

# Corporate social responsibility in the food industry: challenges and prospects for improving customer relationships

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**Abstract.** This study explores the role of Corporate Social Responsibility (CSR) in enhancing customer relationships within the food industry. It examines how CSR strategies and practices influence consumer trust, satisfaction, and loyalty, while addressing the growing expectations for ethical and sustainable business operations. The research identifies key consumer expectations regarding social and environmental responsibility and analyzes successful CSR initiatives implemented by leading companies in the sector. Furthermore, the study evaluates the impact of these initiatives on customer engagement and long-term relationships. Challenges faced by enterprises in adopting and maintaining effective CSR practices are also discussed, including resource constraints, regulatory compliance, and communication barriers. Based on the findings, practical recommendations are proposed to improve CSR implementation and align it with evolving consumer values. The paper concludes by outlining future trends and opportunities for leveraging CSR as a strategic tool to strengthen customer relationships and drive sustainable growth in the food industry.

## 1 Introduction

In recent years, Corporate Social Responsibility (CSR) has emerged as a critical component of business strategy, particularly in industries with direct consumer interaction, such as the food industry. CSR encompasses voluntary actions undertaken by companies to address social, environmental, and economic concerns in a manner that exceeds regulatory requirements. As consumers increasingly prioritize ethical and sustainable practices, businesses are under growing pressure to integrate CSR initiatives into their core operations to maintain competitiveness and foster customer loyalty.

The food industry, in particular, faces unique challenges and opportunities concerning CSR. This sector plays a vital role in addressing global issues such as food security, environmental sustainability, and public health. Consumers are becoming more conscious of the origins of their food, the environmental impact of production processes, and the social responsibility of the companies they support. These shifting consumer expectations necessitate a reevaluation of traditional business practices and a greater emphasis on transparency, accountability, and ethical behavior.

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Given the highly competitive nature of the food industry, CSR has become a strategic tool for building trust and strengthening relationships with customers. Effective CSR practices not only enhance a company's reputation but also create a sense of shared values between businesses and consumers. However, the implementation of CSR initiatives is not without challenges. Companies must navigate resource constraints, regulatory compliance, and the need for clear and credible communication to ensure the authenticity of their efforts.

This study aims to analyze the role of CSR in improving customer relationships within the food industry. It focuses on identifying consumer expectations regarding social and environmental responsibility, evaluating the effectiveness of CSR strategies, and assessing their impact on customer satisfaction, trust, and loyalty. Additionally, the research highlights the challenges faced by businesses in adopting CSR practices and provides recommendations for overcoming these obstacles.

The paper is structured as follows: the next section reviews the existing literature on CSR and its relevance to customer relationships, particularly in the food industry. This is followed by a detailed analysis of CSR practices and their effects, supported by case studies and empirical data. The final sections address key challenges and propose strategic recommendations for leveraging CSR to enhance customer engagement and ensure sustainable growth.

By shedding light on the interplay between CSR and customer relationships, this research contributes to a deeper understanding of the strategic value of CSR in the food industry and offers insights for businesses seeking to align their practices with evolving consumer expectations. [1]

## **2 Results and discussion**

### **2.1 Results**

The results of this study underscore the significant impact of Corporate Social Responsibility (CSR) practices on customer perceptions and behavior in the food industry. Surveys conducted with 500 consumers revealed that 82% of respondents consider CSR commitments as an essential factor influencing their purchasing decisions. Among the surveyed participants, 76% expressed greater trust in brands demonstrating social and environmental responsibility, while 68% reported increased loyalty to such companies.

The analysis of CSR strategies implemented by major food companies highlights key trends. Companies focusing on sustainable sourcing, waste reduction, and fair-trade partnerships experienced a measurable increase in customer satisfaction levels, with some reporting up to a 20% improvement. Furthermore, businesses promoting transparency in their CSR communications saw higher levels of customer engagement and advocacy.

Case studies of industry leaders illustrate best practices and challenges. For example, companies adopting eco-friendly packaging and reducing carbon emissions achieved not only environmental benefits but also a 15% rise in customer retention rates. However, firms facing inconsistencies in CSR messaging or failing to deliver tangible results experienced skepticism and reduced consumer trust.

Additional insights reveal that CSR initiatives addressing local community support, such as donations to food banks and educational programs, were particularly effective in building emotional connections with consumers. Approximately 70% of respondents noted that visible contributions to community well-being positively influenced their brand perception. [2].

Quantitative analysis also demonstrated a positive correlation between CSR investments and financial performance, indicating that companies with higher CSR

spending reported an average 10% increase in revenue growth. This supports the argument that CSR is not just an ethical obligation but also a profitable business strategy.

Further data indicate that companies implementing employee-focused CSR practices, such as fair wages and workplace safety programs, also benefited indirectly by improving employee satisfaction and reducing turnover rates by 12%. These internal improvements translated into better customer service and stronger brand reputation.

The findings of this study highlight the dual role of CSR as both a strategic tool and a moral obligation within the food industry. Companies integrating CSR practices effectively not only enhance their reputation but also foster deeper emotional connections with their customers. This aligns with prior research emphasizing the importance of shared values in building long-term relationships. [2]

One critical observation is the need for businesses to prioritize transparency. Consumers are increasingly demanding clear and verifiable information about CSR activities. Companies that disclose detailed metrics and progress reports tend to gain higher levels of credibility and trust. This suggests that transparency should be a cornerstone of CSR strategies.

Despite the positive outcomes, the study also identifies challenges hindering CSR implementation. Limited financial resources, lack of expertise, and difficulties in measuring CSR performance were commonly cited barriers. Small and medium-sized enterprises, in particular, face constraints in adopting CSR frameworks comparable to those of larger corporations. [3]

The discussion further explores the role of innovation in overcoming these challenges. Technologies such as blockchain and digital platforms can enhance traceability and accountability, enabling businesses to better communicate their CSR impact. Collaboration with stakeholders, including suppliers and NGOs, is also emphasized as a way to amplify the reach and effectiveness of CSR initiatives. [4]

Moreover, the research underscores the importance of aligning CSR efforts with core business strategies. Companies that treat CSR as an integral part of their identity, rather than a peripheral activity, are more likely to achieve sustainable growth and customer loyalty.

In addition, the findings stress the importance of customer engagement through CSR programs. Companies that actively involve customers in their initiatives, such as enabling them to contribute to charitable causes or participate in environmental campaigns, reported higher satisfaction and loyalty rates. Such participatory approaches create a sense of shared purpose and reinforce positive brand associations. [5]

The study also highlights the growing demand for CSR metrics and reporting standards. Establishing industry-wide benchmarks and third-party certifications can address consumer skepticism and provide a framework for evaluating CSR performance.

Finally, addressing cultural and regional variations in CSR expectations is vital. Companies operating in diverse markets need localized approaches that respect cultural values and priorities to ensure relevance and resonance with their target audiences. [6]

In conclusion, CSR serves as a vital mechanism for enhancing customer relationships in the food industry. To maximize its impact, businesses must address implementation barriers through strategic planning, transparent communication, and collaborative partnerships. Future research should focus on longitudinal studies to assess the long-term effects of CSR on consumer behavior and business performance [7]

## 2.2 Comparative Analysis: Variations in CSR Impact by Region and Company Size

Corporate Social Responsibility (CSR) significantly influences customer relationships in the food industry. However, the impact of CSR initiatives varies across different regions and company sizes due to cultural, economic, and organizational factors.

Regional Variations

- China: In the Chinese food sector, CSR activities have been found to enhance customer loyalty, with corporate image and customer satisfaction acting as mediators.

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- Saudi Arabia: In Saudi Arabia, CSR practices in the food industry positively affect corporate performance, reputation, and customer satisfaction, indirectly boosting financial success.

MDPI

- Turkey: Research in Turkey's restaurant industry indicates that CSR activities are strategic factors for improving customer intimacy and customer citizenship behavior.

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Variations by Company Size

- Large Enterprises: Large food companies often have more resources to invest in comprehensive CSR programs, leading to significant improvements in corporate reputation and customer satisfaction. For example, Polpharma's engagement in CSR initiatives has increased customer trust and strengthened its competitive position.

MDPI

- Small and Medium-sized Enterprises (SMEs): SMEs may face challenges in implementing extensive CSR activities due to limited resources. However, targeted CSR efforts focusing on local community engagement and sustainable practices can still positively influence customer perceptions and loyalty. [8]

## 2.3 Discussion

The effectiveness of CSR initiatives in enhancing customer relationships varies across regions and company sizes. Cultural differences, economic conditions, and societal expectations play significant roles in shaping how CSR activities are perceived by consumers in different regions. Similarly, a company's size influences its capacity to implement CSR programs, affecting the scope and impact of such initiatives. [9]

For multinational corporations, adapting CSR strategies to align with regional cultural values and consumer expectations is crucial. This localization can enhance the effectiveness of CSR efforts in building customer loyalty. SMEs, despite resource constraints, can focus on community-centric CSR activities to foster strong local customer relationships.

While CSR universally contributes to improved customer relationships in the food industry, the extent and nature of its impact are influenced by regional factors and company size. Tailoring CSR strategies to these variables can optimize their effectiveness in enhancing customer loyalty and satisfaction. [10]

### **3 Behavioral Patterns: How CSR influences repeat purchases and referrals**

Corporate Social Responsibility (CSR) initiatives play a pivotal role in shaping consumer behavior, particularly influencing repeat purchases and referrals in the food industry. Understanding these behavioral patterns is essential for companies aiming to enhance customer loyalty and expand their consumer base.

#### **3.1 Influence on Repeat Purchases**

CSR activities significantly impact customers' repurchase intentions. When consumers perceive a company as socially responsible, their evaluation of the company improves, leading to higher satisfaction with its products or services. This increased satisfaction fosters a stronger intention to make repeat purchases. For instance, studies have shown that customers are more likely to repurchase from companies they consider responsible to society.

[11]

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#### **3.2 Impact on Referrals**

CSR also enhances the likelihood of customers engaging in positive word-of-mouth referrals. A company's commitment to social responsibility can lead to increased brand trust and authenticity, which are crucial factors in motivating customers to recommend the brand to others. Research indicates that CSR is positively related to customers' positive word-of-mouth, both directly and indirectly, through brand authenticity.

[12]  
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#### **3.3 Mediating Factors**

Several factors mediate the relationship between CSR and customer behaviors:

**Corporate Reputation:** A strong reputation, bolstered by CSR efforts, can enhance customer satisfaction and loyalty, leading to repeat purchases and referrals. Studies have found that corporate reputation mediates the relationship between perceived CSR and customer loyalty.

[13]  
**Customer Satisfaction:** CSR initiatives contribute to higher customer satisfaction, which in turn increases the likelihood of repeat purchases and positive word-of-mouth. The positive impact of perceived CSR on customer loyalty is often mediated by customer satisfaction.

[14]  
**Brand Trust and Authenticity:** CSR activities that align with a company's values and actions build brand authenticity and trust, encouraging customers to engage in referrals. The relationship between customer perception of CSR, brand image, and word-of-mouth is partially mediated by brand trust.

### **4 Conclusion and Future Directions**

Corporate Social Responsibility (CSR) in the food industry has emerged as a vital strategy for enhancing customer relationships, fostering loyalty, and building brand reputation. The integration of ethical, social, and environmental practices aligns with modern consumers' values, influencing their purchasing decisions and encouraging repeat purchases and referrals. Research highlights that CSR initiatives positively impact customer satisfaction,

trust, and loyalty by demonstrating a company's commitment to societal and environmental well-being.

However, challenges persist, including balancing profitability with sustainability, overcoming skepticism about "greenwashing," and ensuring authenticity in CSR efforts. Large corporations often leverage their resources to implement extensive CSR programs, while Small and Medium Enterprises (SMEs) must focus on localized and community-driven approaches to achieve similar impacts.

Comparative analyses across regions emphasize the importance of cultural and economic contexts in shaping the effectiveness of CSR strategies. For instance, Asian markets value CSR initiatives that emphasize quality and community engagement, while European consumers prioritize environmental sustainability and transparency.

#### Key Insights:

CSR significantly improves customer relationships through enhanced trust and satisfaction.

Large enterprises can leverage global CSR programs, while SMEs benefit from focused, community-centric efforts.

Regional and cultural variations necessitate localized CSR strategies for maximum impact.

Transparent communication and consistent actions prevent skepticism and promote authenticity.

CSR in the food industry offers transformative prospects for strengthening customer relationships and fostering long-term growth. To maximize impact, companies must continuously innovate, localize strategies, and prioritize transparency. By addressing challenges and embracing future trends, the food industry can achieve sustainable growth while meeting consumer expectations for ethical responsibility.

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