THE IMPACTS OF PHILANTHROPY RESPONSIBILITY AND ETHICAL RESPONSIBILITY TOWARD CUSTOMER PURCHASE BEHAVIOR AND CUSTOMER LOYALTY

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Abstract
The purpose of this research is to analyze the impact of philanthropy responsibility and ethical responsibility towards customer purchase behavior and customer loyalty on fast food restaurants. The research was conducted by using quantitative research design and hypothetical testing to explore philanthropic responsibility, ethical responsibility, customer purchase behavior, and customer loyalty variables. Samples were taken from 186 respondents of employee population in Jakarta. Structural equation modeling was used in order to test the proposed hypotheses. Research result showed the positive and significant impact of philanthropic responsibility towards customer purchase behavior. On contrary, there was no positive ethical responsibility impact found towards customer purchase behavior. These findings are supported by the fact that the majority of consumers purchased fast food base on impulsive buying and not driven by the fast food restaurants ethically responsible behavior. However, the research does show a positive and significant impact of customer purchase behavior on customer loyalty. Further research recommendation should be taken from more respondents in a broader population area. Companies are suggested to approach a strategic and relevant caused-related marketing and caused promotions in relation to philanthropy responsibility to increase customer purchase behavior.

Keywords: philanthropy responsibility; ethical responsibility; corporate social responsibility; customer; purchase behavior; and loyalty.

INTRODUCTION

With the growing concern of the global community to products that are produced according to the social and environmental principles, corporate social responsibility (CSR) implementation has become an important global trend (Daniri, 2008). This is not without reason. CSR impact has a strategic role to the corporate reputation and it is one of the important keys in running the business. The impact has caused companies racing to allocate funds to their CSR activity. Therefore, CSR is no longer considered as an expense wasting
activity, instead of as a company’s investment to improve their image and dominance in competing with other companies (Boulstridge & Carrigan, 2000).

CSR investment impacts not only to strengthen a corporate’s positive image but also to improve companies’ image that was attacked by negative publicity. These are the opportunities seized by companies (Daniri, 2005), during the controversial reporting about their product. One of the companies that recognize the opportunity is fast food restaurant. Fast food restaurants products are considered not healthy as they are the biggest contributor to obesity cases and other health issues. A study by Turangan (2016) shows that obesity increases the risk of diabetes, heart problems, stroke, and several types of cancer. They also cause sleep apnea, gallstones, high blood pressure and cholesterol. It is so severe that a third of Americans have obesity issues caused by fast food consumption.

Controversies surrounding fast food restaurant products that caused health problems has also attracted response from stakeholders. One of them is a world renowned chef (Merriman, 2015). For years, Merriman (2015) who is also a hamburger enthusiast, has publicly protesting McDonald’s and campaigning to the public through his statement that the fatty parts of beef are “washed” in ammonium hydroxide and used in the filling of the burger in McDonald’s. Merrim (2015) famously coined this “the pink slime process”. He goes on to say, “Basically, we’re taking a product that would be sold in the cheapest way for dogs, and after this process, is being given to human beings.” (Warner, 2016). Oliver’s attack was responded by McDonald’s in several countries that denied the claims made by Oliver. One of the biggest brands in the quick service restaurant industry stated that the products made have gone through the very strict food safety procedure. On their website, McDonald’s’ guarantees that their burger’s beef patties are made from pure beef meat without any additional ingredients aside from salt and pepper after they are cooked (Warner, 2016).

Not stopping with McDonald’s burger patties processing, in his interview with the Daily Telegraph (Reilly, 2016), Oliver stated that he wishes McDonald’s no longer be the main sponsor for the world’s biggest sports event, the Olympics. McDonald’s has been sponsoring the event since 1976. According to Merriman (2015), McDonald’s presence in the world’s elite sporting event is against the values championed in the Olympics. He is said to have started an approach with the International Olympic Committee (IOC) to find a solution for this issue.

All the controversies surrounding the fast food products has driven some franchise manager that are holding fast food license for an operation to review their products’ ingredient content. In turn, these companies renewed their menu and offer healthier menu option such as pasta, salad, or fruit. These menus can be found in fast food restaurants along with a burger and fried chicken (Schröder & McEachern, 2005). McDonald’s and Kentucky Fried Chicken (KFC) in the United Kingdom has even introduced a new innovation where the consumer can obtain the dietary and nutritional information for each of the food consumed through a nutrient calculator on each of their websites. In Indonesia, Pizza Hut Indonesia has also communicated their nutrition facts on their website (Anna, 2015).

Not related to food safety alone, the franchise company of fast food restaurants also seeks to implement a number of business ethics as a form of corporate responsibility. The global fast food restaurants brand holders do not hesitate to boycott certain companies from their supplier’s list if they do not meet the standards of business ethics. For example, in 2010
Burger King canceled the contract with Golden Agri Resources Ltd. as a supplier because allegedly, oil palm companies listed on the Singapore Stock Exchange has no record of sustainable farming practices (Carroll, 1991).

KFC Indonesia decided not to buy products from Asia Pulp and Paper (APP) any longer in 2012. According to the article KFC Buckets Destroying Indonesian Rainforest Claims Greenpeace published on the site Dailymail (Anna, 2015), the action is triggered after a world environmental organization, Greenpeace, protested to the KFC, related to APP’s paper products used as packaging for KFC products. According to Greenpeace, APP produces paper from plantations considered to have destroyed tropical rainforests in Indonesia and endangered the habitats of protected animals.

In addition to applying business ethics, Fast Food Restaurants are also participating in the various social activities. In Indonesia, KFC contributes to the education of children. While McDonald’s have the Ronald McDonald’s House Charities Foundation that concentrates on the health of children in Indonesia. So does Pizza Hut and Hoka-Hoka Bento. The company’s website described a series of social activities carried out such as contributing to flooding victims, free medical care, charitable actions during the fasting month, granting compensation for the nursing home, renovating schools, and various other social activities (Dhorothea, 2017).

According to Green & Peloza (2011), a company CSR actions can influence consumers. A study involving consumers of fast food and released by Schröder & McEachern (2005), revealed that most respondents liked the involvement of the global fast-food company in CSR, whether it is providing healthier food choices, engage in social activities, care for animal welfare, as well as environmental responsibility. As a result, consumers give positive ratings to companies that implement CSR, has a higher interest to purchase products from the company (Mohr, Webb, & Harris, 2001), is not easily affected by negative issues affecting the company (Green & Peloza, 2011), provides a positive word-of-mouth and do not mind paying higher prices for some consumers (Laroche, Bergeron, & Forleo, 2001).

Rahmatullah & Kurniati (2011), which says the impact of CSR reinforces or CSR initiatives have grown into a strategy for the company to form a positive image and become a sort of “legitimacy” to cover up the truth about the harmful effects of the products produced. This theory is supported by research conducted by Arli, Rundle-Thiele, & Lasmono (2015), which explores the impact of CSR on public acceptance of smoking among smokers and non-smokers. Although smoking is a different product from fast food, both are considered equally as products that are not good for health. The results of the study present evidence that cigarette companies who have CSR activities affect smokers more positively. And surprisingly, the CSR activities are undertaken by tobacco companies to promote the lifestyle of smoking to the public even more.

Based on these studies, this research is intended to test the effect of CSR fast food restaurants on consumer behavior. The CSR variables that were tested are two dimensions of CSR of Carrol’s CSR Pyramid (Carrol, 1991), namely philanthropic responsibility and ethical responsibility. Both variables are chosen because they relate to the interests of consumers and communicate to the public. Fast food restaurant produces responsible products for
consumers (Madura, 2007) and does well for the people who can shape perceptions of consumers (Kotler & Lee, 2005).

Based on the explanation above, the present study was made to analyze the effect of philanthropic responsibility and ethical responsibility of the customer purchase behavior and customer loyalty of fast food restaurants. The formulation of the issues to be raised in this study are 1) is the philanthropic responsibility of fast food restaurants affecting customer purchase behavior, 2) does ethical responsibility of fast food restaurants affect customer purchase behavior, and 3) is the customer purchase behavior of fast food restaurants affecting customer loyalty.

LITERATURE REVIEW

Carroll (1991), explains that in the beginning, some researchers only discuss CSR as the fulfillment of the obligations in terms of economics and law, until the emergence of the theory of the hierarchy of Carroll’s CSR, as the initial concept of CSR where the ethical aspects and philanthropy became part of corporate responsibility commitments. Here is a pyramid depicting Carroll’s hierarchy theory (1991), the level of corporate responsibility in its activities.

Carroll’s Pyramid (1991), explains the company’s responsibility in sequence from the bottom up, which includes: 1) economic responsibility, the company needs to make a profit as the basis for growth and to maintain its existence. In brief, being profitable, 2) legal responsibility, the law is the rule of right and wrong in society. A company should be held responsible and to comply with applicable law in reaching its goal for profit. In summary, obey the law, 3) ethical responsibilities, i.e. ethically responsible companies practicing good things with corresponding values, ethics, and societal norms. Companies should avoid measures that harm society. In summary, be ethical and 4) philanthropic responsibility, i.e. companies contribute resources to the community in order to improve the quality of life in line with its business operations. In summary, is a good corporate citizen.

Philanthropic responsibility

According to Turban & Greening (1997), consumers are increasingly sensitive to the operational performance of the social enterprise, which is invested in the concept of CSR and is defined as a business organization configuration on the principles of social responsibility, the process on social policy responses, and programs that generate social relations. What distinguishes it from CSR, corporate social performance consists of positive or negative activities that focus on performance results (Carroll, 1991). According to Brown & Dacin (1997), studies show that corporate social performance is a significant factor in consumer decision-making. Consequently, when the cigarette companies improve their social performance, then consumers will give a positive evaluation of the company.

One form of corporate social performance is corporate philanthropy. Kotler & Lee (2005), reveals that corporate philanthropy is the oldest form of CSR where the company is conducting activities to donate to a particular community. Charitable contribution provided by the company is usually in the form of cash donations, grants, provision of scholarships, provision of products, provision of services free of charge, provision of technical expertise by
the company’s employees free of charge, permits the use of facilities and distribution channels the company’s social activities, and offer the use of equipment owned by the company. Philanthropic activities usually associated with a variety of social activities which are priority concerns of the company. Furthermore, Kotler & Lee (2005) explain the advantages that can be obtained by carrying out the activities of corporate philanthropy, which is to increase the company’s reputation, strengthen the company’s business in the future, and to give effect to the settlement of social problems in local communities.

Ethical responsibility

As revealed by Carroll (1991) in the hierarchical pyramid of CSR, in addition to aspects of philanthropy, ethical aspects are also part of the corporate responsibility commitments. Consumers tend to expect corporations to act ethically and to use this as a reference for the consideration of the decision in giving evaluations. Consumers prefer to buy from a company that has ethical than buying from the company's competitors that are considered less ethical and the company should have business ethics principles in achieving its responsibilities (Creyer, 1997). Ethics contains moral values that must be the principle for the company operations to prevent imbalances. Such principles include the principle of autonomy, the principle of honesty, unity, free will, the principle of fairness /balance, the principle of self-respect, and responsibility.

In relation to the responsibility, Madura (2007), explains that ethical responsibility is a social responsibility that is owned by a company as the company’s knowledge of how business decisions can affect society. The forms of ethical responsibilities of companies related to the interests of consumers, the environment, and society, are: 1) responsibility to consumers, the company should consider several things as follows: (a) Responsibility for production implementation, i.e. products that are made should ensure consumer safety. Product warning labels should be included to prevent accidents which may occur as a result of incorrect use of the product, (b) Responsibility for sales implementation, i.e. guidelines for the sales to sell their products, not to be too aggressive or false promotion offers, (c) The role of consumerism, which satisfies the requirements set by consumer demand, and (d) The role of government, namely the company meets its responsibility to meet government rules, such as security-related products such as Badan Pengawasan Obat dan Makanan (BPOM-Indonesia) and Food and Drug Administration (FDA-USA), government regulations in terms of advertising, government regulations in industry competition, monitoring consumer complaints, or obtain and utilize feedback from consumers, 2) Responsibility for the environment, which is to protect and preserve the environment whether air, water or soil, and 3) Responsibility to society, that the company contributes positively to the community around the company. For example recruiting workers from the community around the company and others.

Customer purchase behavior

Customer purchase behavior is part of consumer behavior. Kotler & Keller (2008), which explains that consumer behavior, is the study of how individuals, groups, and organizations select, purchase, use and dispose of goods, services, ideas, or experiences to satisfy their needs and desires. Thus the customer purchase behavior studied the consumer
behavior in purchasing goods or services. According to Kotler & Keller (2008), the intention to purchase is before the purchase decision phase in the process of making purchasing decisions. Furthermore, the purchase decision is a step in the buyer's decision process in which consumers actually buy. Decision-making is an activity of individuals who are directly involved in obtaining and using the goods offered.

There are two factors that influence the purchase decision that will further define the response of consumers. First, from the consumers themselves who influence the decision-making that includes the need or motivation, perception, attitude and consumer characteristics include demographic, lifestyle and personality of consumers. The second factor is the environment influence consisting of cultural values, sub and cross-cultural influences, social class, face to face group, and other determining situations. Suryani (2008) in addition, in a study on consumer buying behavior, known as the theory of impulse buying, the "act of buying a previously unrecognized as a result of the consideration or purchase intent is formed before entering the store. Impulsive buying decision making is more influenced by the terms of affection or psychological conditions, such as emotions, feelings, or mood (Coley & Burgess, 2003). In this study, it is possible in the decision to purchase a fast food restaurant product, consumers are not influenced by any variable, but more by psychological conditions such as mood.

Kotler & Armstrong (2008) describe the purchase decision process as follow: 1) problem awareness, namely the consumer aware of the needs and the difference between the actual conditions with conditions expected, 2) information search, which is consumers'need to find more information actively, 3) alternatives evaluation, namely consumer studying and evaluating alternatives obtained through inquiries to get the best alternative option before making a decision to purchase, 4) the decision to buy, meaning that consumers make the decision to make a purchase that has been obtained from the evaluation of alternatives of the selected brand, and 5) post-purchase behavior, which is the state in which the consumer will experience some degree of satisfaction or dissatisfaction after purchase.

Customer loyalty

Consumer loyalty according to Griffin & Herres (2002), "Is defined as non-random purchase expressed over time by some decision-making the unit". Based on these definitions, it appears that the more loyalty the customers have, the more they want to purchase the same brand. The loyalty is a non-random response, for example, a return visit a few times which led to a commitment to the brand. Kotler & Keller (2008) describe the indicators of customer loyalty, namely repeat purchase (loyalty to the purchase of the product); retention (Resistance that would impact negatively on the company); referrals (refer in company’s total existence).

Griffin & Herres (2002) describes the characteristics of loyal customers, namely customers who re-purchase on a regular basis, make purchases of other product lines from your company, provide references to others, and not easily affected by competitor persuasion. While following several stages of customer loyalty by Hill & Alexander (1996), which is in line with Griffin & Herres (2002), namely: 1) repeat customers, customers who
make a purchase of a product as much as 2 times or more on the same product or different on two different occasions, 2) clients, customers who buy all the goods/services offered are needed on a regular basis. Relationship with customers has been strong and lasting that and does not affect them by the persuasion of any other product competitors, and 3) advocates, customers who purchase all goods/services they need on a regular basis. Customers do the marketing for the company to encourage their friends to buy goods/services by talking about the goods/services.

Conceptual framework

This study takes reference from previous studies, both in terms of framework models and connecting theories. The main reference is the research journal Abdeen, Rajah, & Gaur (2016) concerning consumers belief about Firm’s CSR Initiatives and purchase behavior. If the previous study tested one variable of beliefs CSR which is derived from Carroll’s four-dimensional CSR Pyramid (Carroll, 1991), economic, legal, ethical, and philanthropic beliefs and its influence on support intention and customer purchase behavior, this study examines two variables of philanthropic responsibility and ethical responsibility and its influence on customer purchase behavior and customer loyalty. Based on Shukla”s research (2009), it is found that purchase decision was influenced by brand loyalty. This study examines the effect of customer purchase decision to customer loyalty, so it is different from the study done by Sukhla (2009) that examined the effect of purchase decision on brand loyalty.

Meanwhile, according to Arli, Rundle-Thiele, & Lasmono (2015) which is a controversial product for both smoking and fast food, both are equally bad for health. Research conducted by Arli, Rundle-Thiele, & Lasmono (2015) explored the impact of the cigarette company’s CSR on public acceptance among smokers and non-smokers, which resulted in a consumers' evaluation of the cigarette company in Indonesia. The study presents evidence that cigarette companies that have CSR activities affect the respondent positively. In other words, even though cigarette is a product that is harmful to health, but with CSR, influence positively to respondent's acceptance of cigarette products.

To strengthen the theory of the effect of CSR on consumer behavior, this research may also references several other studies (He et al., 2016; Schröder & McEachern, 2005; Green & Peloza, 2011). Results of research journals revealed that there is influence between company’s CSR to the consumer. CSR activities regarding the company formed a certain perception among consumers and emotionally, can influence consumer behavior.

In research model, consolidated from the literature on CSR companies that can influence consumer behavior, which is linked to philanthropy responsibility; ethically responsibility; customer purchase behavior; and customer loyalty (see the conceptual framework). This study investigated: first, the influence of philanthropic responsibility towards customer purchase behavior; secondly, the influence of ethical responsibility customer towards purchase behavior; third, the effect of customer purchase behavior on customer loyalty; fourth, the influence of philanthropic responsibility on customer loyalty; fifth, the effect of ethical responsibility towards customer loyalty. This study argues, CSR evoke the emotional perception of the company’s customers, as well as leading them to connect the brand perception that they intend to buy. In turn, CSR also able to create customer loyalty
through customer action who make repetitive purchases for products perceived to have a social responsibility. The conceptual framework outlined in the following figure:

![Figure 1: Conceptual Framework](image)

**Source:** Abdeen, Rajah, & Gaur (2016), Shukla (2009)

### Development of Hypotheses

Referring to the framework, the following is the research hypothesis.

**Philanthropic responsibility and customer purchase behavior**

Kotler & Lee (2005) revealed that using CSR as a marketing concept is the opportunity for companies to increase their reputation or image, increase brand awareness, increase sales, and increase customer loyalty. Philanthropic Responsibility is one CSR strategies that can support marketing concept. On the other hand, a research conducted by Green & Peloza History (2011) indicates that CSR emotional, social, and functional values to consumers. Philanthropic activities contributed emotional value for the customer. Bhattacharya & Sen (2003) found that the impact will be positive for the company, increasing consumer willingness to buy (Brown & Dacin, 1997), positive word-of-mouth (Kotler & Keller, 2008), and consumers’ willingness to pay more (Laroche, Bergeron, & Forleo, 2001). Thus, companies actually are under pressure to perform charitable activities, donations and activities to address social problems (Mohr, Webb, & Harris, 2001).

A previous study conducted by Abdeen, Rajah, & Gaur (2016), reveals that there is a positive influence between philanthropic beliefs with purchase behavior. The results of these studies supported Bhattacharya & Sen (2003) research regarding the concept of consumer-company identification theory. They say that consumers are actively and selectively identify itself with companies that meet one or more needs of themselves in accordance with their self-definition. In other words, consumers are looking for conformity with what is done by the company. Consumers who share the same values as the company will give a positive evaluation for the company. Results from these studies show that a positive evaluation will further motivate consumers to purchase products from the company. Based on the theory and previous research, this hypothesis is obtained:

**H1:** There is a positive impact philanthropic responsibility on customer purchase behavior.

**Ethically responsibility and customer purchase behavior**

In the study conducted by Arli, Rundle-Thiele, & Lasmono (2015), reveals the fact that the tobacco companies that practice ethical behavior in doing business impacted positively on consumer evaluations (smokers) of the company. This study supports Creyer (1997) theory,
which states that consumers expect companies to behave ethically. Consumers will consider the ethical behavior as a reference in buying the company’s products. Studies conducted by Mohr, Webb, & Harris (2001), suggests that consumers provide rewards to companies that behave well and punishment for companies that do not behave ethically. The reward will have an impact on increasing sales while punishment may encourage consumers to boycott products. (Arli, Rundle-Thiele, & Lasmono, 2015), explains that the behavior exhibited by the company reflects the ideal characteristics which became the standard for the consumer to itself.

While Abdeen, Rajah, & Gaur (2016) research stated that the ethical aspects of a product produced by the company have a significant impact on consumers. These investigations showed that consumers can be persuaded to change purchasing behavior through effective presentation of information on relevant and appropriate ethics by the company. In other words, ethical belief has a direct influence on purchase behavior. Referring to the theory and previous research, the hypothesis was obtained as follows:

H2: There is a positive impact ethical responsibility on customer purchase behavior.

Purchase behavior and customer loyalty

On the other hand, there is the possibility of rejection of this hypothesis related to the research findings conducted by Schröder & McEachern (2005) that most fast food restaurants consumers buy products because of impulsive buying or routine, not associated with any involvement beyond that. Impulse buying theory according to Carroll et al. (2012) is the act of buying a previously unrecognized conscious as a result of the consideration or purchase intent that is formed before entering the store. Making a decision in Impulsive buying is more influenced by the terms of affection or psychological conditions, such as emotions, feelings, or mood (Coley & Burgess, 2003). This theory is supported by the results of research conducted by Darma & Japariantno (2014), which states that there is a significant influence of positive emotion on impulse buying. In relation to the consumer’s decision to purchase the fast food restaurants product, consumers are not driven by ethical responsibility which has been organized by the restaurant, but because of psychological conditions such as mood.

Furthermore, Schröder & McEachern (2005) explains most purchases made by impulse decision-making, encourage consumers to be more likely to be tempted to consume excessively at the time of purchase. These factors may explain why in the end consumers do not really believe in marketing communications made by the company for consumers to reflect on themselves. This kind of behavior is unusual, especially in relation to the purchase action that is based on ethical considerations. As previously described, customer purchase behavior is part of consumer behavior. According to Solomon (2000), consumer behavior is the study which includes the process by which an individual or group buying, using or set of products, services, ideas or experience to meet their needs and desires.

In relation to customer loyalty, the research conducted by Donio, Massari, & Passiante (2006), consumer loyalty connects with what consumer do in the context of buying. Dick & Basu (1994) viewed customer loyalty as strength between the relative attitude of the individual against an entity (brand, services, stores, or vendors) and recurring patterns, an example of the purchase behavior in the past. Kotler & Lee (2005) simplifies the consumer
loyalty becomes a person's decision to choose products repeatedly. Consumer loyalty is the consumer's commitment to repurchase or subscribe to a product or service consistently in the future. This commitment led to the purchase of the brand or brands of the same set over and over again, even though there are situational influences and marketing efforts that could potentially cause the brand switch (Wallop, 2016).

Based on research conducted by Shukla (2009), there is positive influence between loyalty and purchase decision. When consumers buy products where they are not loyal to the product, they will buy a different brand on their next purchase. When consumers buy products that are not loyal to them, they will buy a different brand of the product. However, loyal consumers tend to buy the same brands that they felt a strong bond with as long as this bond is not affected by other diversion factors (Dick & Basu, 1994). Based on the theory and previous research, this hypothesis is obtained:

H3: There is a positive impact purchase behavior on customer loyalty.

RESEARCH METHOD

This study uses a hypothesis test to explain the nature of a relationship or a certain influence, see certain differences in some groups or independence of two or more factors in a situation (Hermawan & Kristaung, 2013). While based on the process, this study uses a quantitative approach that is objective and includes data collection activity and analysis, through statistical tests. Collecting data using survey method with cross-sectional data, that observe and collect data at a specific time period.

According to Neuman (2011), a population is a large group in which the researchers took a sample and the sample results have been generalized. The population of this research is the fast food restaurant customers in Jakarta, which restricted to four restaurants, the Kentucky Fried Chicken (KFC), McDonald's, Pizza Hut, and Hoka-Hoka Bento. These four restaurants are drawn based on top of mind brand awareness and brand preference in Indonesia for the category fast food restaurant (Anna, 2015). While selected respondents have at least consume products of the four restaurants twice in the last six months. The data used are primary data and secondary data. Primary data were obtained from fast food restaurants consumers using a questionnaire, which is a list of written questions that have been formulated in advance and will be answered by the respondent, usually within clearly defined alternatives (Sekaran & Bougie, 2016). For demographic data section, filled directly by the respondent. While secondary data obtained through interviews with respondents, collecting documentation, desktop research, and literature.

A total of 200 questionnaires distributed, however data that can be processed are 186 in total. The form of the questionnaire was structured questions with closed questions that require respondents to choose from a bunch of responses already provided or predetermined (Hair et al., 2009). In the questionnaire, the answers are available in four levels based on the Likert scale, ranging from 1 (strongly disagree), 2 (disagree), 3 (disagree) to 4 (strongly agree). According to Garland (1991), the intended use of 4 Likert scales in this research is to eliminate the bias of respondents in answering research questions so that the interviewer is easier to get a more definitive answer and specifics of the respondents. This is evidenced by several
previous studies, which showed that the removal of the median value (mid-point) of five categories of the Likert scale makes it possible to give a positive answer to the questionnaire. The sampling technique in this study using non-probability sampling or non-probability sampling. Non-probability sampling techniques specified in this research is purposive sampling or aim sampling of taking subjects based on specific objectives.

Before doing the hypothesis testing, the instruments must have the validity and reliability testing.

Table 1
Tests Validity and Reliability Research Variables

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Loading Factor</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fast food restaurants engaging in social activities by donating money to charity or organize social programs.</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Contribution to charity or the implementation of social programs carried out by fast food restaurant is a program that brings kindness.</td>
<td>0.71</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>The donation to charity or the implementation of social programs conducted by fast food restaurants can provide a solution to the social problem.</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Donations to charities or social activities conducted by fast food restaurants, increased fast food restaurants reputation.</td>
<td></td>
<td>0.73</td>
</tr>
<tr>
<td>5.</td>
<td>Social programs or charitable activities performed by fast food restaurants can influence consumers to buy products from the fast food restaurants.</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>The products produced by fast food restaurants derived from raw materials that are safe for consumption.</td>
<td>0.77</td>
<td></td>
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<tr>
<td>7.</td>
<td>Fast food restaurants have standardized the process of cooking good food, clean, and safe for consumers in accordance with government regulations.</td>
<td>0.69</td>
<td></td>
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<tr>
<td>8.</td>
<td>Fast food restaurants providing quality food and fresh food for consumers.</td>
<td>0.74</td>
<td></td>
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<tr>
<td>9.</td>
<td>Fast food restaurants have a halal certificate from the competent institutions</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Fast food restaurants inform customers of their product’s safety</td>
<td>0.69</td>
<td>0.85</td>
</tr>
<tr>
<td>11.</td>
<td>Fast food restaurants do not force their will when selling their products.</td>
<td>0.48</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Fast food restaurants promote their products correctly, honestly, and responsibly.</td>
<td>0.71</td>
<td></td>
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<tr>
<td>13.</td>
<td>The presence of fast food restaurants has a positive impact for the people around the restaurant’s area.</td>
<td>0.58</td>
<td></td>
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<tr>
<td>14.</td>
<td>Fast food restaurants keep the environment clean and do</td>
<td>0.68</td>
<td></td>
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<tr>
<td>No.</td>
<td>Indicator</td>
<td>Loading Factor</td>
<td>Cronbach Alpha</td>
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<tr>
<td>15</td>
<td>Ethical responsibilities performed by fast food restaurants, influence consumers to buy products from the fast food restaurants.</td>
<td>0.53</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Consumers want products from fast food restaurants conducting CSR.</td>
<td>0.61</td>
<td>0.81</td>
</tr>
<tr>
<td>17</td>
<td>Consumers are looking for as much information about the fast food restaurants conducting CSR.</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Consumers are influenced by the community to buy products from fast food restaurants conducting CSR.</td>
<td>0.71</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Consumers prefer to buy products from fast food restaurants doing CSR among other fast food restaurants.</td>
<td>0.79</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Consumers first decided to buy the product at fast food restaurants because the restaurants conduct CSR.</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Consumers are satisfied with buying products from fast food restaurants who conducts CSR</td>
<td>0.67</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Consumers making purchases over and over in fast food restaurants because restaurants conduct CSR activities.</td>
<td>0.79</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Consumers are willing to purchase products outside fast food restaurants their subscription if another restaurant that has better CSR activities.</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Consumers are not affected by the negative issues regarding fast food restaurants of their choice because the restaurant is doing CSR.</td>
<td>0.60</td>
<td>0.73</td>
</tr>
<tr>
<td>25</td>
<td>Consumers provide references to other people to buy the product at fast food restaurants doing CSR.</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Consumers are not easily affected by fast food restaurants competitor persuasion subscribed by consumers because the restaurant is doing CSR.</td>
<td>0.59</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed

Hair et al. (2009) argues that coefficient reliability is measured by using Cronbach’s Alpha for each variable. The variable is considered reliable if the alpha value is between 0.6 and 0.7. Measurements revealed inconsistent or unreliable if the alpha value below 0.6.

According to the table 1, Cronbach’s Alpha coefficient for the overall variable Responsibility Philanthropy with 5 item in question amounted to 0.73 > 0.60, means that Cronbach’s Alpha is acceptable or the construct is reliable. Next, based on table 1, Cronbach’s Alpha coefficient for Ethical Responsibility Variable overall with 10 items of questions for 0.85 > 0.60, which means Cronbach’s Alpha acceptable or construct reliable. Finally, based on table 1, Cronbach’s Alpha coefficient for variable overall Customer Purchase Behavior with 6 item in
question amounted to 0.81 > 0.60, means that Cronbach’s Alpha is acceptable or the construct is reliable.

Research instrument is valid if the loading factor of each instrument is more than 0.40 with sample of 186. (Hair et al., 2009). Based on Table 1, it can be concluded that all the instrument of philanthropy responsibility variable are valid because the loading factor is more than 0.40. According to on Table 1. It can be concluded that all the instrument of Ethical Responsibility variable are valid because the loading factor is more than 0.40. From table 1, it can be concluded that all the instrument of Customer Purchase Behavior variable are valid because the loading factor is more than 0.40.

RESULTS AND DISCUSSION

Analysis of the SEM result that is made to answer the Hypothesis 1 to 3 are conducted through two stages, goodness of fit model testing was conducted to test whether the resulting model can reflect the actual conditions. The results of the use of several indicators of goodness of fit criteria can be seen in the following table:

<table>
<thead>
<tr>
<th>Goodness of fit index</th>
<th>Criteria (cut-off value)</th>
<th>Indicator Value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square ($X^2$)</td>
<td>≤ 5</td>
<td>571.50</td>
<td>Poor of fit</td>
</tr>
<tr>
<td>Probability</td>
<td>&gt; 0.05</td>
<td>0.00</td>
<td>Poor of fit</td>
</tr>
<tr>
<td>RMR</td>
<td>&lt; 0.08</td>
<td>0.03</td>
<td>Goodness of Fit</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt;0.90</td>
<td>0.81</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>&gt;0.90</td>
<td>0.70</td>
<td>Marginal</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt;0.90</td>
<td>0.83</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt; 0.08</td>
<td>0.07</td>
<td>Goodness of Fit</td>
</tr>
</tbody>
</table>

Source: Data processed

From the results of the above table it can be concluded that with the approach of RMR, GFI, CFI and RMSEA used to conclude the model fit, so the hypothesis theory continued.

To test this hypothesis, the basis for decision-making is if Critical Ratio Statistics> 1.96 = Ho rejected; If Critical Ratio Statistics <1.96 = Ho is accepted; or if Prob. CR ≤α = 0.05 Ho rejected; If prob. CR> 0.05 α = Ho accepted

<table>
<thead>
<tr>
<th>Hypothesis Testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis</td>
</tr>
<tr>
<td>H1: There is positive impact of philanthropy responsibility towards customer purchase behavior</td>
</tr>
<tr>
<td>Hypothesis</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>H2: There is positive impact of <em>ethical responsibility</em> towards <em>customer purchase behavior</em></td>
</tr>
<tr>
<td>H3: There is positive impact of <em>customer purchase behavior</em> towards <em>customer loyalty</em></td>
</tr>
</tbody>
</table>

*Source: Data processed*

The first hypothesis aims to examine the effect of philanthropic responsibility to customer purchase behavior. There is positive impact of philanthropy responsibility towards customer purchase behavior. Table 3 shows that the philanthropic responsibility coefficient value of 1.65 with CR Stat 2.74 > t-table 1.96 with Prob. 0.01 < α of 0.06 means Ho rejected, Ha accepted. Ha received means that there is a positive and significant impact of philanthropic responsibility towards customer purchase behavior. The resulting positive influence of philanthropic responsibility means customer purchase behavior will increase. Based on the results of the statistic test, it is known that the coefficient of philanthropic responsibility amounted to 0.87 means that the higher the philanthropic responsibility, the higher the perception of customer purchases behavior. Results in accordance with the statistical hypothesis testing where there is positive philanthropic responsibility towards customer purchase behavior. Therefore, testing the significance of the beta coefficient, the test results show the p-value 0.01 < 0.05 (5% alpha), and the null hypothesis is rejected and it was concluded statistically significant at 95% confidence level there is positive impact of philanthropic responsibility towards customer purchase behavior.

The second hypothesis aims to examine the influence of ethical responsibility customer purchase behavior. There is positive and significant impact of ethical responsibility towards customer purchase behavior. Table 3 shows that the coefficient of ethical responsibility CR Stat -0.80 to -0.59 < t-table 1.96 with Prob. 0.55 > α of 0.06 means Ha rejected, Ho accepted. Ho is accepted, it means there is a significant and positive influence of ethical responsibility towards customer purchase behavior. Based on the statistic test result it is known that the ethical responsibility coefficient amounted to -0.12 means that the higher the perception of ethical responsibility, the lower the perception of customer purchase behavior. The results were not statistically correspondent to the hypothesis in which there is positive ethical responsibility of the customer purchase behavior. Therefore, it is not testing the significance of beta coefficients and instantly receives the null hypothesis and concludes statistically no effect between ethical responsibilities with customer purchase behavior.

The third hypothesis aims to examine the effect of customer purchase behavior on customer loyalty. There is positive and significant impact of customer purchase behavior towards customer loyalty. Table 3 shows that the coefficient of customer purchase behavior is 1.38 to 6.43 with CR Stat> t-table 1.96 with Prob. 0,000 <α of 0.06 means Ho rejected, Ha accepted. Ha is accepted, it means that there is a positive and significant impact on the customer purchase behavior towards customer loyalty. The resulting positive influence of increasing customer purchase behavior means customer loyalty will be higher. Based on the statistical test result it is known that the coefficient of customer purchase behavior of 0.93
means that the higher the perception of customer purchase behavior the higher the perception of customer loyalty. The statistical results according to the hypothesis there is positive influence between customer purchase behaviors on customer loyalty. Therefore, testing the significance of the beta coefficient, the test results show the p-value of 0.00 <0.05 (5% alpha), the null hypothesis is rejected and it was concluded statistical confidence level of 95% a positive influence of customer purchase behavior on customer loyalty.

The previous study conducted by Abdeen, Rajah, & Gaur (2016) reveals that there is a positive influence between philanthropic beliefs with purchase behavior. The results of these studies are supported by the research of Bhattacharya & Sen (2003) regarding the concept of consumer-company identification theory. The researchers say that consumers are actively and selectively identify itself with companies that meet one or more of the needs of themselves in accordance with their self-definition. In other words, consumers are looking to conform which is done by the company. Consumers who share the same values as the company will give a positive evaluation for the company. Results from these studies show that a positive evaluation will further motivate consumers to purchase products from the company.

Green & Peloza (2011), also said that CSR provides emotional, social, and functional values to consumers. Philanthropic activities contributed emotional value for the customer. Bhattacharya & Sen (2003), found that the impact will be positive for the company. Some theories suggest CSR increase consumer’s willingness to buy more and positive word-of-mouth (Brown & Dacin, 1997), the willingness of consumers to pay more (Laroche, Bergeron, & Forleo, 2001), as well as increase brand recognition and increase sales (Kotler & Lee, 2005). This study supports previous studies. The results of this study indicate that there is a positive and significant impact of philanthropy responsibility towards customer purchase behavior. Respondents said it will buy the product from fast food restaurants that do well for others, for example, routinely and continuously set aside part of their income to help children who are less able or help the people who are hit by a disaster. According to respondents, by buying certain products from fast food restaurants who do philanthropy, the respondents felt they have participated in social activities. Fast food restaurants action is in line with their view that human beings have to help each other.

For the influence of ethical responsibility towards customer purchase behavior, the study conducted by Mohr, Webb, & Harris (2001), shows that consumers give rewards to companies behaving well and punishment for companies does not behave ethically. The reward will have an impact on increasing sales while punishment may encourage consumers to boycott products. Arli, Rundle-Thiele, & Lasmono (2015), reveals the fact that companies that practice ethical behavior in the business impact of positive consumer evaluation of the company. This study supports the theory Creyer (1997), which consumers expect companies to behave ethically in order to become a reference in buying the company's products. Arli, Rundle-Thiele, & Lasmono (2015), explains that the company's behavior reflects the characteristics of an idea that became the standard for the consumer to itself. While research Abdeen, Rajah, & Gaur (2016) stated that the ethical aspects of companies have a significant impact on consumers. These investigations showed that consumers can be persuaded to change purchasing behavior through effective presentation of information on relevant and
appropriate ethics by the company. In other words, ethical belief has a direct influence on purchase behavior.

Contrary to previous studies, the results of this study showed there is no effect on organizational ethical responsibility towards buying behavior. The results of this study and the findings rejecting the theory. This means that organizations that meet company objectives by conducting an ethical obligation not result in a purchase of their consumers. Thus, compliance with ethical obligations does not increase consumer identification with the organization. The results of this study also do not support the theory of Madura (2007), which explains that in relation to the responsibility, a company has a social responsibility as a corporate knowledge about how business decisions can affect society.

Related to the rejection of this hypothesis, it is explained that the ethical responsibilities undertaken by Fast Food Restaurants have nothing to do with the intention to buy fast food products. In other words, ethical responsibility conducted by fast food restaurants do not provide any benefit because basically, the respondents were already aware that the food of fast food restaurants was not good for health. So as well as any attempt from fast food restaurants to be ethically responsible in their business, including food safety campaign for its products, it will never obscure the fact that the food in fast food restaurants is not healthy. As to why respondents keep eating because the respondents indeed want it and not because of restaurant’s ethical responsibility.

Research results reject hypothesis, and it is supported by the findings of research conducted by Schröder & McEachern (2005), that fast food restaurants consumers buy products because of impulse or routine, not associated with any involvement beyond that. Further Schröder & McEachern (2005) explains, most purchases made for impulse decision-making, encourage consumers to be more likely to be tempted to consume excessively at the time of purchase. These factors may explain why in the end consumers do not really believe in marketing communications made by the company for consumers to reflect on themselves. Attitude-this kind of behavior is unusual, especially in relation to the purchase action that is based on ethical considerations.

The results of the research, interviews, as well as the findings of this Schröder & McEachern (2005) reinforces the theory of impulse buying, the "act of buying a previously unrecognized conscious as a result of the consideration or purchase intent is formed before entering the store“ (Carroll et al., 2012). Impulsive buying decision making is more influenced by the terms of affection or psychological conditions, such as emotions, feelings, or mood (Coley & Burgess, 2003). This theory is supported by the results of research conducted Darma & Japarianto (2014), which states that there is a significant influence of positive emotion on impulsive buying. In connection with these results, the consumer’s decision to purchase the product from fast food restaurants is not driven by ethical responsibility which has been organized by the restaurant, but more because of the condition of psychological or emotional factors such as desire or mood because they have actually realized, in terms of ethical responsibility, fast food itself is already a product that is not healthy and not in accordance with the ethical responsibility.

The research conducted by Donio, Massari, & Passiante (2006) explains that customer loyalty effects consumer buying. While Dick & Basu (1994) view customer loyalty as the
strength of the relationship between a relative attitude of the individual towards an entity (brand, services, stores, or vendors) and recurring patterns, i.e., the purchase behavior in the past. Kotler & Keller (2008) simplify customer loyalty into a person's decision to choose products repeatedly. In other words, customer loyalty is consumer's commitment to repurchase consistently in the future even though there is the influence of situational or marketing efforts that could potentially cause the behavioral brand switch (Warner, 2016). Griffin & Herres (2002) discuss the loyalty and the buying cycle by representing loop repurchases (re-purchasing). He describes this process as the most important attitudes to loyalty with reasoned that loyalty would not exist without the patronage of repetition.

Based on research conducted by Shukla (2009), there is positive influence found between loyalties with purchase decision. When consumers buy products where they are not loyal to the product, they will buy a different brand on their next purchase. When consumers buy products where they are not faithful, they will buy a different brand of the product. However, loyal consumers tend to buy the same brands that they felt a strong bond with and during this bond are not affected by factors and another diversion (Dick & Basu, 1994). This study supports previous studies. The results of the purchase behavior and customer loyalty variable testing, it was found that there is a positive and significant effect of customer purchase behavior on customer loyalty. These results were confirmed by researchers' interviews with respondents. According to respondents, the products presented by fast food restaurants affect the level of loyalty as consumers. For example, organic rice KFC is a product with added value due to the respondent, rather than ordinary rice. Once the respondent first learned that the rice eaten by respondent in KFC is organic rice, respondent decided to become loyal consumers of KFC.

**CONCLUSION**

The result of the research shows that philanthropic responsibility positively influence the customer purchase behavior, and the customer purchase behavior positively influence customer loyalty, however ethical responsibility does not influence the customer purchase behavior.

**IMPLICATION**

Philanthropy responsibility variable on a social program or charitable activities performed by fast food restaurants can influence consumers to buy products from the fast food restaurants smallest value compared to other indicators. Strategies that can be done to improve these indicators are doing caused related marketing program that invites consumers to contribute in social activities through the purchase of certain products. Companies must have charity programs for fast food restaurants, and provide sales for food.

Ethical responsibility variable in fast food restaurants providing food quality and fresh for consumers is the smallest value compared to the nine other indicators. In order for this indicator to rise, fast food restaurants can conduct building brand image to build a positive image to consumers that fast food restaurant provides fresh and quality food. In addition, in
terms of product elements of the marketing concept needs to be improved by adding healthier menu options. For example, multiply the menu of vegetables and fruits, both of which are presented to consumers dine in, delivery, or take away. These products are communicated intensively through an integrated marketing communications.

Customer purchase behavior variables indicator on consumers first decided to buy the product at fast food restaurants for restaurants that do CSR is the fifth smallest value compared to other indicators. To improve these indicators, fast food restaurants can conduct caused-promotions associated with consumer health issues. For example, invites consumers to exercise through running competition and support the community for the success of this program.

Customer loyalty variable in consumer’s indication making purchases over and over in fast food restaurants for restaurants that do CSR activities is the fourth smallest value compared to other indicators. Strategies that can be done to improve these indicators is to Customer Relationship Management (CRM) to create a loyalty program for consumers. Such as providing reward points to customers for each specific purchase. If the points have reached a certain amount, customers get a free membership at a fitness club for a year. The program is communicated to the public through advertisements in mass media, corporate website, as well as notification in any stores or restaurants. Companies are also encouraged to collect and create a database of consumers. Thus it would be easier for companies to interact directly with consumers. Direct interaction will enhance positive emotional side of consumers that is expected to increase customer loyalty and enable the company to conduct marketing communications to consumers.

LIMITATIONS AND SUGGESTIONS

This study has limitations that can be developed in future research. First, the study only examined philanthropic responsibility variable and ethical responsibility variable in the dimensions of Carroll’s Pyramid of CSR. Secondly, the influence of philanthropic responsibility and ethical responsibility only analyzed the consumer behavior of customer purchase behavior and customer loyalty. Third, the object of this study is limited to 4 fast food restaurant’s CSR by top of mind brand awareness and brand preference in Indonesia, which are Kentucky Fried Chicken (KFC) Indonesia, McDonald’s Indonesia, Pizza Hut Indonesia, and Hoka-Hoka Bento (Warner, 2016). CSR disclosed was limited to being communicated by the company to the public and is linked to the consumer. Fourth, the study was conducted on a population of employees in Jakarta who are fast food restaurants consumers and amounted to 186, so the results cannot be generalized and limited to the sample studied. For future research, it is suggested that adding the number of respondents with a wider population scale (ie wider region of Jakarta) in order to explore deeper research. Researchers also recommended testing all dimensions contained in the theory of Carroll’s Pyramid. Lastly, further research is recommended to conduct comparative research, such as comparing fast food restaurant with traditional restaurants.
The Impacts Of Philanthropy Responsibility and Ethical Responsibility Toward Customer Purchase Behavior and Customer Loyalty

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