

## Original Research Article

### **A study of the mediating effects of safety and health of food between corporate social responsibility and corporate image and reputation in fast-food restaurants industry in Hong Kong**

#### **Abstract**

Recent years have witnessed various changes in the business world regarding technology and ecological degradation, which has seen corporate social responsibility (CSR) increasingly used as a competitive tool in all industries. It has become especially popular in the fiercely competitive service retailing industry where implementation of CSR practices has grown in line with the industry's importance to the economy. Accordingly, this research was undertaken to study the mediating effect of safety and health of food of fast-food restaurants in Hong Kong between corporate social responsibility and image and reputation of corporate. Quantitative method was used and empirical evidence was gathered using a self-administered questionnaire survey of randomly selected customers leaving randomly selected fast-food restaurants in Hong Kong. The 350 completed questionnaires were statistically analyzed, verified for validity and reliability. The analyzed results reveal safety and health of food acts as a significant mediating role in the relationships between corporate social responsibility and corporate image. Management of retailing industry is encouraged to pay high level of attention and their investment into the safety and health of the foods they provided which is significantly important to customers and their own reputation.

Keywords: mediating effect, safety and health, corporate social responsibility, image and reputation

#### **1. Introduction**

The fast-food industry in Hong Kong is growing tremendously, along with the changes in the business environment (Xu, 2014; Ritzer, 2011). McDonald's first introduced the fast-food concept to Hong Kong, which has been adopted by local food service establishments taking the industry to a whole new level. Fast food is merely the concept of selling quick cooked food (Xu, 2014), but this concept is highly appreciated by urbanites that seek convenience due to their hectic lifestyle. Moreover, this sector has attracted stiff competition and despite the economic downturn, Hong Kong consumers seem to be willing to spend at eateries (Euromonitor, 2017a; Euromonitor, 2017b). However, customers are more critical in their choice of food establishments. Though global names in fast food are popular amongst Hong Kong customers, local fast-food establishments are also flourishing, as they are popular amongst the older and working class customers. Even though Hong Kong consumers are moving toward fast and casual meals at home and the use of applications that support the delivery of food, fast-food restaurants show an accelerated growth in terms of sales (Euromonitor, 2017a; Euromonitor, 2017b).

However, Hong Kong remains a popular destination for traditional Chinese cuisine, which continues to pose a threat to the local fast-food industry. Hong Kong is also a major gateway for Mainland Chinese, allowing the food industry to further flourish

(HKEXnews, 2015). Hong Kong continues to develop culturally, with fast pace living and dual income families now being the norm. Children are also able to purchase their own food due to mobile applications and delivery services. Fast food supports a changing lifestyle with a new breed of smart phone customers and young decision makers (Xu, 2014; Tam, 2013). With such significant changes, competition and differentiation is inevitable.

Fast food could also be the choice of food due to its reasonable and value pricing (Etemad-Sajadi and Rizzuto, 2013). However, studies have found that sustainability is developed through emotional attachment and that forming a strong corporate image (CI) and corporate reputation (CR) is essential for such an attachment (De Chernatony, 2006); branding efforts are therefore necessary (Floor, 2006). Thus, as part of corporate social responsibility (CSR), this study examined safety and health of food (SHF) to determine its impact on fast-food customers' perception of CI and CR.

## **2. Literature Review**

### **2.1 Corporate Social Responsibility**

CSR is a convoluted concept that was proposed in the early 1950s to ensure businesses take responsibility for their actions (Montalbo, 2015). Stakeholders' expectations in recent years relate more to the quality of CSR activities rather than just the activity itself (Hur, Kim, and Woo, 2014). However, quality CSR initiatives are highly dependent on the type of organisation. CSR practice is primarily linked to a myriad of objectives, including profit gaining, recognition, and CI and CR of organisations (Hur et al., 2014; Loussaïef et al., 2014; Esen, 2013). Carroll (1999) asserted that CSR begins with an organisation having a steady profit or is economically stable, and is followed by being a legal business. These two notions certify the business is trustworthy. However, the conduct of business is sometimes not ethical and many organisations do not take responsibility for stakeholders beyond their immediate customers and suppliers. As such, Carroll (1999) recommended businesses to be philanthropic.

#### **2.1.1 Ethics as a CSR Dimension**

The two divergent theories of the origins of CSR are agency theory and stakeholder theory (Brown and Forster, 2013). Agency theory clearly argues the need for organizations to fulfil shareholder needs and wants, suggesting an era of importance placed on principal-agent relationship (Freeman, Harrison, Wicks, Parmar, and de Colle, 2010). Hence organizations are compelled to make a profit for the benefit of shareholders, thereby being responsible for their welfare and interest. However, proliferating competition and the fast-growing global market has forced organizations to look beyond their shareholders' wellbeing and share their responsibility with stakeholders; this eventually morphed into stakeholder theory (Brown and Forster, 2013). Stakeholder theory has a keen interest in consumers, the public in general, and the environment, as such CSR primarily took three main forms, social-economy, stakeholder, and triple-bottom-line (Yang and Crowther, 2012).

Despite efforts to fully understand the notion of CSR, there is no single definition or deeply grounded theory (Brown and Forster, 2013). Hence, newer terms are being used inter-relatedly such as ethical, altruistic, and strategic CSR. Lantos (2002) argued that altruistic CSR is where organizations provide what society lacks without expecting any benefits in return; this means that the organization may incur more cost,

which will eventually reduce their profits. Meanwhile, strategic CSR is said to be where philanthropic activities are carried out with an expectation to benefit in some way, such as an improved CI and CR, and generally positive views about the organization. In altruistic CSR, it is suggested that organizations that carry out a philanthropic activity engage in campaigns that would help their customers lead a better life such as advertisements on cigarette boxes that show various cancers that can be caused by smoking cigarettes (Lantos, 2002). Therefore, altruistic CSR may be the CSR that organizations need to be embarking on to purely help society.

### **2.1.2 CSR in the Fast-food Industry**

CSR strategy that enables growth and sustainability is crucial, as customer lifestyle around the world has been changing rapidly. Though customer demand differs due to cultural differences between societies, assimilation of cultures is also happening due to movement of people around the world such as tourists, second homeowners, inter-marriages and work-related movements (Ali, Metz, and Kulik, 2015). As such, expectations with regards to CSR activities is quickly disseminating in Hong Kong. Moreover, with many expatriates, well-travelled and knowledgeable customers, Hong Kong fast-food restaurant patrons are expecting better CSR initiatives from their favourite retailers (Xu, 2014; Tam, 2013). Hence, the fast-food industry is already introducing newer CSR policies to cope with the changes in customers' perception of values (Ye et al., 2015; Xu, 2014; Assiouras et al., 2013).

### **2.2 Corporate Image (CI)**

Some studies view CI as different to CR (Barnett et al., 2006; De Chernatony, 2006), while others assert that CI can be closely related to CR (Lu, Abeysekera, and Cortese 2015). In fact, some studies show that an organization's reputation can be measured based on brand image, product image, and image of the country of origin (Badri and Mohaidat, 2014; Barnett et al., 2006). However, the general consensus on CI is that it affects customers' decisions with regards to the organizations' products and services. Many aspects of an organization influence its image, such as logo, uniform, cleanliness, and advertisements (Ishaq, Bhutta, Hamayun, Danish, and Hussain, 2014; Nguyen and Leblanc, 2001). Thus, an organization is capable of choosing the right factors upon which to build their image (Nguyen and Leblanc, 2001). In contrast, reputation is built based on concepts that are more difficult to develop over a short period of time such as leadership, skills, product philosophy, and corporate governance (Walker, 2010). Despite the difference, it is essential for both CI and CR to be consistent (Fombrun and Shanley, 1990).

### **2.3 Corporate Reputation (CR)**

Academic research broadly defines reputation as how desirable an organization is in an individual's mind (Skallerud, 2011). This desirability is mainly sculpted by an organization's efforts to effectively use brand awareness and the perception of society (Abratt and Kleyn, 2012). Meanwhile, awareness and perception are formed as the organization consciously makes an effort to constantly meet newer stakeholders' expectations (Abratt and Kleyn, 2012; Skallerud, 2011).

Reputation is difficult to regain once ruined (Abratt and Kleyn, 2012; Alsop, 2004).

Organizations, intending to harvest long-term benefits place more effort on initiatives that affect stakeholders' emotions (Lu, Tong and Wong, 2017; Khojastehpour and Johns, 2014). CSR, covering a myriad of initiatives that benefit communities in various ways, affect stakeholders' emotions (Bartikowski and Walsh, 2011).

This multi-dimensional concept of reputation is assessed using various dimensions including quality of goods and delivery of service (Bartikowski and Walsh, 2011). In a service-oriented organization such as the fast-food industry, consistency in deliverance is greatly valued in building reputation (Bartikowski and Walsh, 2011). Corporate reputation is also known to increase when customers feel secure and they experience a satisfying moment with the service (Skallerud, 2011; Shamuganathan and Tong, 2010). Recognising corporate reputation as a paradoxical concept, the current study adapts Bartikowski and Walsh's (2011) and Chomvilailuk and Butcher's (2010) definition of corporate reputation, whereby food quality and front liners' service quality in Hong Kong's fast-food restaurants were used to measure corporate reputation.

#### **2.4 Challenges in Building Corporate Image and Corporate Reputation**

A good CI and CR have the ability to attract good quality employees. With well-established programmes to develop good corporate citizenship, an organization has the ability to increase customer loyalty, advocate positive word of mouth, a willingness to pay premium price, and decrease negative news about the company (Moon, Lee, and Oh, 2015; Torelli, Monga, and Kaikati, 2012). Fast-food restaurants have many factors to concentrate on when working on cultivating CI and CR. As part of the service industry, fast-food restaurants are required to provide a clean appropriate eating environment, tasty and good quality food, and well-trained employees to serve their customers. With so much to do to satisfy customers so that they pass on positive word of mouth and return to purchase, the service industry faces more challenges than a product industry (Nguyen and Leblanc, 2001).

Therefore, it is crucial for fast-food restaurants to place importance on the service they provide. Moreover, as image is based on the more tangible part of the organization, the cleanliness, product taste and quality, image building is slightly easier to communicate. However, as CI and CR are linked, a tarnished reputation can further destroy the organization's image (Lu, Abeysekera, and Cortese 2015).

#### **2.5 Effect of safety and health of food on Customer Perception**

The importance of improving food quality and service in the rapidly growing food and beverage industry has been highlighted in recent years by award winning cook shows, culinary art, promotion of television celebrity chefs, and a fast-growing tourism industry (Hsu, Chang, and Lin, 2016; Cotton-Chan, 2015). However, in some part of the world, CSR in food retail is yet to be recognised as essential. In Hong Kong, the reaction to CSR is mixed with many domestic independent fast-food retailers attaching no importance to it, whilst international fast-food chains with responsibility toward their stakeholders and mindful of their global image are highly focused on CSR. Prior research reveals a positive mediating influence of perceived value and restaurant quality in the relationship between health concerns and intentions (Jin, Line, and Lee, 2016). Studies on responsibly and ethically sourced food and beverage cover a vast number of areas, from suppliers of fresh organic produce to food-research institutes.

SHF emerges as the most common dimension of CSR in relation to food (Ursin et al., 2016; Jin et al., 2016). Empirical studies also suggest that customers need to experience the ethical dimension of CSR in order to form an opinion and perception (Khare and Pandey, 2017; Yeung and Morris, 2001). Perceptions formed during these experiences create attitudes that are manifested by word of mouth, thus affecting CI and CR (Kim, 2017; Insch and Jackson, 2014).

Similarly, SHF has also been found to directly impact consumer preference of food retailer (Wongprawmas and Canavari, 2017; Souza-Monteiro and Hooker, 2017; Luomala et al., 2015; Forsman-Hugg et al., 2013). In fact, since customers are willing to pay more for healthy and safe food, many establishments use labels to indicate SHF. However, there is less understanding of this phenomenon and the role played by SHF in the relationships between CSR and CI and CR. Hence, this study uses customers' perceived SHF as a mediator in the relationships between CSR and CI and CR.

## **2.6 Hypotheses Development**

It is crucial to gain public confidence in the SHF practiced by food retailers (Ye et al., 2015). There is a lack of academic studies on understanding customers' perception of SHF and its transparency. Although CSR is a popular academic research topic, its relationship with SHF and subsequent benefits remain ambiguous. Moreover, such research is lacking in Hong Kong's fast-food industry.

As deliberated above, SHF is relevant in the current food and beverage industry. Studies further suggest that disclosing SHF information such as nutritional values is ethical (Souza-Monteiro and Hooker, 2017; Xu, 2014; Forsman-Hugg et al., 2013; Yeung and Morris, 2001), and therefore can be seen as a CSR initiative of food retailers. However, from the customers' point of view it may just be seen as additional information provided by food retailers. It is important to realize that how customers perceive the information is more important in leading to trust and purchase behaviour. Therefore, positively perceived SHF would allow customers to make informed decisions and consequently enhance the CI and CR of fast-food retailers (Souza-Monteiro and Hooker, 2017; Khare and Pandey, 2017; Xu, 2014; Anand, 2011). Therefore, the following hypotheses have been postulated, verifying SHF as an intervening construct in the relationship between CSR and CI and CR of fast-food restaurants in Hong Kong.

The following hypotheses were therefore developed to address the mediating role of SHF.

- Hypothesis H1: Safety and health of food (SHF) mediates the relationship between corporate social responsibility (CSR) and corporate image (CI) in Hong Kong's fast-food industry.
- Hypothesis H2: Safety and health of food (SHF) mediates the relationship between corporate social responsibility (CSR) and corporate reputation (CR) in Hong Kong's fast-food industry.

## 2.7 Research Framework

The research framework of the two hypotheses developed is shown in Figure 1 below.

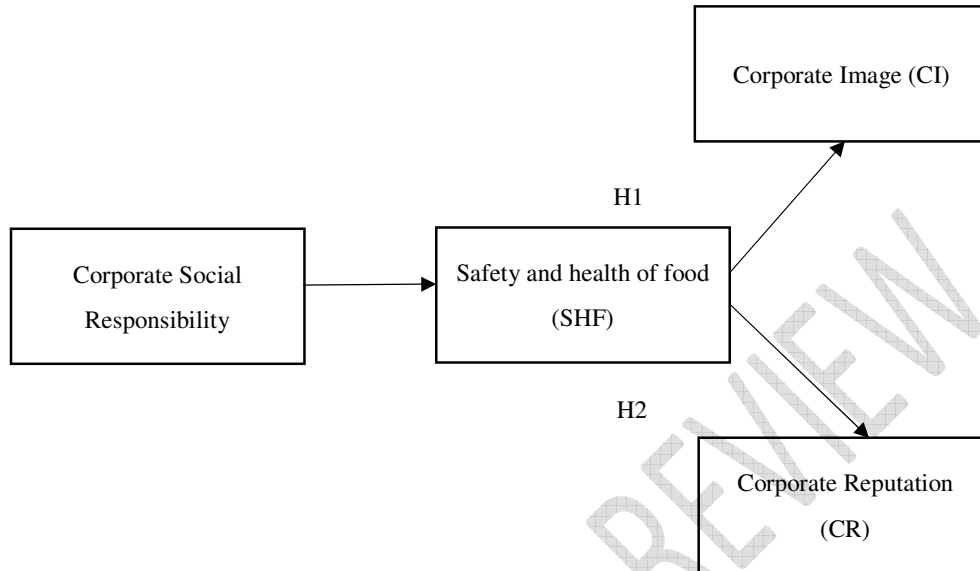


Figure 1 Research Framework

## 3. Methodology

This research was undertaken to study the perception of customers of fast-food restaurants in Hong Kong in order to examine the impact of CSR and SHF implementation on CI and CR. Hence, the study of behaviour and perception that sits within the ontological and epistemological orientations was the basis for this research design (Bryman, 2012; Cavana, Sekaran and Delahaye, 2001). This research undertook a positivist study in order to have an empirical view of CSR and the impact of SHF on CI and CR in the fast-food industry in Hong Kong. Therefore, since this study is seeking to add to existing knowledge, deductive quantitative research was undertaken using a positivist paradigm.

As this research examined customers' perception of CSR and SHF activities undertaken by fast-food restaurants in Hong Kong, the study population and unit of analysis were individual customers of fast-food restaurants. The sample size was set at 350 as recommended by previous studies. Behavioural studies, such as marketing research, recommend between 150 and 500 sample sizes, representing a large unknown population size (Malhotra, 2014; Tong and Wong, 2014; Tong, Wong and Leung, 2013; Burns and Bush, 2010; Cavana et al., 2001). Furthermore, as the most complex construct in this study is the latent variable CSR, the recommended sample size is at least ten times the number of items for CSR. Since there are five items for CSR, a sample size of 50 is sufficient (O'Reilly, Duane, and Andreev, 2012).

As the exact population or number of fast-food restaurant customers was unknown, the non-probability sampling approach was used for this study. Convenience sampling

was used, though purposive sampling was used to pre-determine the fast-food restaurants where the questionnaires would be distributed. Convenience sampling is useful when the research population is unknown and common in specific venues. Quantitative method was used and the researcher personally approached potential respondents in front of fast-food restaurants and asked a few screening questions before passing them an information statement and the questionnaire for filling (Sekaran and Bougie, 2016; Bryman and Bell, 2011). The questionnaire was designed as a self-administered questionnaire with scales borrowed from: Chomvilailuk and Butcher (2010); Bartikowski and Walsh (2011); Arendt and Brettel (2010); Lacey, Close, and Finney (2010); Ramasamy and Yeung (2009); Knight, Worosz, and Todd (2007); Lemmink, Schuijf, and Streukens (2003); Yeung and Morris (2001); and Maxham III (2001).

Prior to the statistical analysis to address the posited hypotheses, the data was checked for its measurement validity and reliability. Baron and Kenny's (1986) model on mediation was used to test the link between the study's four constructs as depicted in Figure 1 above. The role of SHF as a mediator in this study requires several direct and indirect relationships to be met (MacKinnon, Lockwood, Hoffman, West, and Sheets, 2002). The requirements of Baron and Kenny (1986) for mediation to take place are:

- The existence of significant direct relationships between CSR and CI and CR.
- The existence of a significant direct relationship between CSR and SHF.
- The existence of significant direct relationships between SHF, CI and CR.

The direct effects are then compared with the indirect effect values to determine the mediating effect and the type of effect. The following indicators are used to declare mediation:

- IF the direct relationships between CSR and CI and CR do not change after adding SHF, then SHF is not a mediator.
- IF the direct relationships between CSR and CI and CR decline, though the relationships are significant once SHF is added, then SHF is said to be a partial mediator.
- IF the direct relationships between CSR and CI and CR decline and have no significance with the addition of SHF, then SHF is then declared as a full mediator.

The values of direct estimates (DE) and indirect estimates (IE) are outcomes of SEM that are compared to determine the existence of mediation as shown in Table 1 below.

Table 1 Decision Rule of Thumb on Mediation (Hair et al., 2010)

Changes in Statistics	Decision
$IE < 0.085$	No mediation
$IE > 0.085$ and $IE \cong DE$	Partial mediation
$IE > 0.085$ and $IE \gg \gg \gg DE$	Full mediation



#### 4. Data Analysis and Findings

The characteristics of the sample, the reliability and validity tests and the testing of the mediating role of safety and health of food are discussed below.

##### 4.1 Characteristics of the Sample

A total of 350 returned questionnaires were checked, and the data that was keyed in was eyeballed and cleaned prior to data analysis. The descriptive analysis of the respondents indicated almost equal numbers of male (47.7%) and female (52.3%) fast-food restaurant customers responded to the questionnaire. Furthermore, the respondents were from various age groups, namely those between 18 and 20 years old (33.4%), between 21 and 40 (23.1%), between 41 and 60 (31.3%), and 12% of the respondents were above 61 years old. Amongst those who completed the questionnaire, 46.6% were married while 53.4% were single. Meanwhile, 52% of the respondents had a tertiary education, 33.7% had a secondary education, while those with primary and postgrad qualifications were 5.7% and 8.6% respectively. The education status seems to reflect the age group of the respondents. In terms of salary per month, 47.7% of respondents earned HKD\$10,000 and below, 20.3% earned between HKD\$10,001 and HKD\$20,000, 21.1% earned between HKD\$20,001 and HKD\$40,000, and 10.9% of the respondents earned above HKD\$40,000. Meanwhile, the descriptive analysis of the four constructs developed for the study indicate that the respondents agreed to most statements and as such the skewness analysis indicated negative statistics.

##### 4.2 Reliability and Validity Test

By using exploratory factor analysis (EFA), common method bias indicated distinct items where all 20 items are accounted for, thus this is interpreted as there being no bias in questionnaire and no common method variance. In testing the validity using EFA, four items were removed, as they did not hang together with the rest of the items that represent the respective constructs. These four items are: “CSR1 - This fast-food restaurant provides a safe and relaxed dining environment for customers”; “CSR2 - This fast-food restaurant offers good working conditions for its employees”; “SHF5 - This fast-food restaurant provides enough healthy food choices for you to choose from”; and “CI4 - I would happily recommend this fast-food restaurant to my friends and family”. Having removed these, a total of 65.99% of variances are explained by the remaining 16 items, subsequently meeting convergent and determinant validity. The vast amount of literature on the four constructs and their relationships is an indication of content validity, while the supported hypotheses indicated that the nomological validity was met. Table 2 below shows the results of EFA.

Table 2 Rotated Component Matrix in EFA

Questions	Component			
	SHF	CR	CSR	CI
SHF2: The food from this fast-food restaurant is more consistent and reliable in comparison with its competitors.	0.924			
SHF1: The food from this fast-food restaurant is better than its competitors.	0.732			
SHF3: The food quality of this fast-food restaurant is higher than its competitors.	0.718			
SHF4: This fast-food restaurant makes sure	0.634			



that the food that customers eat is safe.				
CR3: This fast-food restaurant is reputable for its socially responsible behaviour.		0.783		
CR5: This fast-food restaurant is highly rated by many customers.		0.765		
CR1: This fast-food restaurant has a good reputation.		0.661		
CR2: This fast-food restaurant treats its employees well.		0.605		
CR4: This fast-food restaurant offers high-quality food.		0.602		
CSR4: This fast-food restaurant commits to using a substantial portion of its profits to help communities where it does its business.			0.892	
CSR5: This fast-food restaurant includes charity work in its business activities.			0.886	
CSR6: This fast-food restaurant shows concern over environmental degradation.			0.635	
CSR3: This fast-food restaurant is very involved with the local community.			0.596	
CI1: This fast-food restaurant has a distinctive character.				0.846
CI3: I hear positive feedback about this fast-food restaurant.				0.584
CI2: I often say positive things about this fast-food restaurant.				0.565

The remaining 16 items were then tested for reliability using Cronbach's Alpha. This confirmed the reliability of all the constructs, with Cronbach's Alpha (Cronbach, 1951) coefficient above 0.7 (Nunnally, 1978). The results are shown in Table 3 below.

Table 3 Reliability Analysis Output

Constructs	Cronbach's Alpha	No. of Items	Mean	Standard Deviation
CSR	0.796	4	16.48	3.815
SHF	0.814	4	18.59	3.881
CI	0.782	3	14.31	2.662
CR	0.823	5	21.8	4.367

After the tests run to improve measurement were successful, the data is ready and appropriate to be used by structural model in testing the posited hypotheses.

#### 4.3 Mediating Relationship Involving SHF

This research examined the mediating role of SHF in the relationships between CSR and CR and CI. The purpose of this is to observe the standard total effect, the standard direct effect and the standard indirect effect that was generated by structural equation model (SEM). A summary of these results is presented in Table 4 below (Hair et al., 2010; Batista-Foguet, Coenders, Saris, and Bisbe, 2004; Bryne, 2001).

Table 4 Total Effect, Direct Effect and Indirect Effect of SHF

	Standard Total Effect		Standard Direct Effect		Standard Indirect Effect	
	CSR	SHF	CSR	SHF	CSR	SHF
SHF	0.341	0.000	0.341	0.000	0.000	0.000
CR	0.620	0.664	0.394	0.664	0.227	0.000
CI	0.456	0.761	0.197	0.761	0.260	0.000

The statistics from standardized total effect, standardized direct effect, and standardized indirect effect were compared to examine the intervening effect of SHF on the relationships between CSR and CI, and CR.

Moreover, there is a direct relationship between CSR and SHF, as the statistics indicate 0.341. The direct relationship between SHF and CI is 0.761 and the direct effect of SHF on CR is 0.664, both showing the existence of a direct relationship. Meanwhile, the direct relationship between CSR and CI is 0.197 and between CSR and CR is 0.394, both indicating a significant direct relationship. With the requirements established the mediating role was interpreted.

The mediating role of SHF is explained through the indirect effects. The effect of the mediator is displayed in the form of full, partial and no mediation. The use of the rule as recommended by Hair et al. (2010) and Batista-Foguet et al. (2004), the impact of SHF's mediating effect was assumed as follows:

- All direct relationships between the exogenous variable and the endogenous variables including SHF are significant.
- The indirect effect (IE) of CSR on CI is 0.260 ( $> 0.085$ ), while the direct effect (DE) is 0.197, thus IE is approximated closely to DE, which is indicating a partial mediating effect of SHF on the relationship between CSR and CI.
- The indirect effect (IE) of CSR on CR is 0.227 ( $> 0.085$ ) while the direct effect (DE) is 0.349, thus IE is approximated closely to DE, which is indicating a partial mediating effect of SHF on the relationship between CSR and CR.

## 5. Discussion

Hypothesis H1 and hypothesis H2 address that health and safety of food (SHF) mediate the relationships between a company's corporate social responsibility (CSR) and corporate image (CI) and corporate reputation (CR) in Hong Kong's fast-food restaurants. Hypothesis H1 supports that safety and health of food (SHF) mediates the relationship between corporate social responsibility (CSR) and corporate image (CI) in Hong Kong's fast-food industry. As the demand for SHF is proliferating as food businesses become more competitive and customers appear to view the taste of the food as secondary to health and safety.

The increase in food bloggers reviewing food establishments in the public domain clearly stimulates the interest and increases the chance of customers reading reviews. It was revealed that the knowledge of the various roles that SHF plays making it crucial to understand the implications. As consumers seek value for money, in addition to the relatively low cost and convenience of fast-food, customers further

expect hygienically prepared food that is healthy and safe (Askew, 2013); and an increasing number of consumers seek organic ingredients for health and safety reasons. As some research argue that SHF can be part of CSR in an ethical sense by virtue of fast-food operators being honest and transparent about the ingredients and their origins. Some researchers claim that SHF is ethical conduct on the part of restaurants and that ethics is a dimension of CSR that is lacking in the food industry (Ursin et al., 2016; Jin et al., 2016).

When trying to differentiate, it can be said that CSR are activities undertaken by food establishments, while SHF is the experience a customer goes through in food establishments (Khare and Pandey, 2017; Yeung and Morris, 2001). Hence, in examining this relationship, the study found that although customers are aware of the various CSR activities their fast-food restaurant participates in, the restaurant's CI is developed only when SHF is encountered in the restaurant. Comprehending this mediating role is pertinent, as one cannot assume a restaurant has to periodically carry out community services to render their active participation in CSR. Although this may affect stakeholders' emotions (Bartikowski and Walsh, 2011), a restaurant's CI is sustained only through what customers experience and understand. Despite the delicious food, consumers want to know exactly what it is they are consuming. Thus, it is crucial to reveal the origin of the ingredients used for the food and ensure that these ingredients are healthy and safe to consume.

Moreover, regulatory bodies in many countries are playing an important role in inspecting and issuing certifications to restaurants. Furthermore, some developed and developing countries are fast establishing tourist economy where the food and beverage industry play a big part. As such the food and beverage industry is a prolific source of income for a country and beckons for SHF compliance.

The second hypothesis H2 shows that safety and health of food (SHF) mediates the relationship between corporate social responsibility (CSR) and corporate reputation (CR) in Hong Kong's fast-food industry. As the two hypotheses are supported which denoting the importance of SHF in the relationships between CSR and CI and CR. Unlike CI, building CR takes a conscientious effort because it requires coherence in performance and communication (Hur et al., 2014; O'Hair et al., 2011). It also requires effort on a vast range of factors including products, services, and employee issues (Edwards and Rees, 2017). Just like CI, CR requires a restaurant's corporate responsibility to be balanced with SHF in order to enhance its reputation; CSR strengthens CR while SHF solidifies it. Thus fast-food restaurant customers appear to be of the opinion that it is immaterial if a restaurant is carrying out CSR activities, since SHF initiatives implemented in its day-to-day activities are more important for achieving a better and more resilient reputation. Besides, most governments are already stepping up SHF regulations, making it mandatory for restaurants to operate according to standardized SHF regulations.

The mediating role played by SHF further strengthens the argument that CSR encompasses a myriad of activities that do not necessarily have a direct impact on CI and CR. Some activities may be crucial for the type of business while others merely attract positive opinions about an organization. In a nutshell, customers find that SHF is crucial for fast-food restaurants, with or without their CSR activities. The outcome of this study suggests that fast-food customers build a positive CI and CR about a

restaurant based on its CSR activities, but SHF activities such as hygienically prepared food, food labeling, transparency in sources of raw materials, and, most importantly, innovating healthy meals for customers, are more likely to strengthen CI and CR.

## **6. Limitations and Recommendations**

A few delimitations have been noted during the research process, including the restriction of time and human resources faced during the distribution of questionnaires. It was a cross-sectional study where data collection was carried out at a particular point of time (Bryman and Bell, 2011). Hence, the personally administered questionnaire required the researcher to distribute the interview questionnaire person-to-person. The need for the researcher to approach each potential respondent and explain the research, its objective and what is required of the respondent imposed a heavy burden on the researcher, limiting the number of questionnaires administered at any given point of time and location.

Though the personal method of data collection allowed the researcher to provide immediate feedback to respondents who had difficulty in understanding the questions, respondent bias may not have been eliminated completely as respondents may not necessarily have asked for clarification of all questions that they do not fully understand. Furthermore, as the survey was conducted outside fast-food restaurants in an environment that is subject to multiple distractions, some respondents may not have been able to think things through before responding to the questions.

The significant data for this study was gathered primarily from youngsters and young adults (56%) who are not only the present but also the future and evolving customers of fast-food restaurants. These young generation customers are not only familiar with the concepts of CSR and SHF, they actually insist upon them being implemented in fast-food restaurants. However, More old people concerns the health issues of foods especially they would like to have meals in fast food restaurants. It is recommended extend this research to study the perception of aged customers. As the concerns of health and safety food is increasing, it is also recommended to conduct research similar to this one to other food industries.

## **7. Conclusion**

This research studies the mediating role of safety and health of foods between corporate social responsibility and corporate image and reputation in the fast food restaurants industry in Hong Kong. By applying exploratory factor analysis, confirmatory factor analysis and structural equation modeling, the SHF's role as a mediator is an important issue to consider from the results of this study. It is the ethical responsibility of every restaurant to practice good SHF and is viewed by customers as being a very important part of CSR. Although a restaurant may be doing various philanthropic acts, previous studies indicate that CSR initiatives need to be seen and felt by customers in order for them to form an opinion and perception of CSR activities (Hong Kong Food and Beverage Market, 2016). Moreover, with issues such as tainted supplies of fresh produce, SHF has become a major concern for customers around the world. At the same time, the food retail industry is growing immensely to meet customer demands and restaurant operators are using SHF as a competitive tool by implementing SHF initiatives that clearly go above and beyond

mandatory requirements (Global Food and Beverage Market, 2017; Global Powers of Retailing, 2017; Global Food Retail Industry, 2016).

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