumers (i.e., customers), responsibilities towards shareholders, responsibilities towards the environment and nature, responsibilities towards the government, responsibilities towards suppliers, responsibilities towards competitors, and responsibilities towards society, among others. Based on these areas of responsibility, various CSR models have been proposed. One of the most notable of these models is Carroll's model (Üner and Baş, 2018). According to Carroll, who evaluates the concept of social responsibility in four dimensions—economic, legal, ethical, and philanthropic—economic obligations involve businesses' responsibilities to achieve economic comfort and meet consumption needs. Legal obligations, on the other hand, signify adhering to legal boundaries and complying with labour laws while fulfilling economic responsibilities. This is mandatory rather than voluntary. According to Carroll, what is not mandatory but voluntary is adherence to moral standards, which constitutes ethical responsibilities. Here, society expects businesses to demonstrate that they adopt written or unwritten codes, norms, and values derived from societal values and norms, fulfilling their ethical responsibilities. Similar to ethical responsibilities, philanthropic (voluntary) responsibilities include activities voluntarily undertaken by businesses to contribute to society, either directly or indirectly (Carroll, 2016). The fundamental takeaway from this model is that businesses must first generate profit and comply with laws in their actions; however, they should also exhibit ethical behaviour in their operations and engage in activities that benefit society voluntarily. It is suggested that businesses fulfilling these four dimensions in a meaningful way will enhance their brand value and occupy a favourable position in the eyes of customers.

The Impact of CSR on Brands

Businesses that operate with a sense of social responsibility and give back to the community what they receive from society hold a valuable position in the minds of consumers. Therefore, social responsibility plays a fundamental role in achieving corporate and brand goals through its functions of creating reputation,

differentiation, empathy, transparency, and contribution (Koca, 2021). Corporations with social responsibility are distinguished from their competitors, and by creating reputation and transparency, they stand out with their respectability.

Due to its impact on the image of the business and the brand, the concept of corporate responsibility is very important. In this sense, the way to increase brand value is to enrich the brand in social and ethical areas. Consumer loyalty and evaluations of the product are influenced by the socially responsible behaviours of companies (Aslan and Aydın, 2018).

Integrating social responsibility with the brand and creating value through corporate responsibility activities to differentiate the brand in the market and develop the brand's personality and value is crucial in the business world (Şancı and Özkan, 2024). Studies have shown that CSR activities have a positive effect on consumers' brand perception and, consequently, their purchase intentions (Rathore et al., 2023). The study conducted by Butt et al. (2019) also demonstrated that CSR activities have a positive impact on consumers' brand perception. The successful management of CSR activities and their alignment with the culture of the society in which they are implemented positively influence consumer perception of CSR, customer loyalty, and business performance (Chaudary et al., 2016).

Methodology

The aim of this study is to investigate the effects of CSR strategies on brand perception within the food and beverage sector in Turkey. The population of this study consists of consumers in Turkey. According to recent research, the number of consumers in Turkey in 2023 is 49,585,943 (Urfanatik, 2023). The sample size calculation indicated that 385 or more measurements/surveys are needed for a 95% confidence level and a $\pm 5\%$ margin of error. Accordingly, 385 people participated in this study. The convenience sampling method was used, and participants were selected from customers located in Istanbul based on their proximity to the researcher.

A survey was conducted for this research. The survey used in the study consists of three sections. The first section aims to gather demographic information about the participants. In the second section, the method developed by Akkoyunlu and Kalyoncuoğlu (2014) was utilised. In this method, which is developed according to Aaker's model, brand perception is examined in four dimensions: "Brand Awareness, Perceived Quality, Brand Loyalty, and Brand Associations." In the third section of the survey, the method developed by Doğan and Varinli (2010) was used.

Doğan and Varinli, in accordance with Carroll's (1991) "Four-Dimensional Social Responsibility Model," defined CSR dimensions as "Legal and Ethical Social Responsibility, Economic Social Responsibility, Corporate Communication, Prudent Social Responsibility, and Corporate Design." These dimensions were also used in this study. The 5-point Likert scale was employed in the survey as response options. Accordingly, participants responded with options ranging from "1=Strongly Disagree" to "5=Strongly Agree."

In the analysis part of the study, descriptive explanations were initially provided, and then the relationships between CSR dimensions and Brand Perception dimensions were examined using correlation and regression analyses.

Findings

Reliability and Factor Analysis

The reliability coefficient for the brand perception scale is .875. This means that the scale is highly reliable since it is higher than .80. According to KMO & Bartlett Test results, sample adequacy is at a high value (.818). This means that the variables are suitable for factor analysis. According to the factor analysis results, a total of 4 sub-factors regarding brand perception were determined.

The reliability coefficient for the CSR scale is .884. Since it is higher than .80, it was concluded that the scale is highly reliable. According to KMO & Bartlett Test results, sample adequacy is at a high value (.815). This means that the variables are suitable for factor analysis. According to the factor analysis results, a total of 5 sub-factors regarding the CSR scale were determined.

Descriptive Statistics

According to the findings, the majority of customers (4.28) believe that companies engaging in CSR activities are strong, reliable, and well-known businesses. Additionally, customers indicated that they are not only interested in products and services but also in the companies' social responsibility activities (3.48). Similarly, they believe that these activities are not conducted solely for advertising purposes and that companies do not use them as a promotional tool.

Correlation Analysis Between Brand Perception Scale Sub-Dimensions and CSR Scale Sub-Dimensions

Table 1: Brand Perception Scale Sub-Dimensions and CSR Scale Sub-Dimensions / Correlation Matrix

		Brand Awareness	Perceived Quality	Brand Loyalty	Brand Associations	Legal and Moral Social Responsibility	Economic Social Responsibility	Corporate Communications	Common Sense Social Responsibility	Corporate Design
Brand Awareness	Pearson Correlation <i>Sig. (p)</i>	1								
Perceived Quality	Pearson Correlation <i>Sig. (p)</i>	.415** .020	1							
Brand Loyalty	Pearson Correlation <i>Sig. (p)</i>	.243* .068	.432** .032	1						
Brand Associations	Pearson Correlation <i>Sig. (p)</i>	.367* .113	.342** .017	.342 .326	1					
Legal and Moral Social Responsibility	Pearson Correlation <i>Sig. (p)</i>	-.042 .432	.179 .340	.430* .033	-.334 .384	1				
Economic Social Responsibility	Pearson Correlation <i>Sig. (p)</i>	.336 .326	.323 .346	.432** .005	.137 .351	.338** .001	1			
Corporate Communications	Pearson Correlation <i>Sig. (p)</i>	-.143 .637	-.321 .264	-.132 .349	.133 .437	.321* .043	.348** .002	1		
Common Sense Social Responsibility	Pearson Correlation <i>Sig. (p)</i>	.104 .083	-.135 .343	-.146 .326	.232 .357	.131 .349	.134 .346	-.142 .438	1	
Corporate Design	Pearson Correlation <i>Sig. (p)</i>	-.145 .347	.335 .363	.432 .452	-.126 .346	.320 .063	.333** .005	.352 .346	-.039 .465	1

According to the correlation analysis results, there is a positive and statistically significant relationship between “brand loyalty” and “legal and moral social responsibility” (Pearson correlation= .430; $p = .033 < 0.05$). There is also a positive and statistically significant relationship between “brand loyalty” and “economic social responsibility” (Pearson correlation= .432; $p = .005 < 0.05$).

Regression Analysis Between Brand Perception Scale Sub-Dimensions and CSR Scale Sub-Dimensions

Table 1: Brand Perception Scale Sub-Dimensions and CSR Scale Sub-Dimensions / Regression Analysis Results

	R ²	β	Sig (<i>p</i>)
* Brand Awareness ← Economic Social Responsibility	.164	.543	.004
* Brand Loyalty ← Economic Social Responsibility	.234	.433	.005
* Brand Loyalty ← Corporate Communications	.138	.372	.023
* Brand Loyalty ← Common Sense Social Responsibility	.284	.498	.001

*Dependant variable

The “economic social responsibility” sub-dimension has a positive and statistically significant effect ($\beta = .543$, $p = .004 < 0.05$) on “brand awareness” sub-dimension of the brand perception.

The “economic social responsibility” sub-dimension has a positive and statistically significant effect ($\beta = .433$, $p = .005 < 0.05$) on “brand loyalty” sub-dimension of the brand perception. The “corporate communication” sub-dimension has a positive and statistically significant effect ($\beta = .372$, $p = .023 < 0.05$) on “brand loyalty” sub-dimension of the brand perception. “Common sense social responsibility” sub-dimension also has a positive and statistically significant effect ($\beta = .498$, $p = .001 < 0.05$) on “brand loyalty” sub-dimension of the brand perception.

Discussion and Conclusion

The results of this research have also been corroborated by the existing literature. For example, according to “Business for Social Responsibility,” which provides consultancy services to companies globally on CSR, one of the benefits that socially responsible companies can achieve is increased customer loyalty. This study also shows that CSR has a positive impact on customer loyalty. Similarly, the findings obtained from the research conducted by Schnietz and Epstein (2005) are consistent with the results that CSR affects brand desirability, economic gains, and brand image strength. This study also demonstrates that CSR influences customer awareness and loyalty. The results of this study indicate that customers are highly interested in the social responsibility activities of organisations. This is also supported in the literature (Koca, 2021). However, it has been found that none of the CSR image dimensions have a statistically significant effect on perceived quality. In other words, while CSR activities increase customer loyalty and brand recognition, they do not have an impact on customers’ perception of quality.

According to the results of the regression analysis, economic and social responsibility, corporate communication, and prudent responsibility have been shown to affect customer loyalty. This finding is also reflected in the literature (Aslan and Aydın, 2018). Indeed, brand image plays a crucial role in the preference for goods and services. The emphasis on CSR and its integration into business activities today contribute to the development of brand image, thus increasing the demand for these companies’ products and services. In this context, businesses that act with a sense of social responsibility can easily attract consumers to their side (Aslan and Aydın, 2018).

In light of these results, businesses should be aware that engaging in more social responsibility activities and communicating these to their customers through various media and activity reports is an important factor contributing to the company’s social image. Making donations to charitable organisations, contributing to the education of young people in the country, and similar initiatives can positively influence customer preferences. Based on these, it can be suggested that future research could focus on exploring the impact of CSR activities on different consumer demographics, such as age, gender, and income level, to determine if the perceived influence of CSR on brand loyalty and awareness varies across different consumer segments. This would help companies tailor their CSR strategies more effectively to target specific consumer groups.

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