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Submission date: 20-Apr-2020 08:51PM (UTC+0800)

Submission ID: 1302564552

File name: harith_12345.docx (30.95K)

Word count: 5284

Character count: 30029

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES (CSR) ON CUSTOMER SATISFACTION TOWARDS HYPERMARKETS IN KUALA LUMPUR MALAYSIA

Abstract

This study aimed at identifying the effect of corporate social responsibility activities on customer satisfaction towards hypermarket. In this study, corporate social responsibility activities were investigated based on four dimensions including, community support, environmentally friendly, sell locally produced products, treating employees. The use of a survey was employed, in which questionnaires were distributed to the respondents, which were 384 customers of selected hypermarkets located within the area of kuala lumpur. An analysis of the collected data was performed using SmartPLS. Based on the result of the statistical analysis, corporate social responsibility activities (community support, environmentally friendly, sell locally produced products, treating employees) has a positive effect on customer satisfaction. A conclusion of the study was drawn and a number of recommendations were given based on the findings. One of the major conclusions of the study is that corporate social responsibility activities can only yield optimal performance and customer satisfaction if it is combined with knowledge, experiences and outstanding abilities in the use of community support, environmentally friendly, sell locally produced products, treating employees.

Keywords: corporate social responsibility activities, community support, environmentally friendly, sell locally produced products, treating employees and customer satisfaction.

1. Introduction

Hypermarkets become more and more popular among the Malaysian consumer to purchase their grocery. As the demand grows, more and more retailers are taking part into the competition to try to increase their market share as they see that there is still a lot of potential for their market expansion plan according to (Abu & Roslin, 2008). According to Heng et al. (2011), in recent decades the hypermarkets in Malaysia are growing in a very rapid pace as hypermarkets are becoming more and more popular around the world. According to Li and Green (2010) customer who is satisfied will be more frequent visiting the same hypermarket establishment and also will increase their purchase from the hypermarket of their choice which the customers are satisfied with, this will in return increase the sales and also revenue of the

hypermarket operator. Increase of sales and revenue is one of the main or even ultimate goals of every business including the hypermarket operators. As customer satisfaction is so important and effective way to increase the sales and revenue of the hypermarket operator, it is very important for the business operator to meet or even exceed the expectation and desires of the customers. As such almost every organization is eager to understand and identify the need of the customers and those organizations are ready to invest a lot in order to achieve that. The context of retail hypermarket, it is important for the operators to meet the customers' expectation as fulfilling it determines the level of customers' satisfaction and it will ultimately lead to the leading in competitive edge in the industry according to (Abu & Roslin, 2008). The competition in every business nowadays is so high including the hypermarket sector. Even the ultimate goal for every business is about the profitability of business, it is crucial for the business to pay attention to the feedback of the customer over their products and services that the business operators provide according to (Gomez, McLaughlin, & Wittink, 2004). Due to the increasing of living standard and individual purchasing power, hyper market is gaining popularity worldwide. Malaysia is not exempted from this trend as well. As a result, there is fierce competition in Malaysia in terms of hypermarket industry. According to Mui (2003), there are 22 hypermarkets in Malaysia in year 2002, and the amount of hyper market in Malaysia increased exponentially to a whopping 296 in year 2011 hypermarket outlet in Malaysia and the trend is going to be increasing according to (Hasliza et al., 2012). As such it is important for the hypermarket operator to understand the needs and wants of the customers in Malaysia as it will gain the customers satisfaction and be a leader in the and survived in the competitive business environment. According to Marketline (2016), the forecast of the average compound annual growth rate for the market value of the Malaysia grocery retail market and food sector from year 2015-2020 is at 4.9%. In order for the hypermarket operator to continue to expand their market share, it is important for them to identify the factors which impacting the customer satisfaction and use it as their competitive edge and to benefit from the market growth.

2 However, certain retail formats that compete with them—whether on price (discount shops), on location and services (hypermarkets), on opening hours (convenience stores), or in terms of range (large specialized stores)—are becoming stronger. As a result, although the number of hypermarkets has continued to grow, their market share has shrunk considerably. Opening new hypermarkets is no longer a sufficient strategy for growth, so the chains will have to develop new growth strategies. It seems reasonable to consider the inclusion of the management of

corporate social responsibility (CSR) in hypermarkets' overall strategy. This may be possible on the basis of the idea that efforts firms make to increase CSR will be repaid by consumers (Schramm-Klein, Morschett, & Swoboda, 2015). However, literature on the antecedents and outcomes of CSR that focuses on consumer behavior is still scarce, and thus little is known about the significance of CSR for these stakeholders, about their perceptions of it (Maignan & Ferrell, 2004) or about the influence that the dimensions of CSR have on customer satisfaction. It is true that some investigations have shown that CSR exerts a positive influence on certain variables related to consumer, such as attitudes to the firm and its brands (Brown & Dacin, 1997), the general evaluation of the firm (Kim, Ha, & Fong, 2014; Mohr & Webb, 2005), consumer–firm identification (Hildebrand, Sen, & Bhattacharya, 2011), or brand image and loyalty (Cotte & Trudel, 2009). However, in no case have the effects of CSR simultaneously in the context of a global model that may determine their influence on consumer satisfaction. It is therefore necessary to gain more in-depth knowledge of both the perceived dimensions of CSR and their possible relationships with the variables that influence consumer satisfaction to hypermarkets. The principal objective of this research is thus to determine the influence CSR activities (community support, environmental friendliness, sell locally produced products, treating employees) on customer satisfaction.

2. Literature Review

2.1 Customer Satisfaction:

Definition of customer satisfaction according to Westbrook and Reilly (1983), customer satisfaction can be regarded as the enthusiastic reaction of a person to the experience connected with the administration or item that they purchased, encountered given by the dealer or retail outlet. Customer satisfaction is among one of the most significant keys for management of the retail sector that result in outcomes such as customer loyalty, sales performance and customer retention (Darian et al., 2001). Hoq and Amin (2010) define that the customer satisfaction is the rational propensity of a customer towards the purchase of services and goods offered by a service provider or shop. Therefore, it is defined that customer satisfaction is the emotion of concern about the after purchasing experience of a service or products, and because of this customer driven component is critical to the business, the customer satisfaction which forms the very basic of business strategy. According to Kotler (2001), customer satisfaction is

defining as the feeling of the customer of enjoyment or liking as a result of them comparing their expectations towards the perceived performance of the customer towards the product.

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2.2 Corporate Social Responsibility Activities

Definition for corporate social responsibility is a tactic not only for fulfilling a company's moral obligation to the community, but also a way for the firm to align its interests with its stakeholders to decrease risks and safeguard the continuity of the company's business (de Freitas Brandão et al., 2017). Patrus et al. (2013) asserted that a socially responsible company creates organizational values and seeks to improve the social conditions of people affected by its actions. Likewise, retailers that participate in CSR activities can positively enhance the relationship between retailer and customer (Potdar, Guthrie & Gnoth, 2018). CSR has been studied from many different perspectives and in contexts such as the relationship between CSR and employees' perceptions (e.g. Azim, 2016; de Freitas Brandão et al., 2017), the positive influence of ownership concentration on CSR (Crisóstomo & Freire, 2015) and the relationship between consumers' CSR perception (Cruz, 2017).

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Furthermore, those researching CSR may be interested in any other outcomes associated with CSR activities. But CSR activities are also geared towards relationship-building activities (Clarkson, 1995). In highlighting the importance of a marketing approach to investing in CSR, Murray and Montanari (1986) stated that successful CSR (i.e., CSR that leads to positive outcomes for a firm) requires that CSR itself be viewed as something that the firm implicitly "offers" to its various publics. Corporate social responsibility activities in this study comprised of community support, environmentally friendly, local products and treating employees.

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2.2.1 Community Support

Community support definition of corporate social responsibility activities is a key moderating factor to consider when assessing customers reactions to a company's CSR information (Sen & Bhattacharya, 2001). The different domains of CSR activities are both diverse and many and when looking at the CSR-company evaluation relationship the customers CSR support is considered a moderator and CSR support is described as the customers' support of the CSR-domain in which the company is operating (Sen & Bhattacharya, 2001). A summary of the different domains is available by Socrates: The Corporate Social Ratings Monitor (Kinder, Lydenberg, Domini & Co. Inc. 1999), which is a database that summarizes companies CSR records and describes them accordingly. The five domains are: community support, diversity,

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employee support, environment and product (Sen & Bhattacharya, 2001, p.226).¹² A key priority for a socially responsible business is to develop and maintain strong a mutually beneficial relationships with its community it is at the local and community level that the impact of increased CSR activity will be felt in social economic or environmental terms using scarce resources efficiently, helping people to develop their potential and building self-reliant communities are all part of the benefits that will be seen when businesses embed CSR practices into their mainstream operations (Taylor, L. ;2016). consultation, participation and collaboration with local communities brings a host of benefits to the enterprise as well as to the community (Taylor, L. ;2016).

2.2.2 Environmentally Friendly

Environmentally friendly definition of corporate social responsibility activities⁴² is the products not harmful to the environment. This term¹⁹ most commonly refers to products that contribute and help conserve resources (Sruthiya, 2017). Business organizations are turning to CSR as its payback tool. Companies would actively seek to integrate environmental consideration into their operation and activities. These includes promoting the advantages of eco-friendly products (Jansson, 2010; Pickett-Baker, 2008; Ramayah, Lee, & Mohamad, 2010).⁶ developing environment friendly behaviour through workplace climate (Nik Ramli, 2007) and many more.⁶ These studies have then become the empirical foundation to the development of a holistic organizational perspective to environmental protection or corporate social responsibility Environmentally Friendly. have regarded corporate social responsibility Environmentally Friendly⁶ as: "...a concept about companies extra effort integrating environment concerns in their business operations and in their interaction with their stakeholders, It is viewed as the contribution that firms make to sustainable development by balancing and improving environment impacts without damaging economic performance" Rahman and Post (2012) have made a comprehensive effort to trace relevant empirical studies and have attempted to conceptualize corporate social responsibility Environmentally Friendly⁶ and eventually developed a reliable and valid measurement instrument. While concluding corporate social responsibility Environmentally Friendly⁶ as a multidimensional construct, especially its customers were not explored. An important justification for attempting to explore the environmental dimension of CSR lies in the fundamental idea around which the "green business organization" is built. An organization that truly embraced environmental protection and sustainability has to have a holistic and consistent strategic management approach (Velasquez-Manoff, 2009).

2.2.3 Sale locally Produced Products

Locally produced products definition of corporate social responsibility activities that is produced or grown in the local area that has a local identity (Nummedal & Hall, 2006). In the hypermarkets, there are various stalls that sell fresh food and chicken, fruit and vegetables, fish, traditional cakes and several other ready food items. Traditional markets were viewed as 'fresh food supermarkets', providing one stop shopping for a large variety of fresh foods (Goldman et al. 1999). Four basic issues related to fresh food attributes which can attract customer purchase decisions are quality, price, availability and reliability. Sloan et al. (1984) argued that the quality of goods upheld a degree of freshness. Freshness is often cited as one of the most influential variables impacting on the consumers' decision to purchase fresh food (Munoz 1998; Verbeke & Viane 1999) and vice versa.

2.2.4 Treating Employees

Treating employee's definition of corporate social responsibility activities through providing equal training opportunities for all employees is one of the main aspects of CSR to employees (P.; Yang, 2009 and McWilliams, 2002). that the higher level of CSR to employees leads to more involvement in creative work. CSR to employees describes the employee's self-evaluation and personal interpretations of the CSR activities performed in the organization (Brasileira, R.; Gestão, D.; Negócios, D.; Azim,,2016). This evaluation and perception shapes the employees' attitudinal and behavioral reactions in the workplace (Lee, S.-Y.; Seo,, 2017). CSR to employees means that the organization encourages the employees to participate in the voluntary activities by implementing different policies to develop their skills and careers. In such organizations, the top-level management pays high attention to the employees' needs and wants and tries to implement flexible policies to provide a good working condition and life balance for the employees (Turker, 2009 and Singhapakdi, 2015). Providing equal training opportunities for all employees is one of the main aspects of CSR to employees. Previous studies highlighted the importance of training programs for employees to generate creative and new ideas (Gist, M.E., 1989). These types of training programs enhance the employees' understanding of organizational activities and environment (Barrett, 2001).

2.3 Hypotheses Development and Research Framework

In the study, the ²⁵ aim of this study is to the influence corporate social responsibility activities on customer satisfaction ⁸ of hypermarkets in kuala lumpur. From the framework, four hypotheses are proposed for this study according to discuss literature.

⁸ Firms that are known as customer-centric tend to focus on satisfying customers as their major goal (Rashid, Abdeljawad, Ngalim, & Hassan, 2013). Thus, delivering better value to the customers to ensure customer's satisfaction would enable a firm to earn more profit. ⁸ The commitment towards quality, and innovation of the services, debtors, employees and society is an important aspect of customer-centric firms. McDonald and Lai (2010) suggested that a customer-centric initiative of CSR has a stronger effect on customer attitudes. ⁸ Also, show their commitment with society, and also as a means of meeting their economic responsibility by improving corporate reputation. ⁸ Clearly defined and implemented ethical values have become more of a requirement for businesses whose primary goals are to maintain good relationships with customers. ¹⁶ Based on this the following hypothesis is stated:

H1: Community Support has a significant influence on customer's satisfaction towards hypermarket

¹⁰ Local products have a significant effect on customer satisfaction there is the local foods refer to the health benefits which the consumer gains after consuming them. In the eyes of the consumer, functionality can be seen from both perspectives. Health claims for functional foods, or any health-based product, are a primary characteristic which becomes the problem-solver for utilitarian consumers (Laverack, 2013). ¹⁰ this indicates that the health benefits of the food are confirmed to be a priority when considering rebuying. The intensity of this cue is also supported by the findings of a study by Cranage, Conklin and Lambert (2004). Health conscious consumers make it a serious business to select which local healthy food that will fulfill their physical needs (Yoon & George, 2012). ¹⁶ My work Based on this the following hypothesis is stated:

H2: Sale locally Produced Products has a significant influence on customer's satisfaction towards hypermarket

¹⁷ The environmentally friendly products to be holistic business that adds value to the companies and they're and that it should be a basic part of the system (Polonsky, 1995). Business continuity and sustainability ¹⁷ depend on tackling environmental problems (Baker & Sinkula, 2005). Many corporations to produce environmentally friendly products as different, isolated and fragmented sets of activities such as recycling, reducing pollution and energy conservation (Baker & Sinkula, 2005). environmentally friendly product quality was positively linked to customer satisfaction (Chang & Fong, 2010). ¹⁸ It was concluded that environmentally friendly product marketing mix

has significant effect on consumer satisfaction. By considering the effect to environmentally friendly products marketing mix upon consumers' satisfaction and the effect of satisfaction upon their loyalty, it can be assumed that companies can create competitive advantage in their organization through taking steps in making environmentally friendly products marketing part of their overall marketing strategy (Chang & Fong, 2010). Therefore, it was important, to empirically examine the actual impact of environmentally friendly products marketing practices on customer satisfaction. this the following hypothesis is stated:

H3: Environmentally Friendly has a significant influence on customer's satisfaction towards hypermarket

The relationship between customer satisfaction and employee satisfaction is the one relationship that does not seem to yield good results. Studies suggest that employee and customer satisfaction are positively correlated (Spinelli and Canavos, 2000; Matzler and Renzl, 2007). As suggested by the service-profit chain, providing employees with a superior internal working environment will lead to satisfied employees who are both loyal to the organization and able to provide the customer with an excellent service experience, which will result in satisfied customers. Similarly, Vilares and Cohelo (2000) found that perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived product quality and on perceived service quality. According to their model, employee satisfaction not only affects employee commitment and employee loyalty, but also has a twofold impact (i.e., direct and indirect) on critical customer satisfaction and loyalty-related variables. this the following hypothesis is stated

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H4: Treating Employees has a significant influence on customer's satisfaction towards hypermarket

2.4 CONCEPTUAL FRAMEWORK

Generally, CSR is explained as "corporate engagement in socially responsible behaviours in response to societal demands, the desires of influential publics, and the ability of such activities to increase competitiveness. Corporate socially responsibility with the and expectations of society at a given point in time. CSR takes many forms corporate social responsibility activities (community support, environmental friendliness, sell locally produced products, treating employees). Regardless of their form, CSR efforts are generally intended to portray an image of

a company as responsive to the needs of the society it depends on for survival. Bhattacharya and Sen (2004) propose that consumers may respond more positively to CSR initiatives that have a direct impact on their experience with the firm. CSR program seem more attractive to consumers, leading to increased identification with the overall social position of the company (Ailawadi et al., 2014). These dimensions have become the major changes during the process when firms hope to devote to these activities effectively.

3. Methodology

In this study, the use of quantitative method was employed to achieve the study objectives. By means of the design, the study type, methods of data collection and method of data analysis are planned. Due to the fact that the study seeks to investigate the influence of CSR Activities (community support, Environmentally Friendly, sell locally produced products, treating employees) on customer satisfaction towards hypermarkets in Kuala Lumpur. As a result of the limitations associated with this study, a cross-sectional investigation was conducted. More so, this study is also a correlational study which aims at studying the correlation between the variables under study. The data for this study was collected using the survey method, and then analysed using SmartPLS. In this study a survey was carried out with the aim of investigating the conceptual model, research questions and related hypotheses. The survey was carried out among customers in shopping areas. For the collection of data, a questionnaire containing relevant questions was designed by the researcher. The aim of designing this questionnaire is to obtain relevant information that can provide more insight on the phenomenon under study. According to Sekaran, U., & Bougie, R. (2016) questionnaire has some advantages which include, low cost and time required to reach out to a larger number of individuals. According to this scholar, the use of questionnaire is easier than the collection of qualitative data by means of interview, which requires more skills. Dillman (2007) noted that the questionnaire is one of the well-established instruments of data collection in social science research. The questionnaire used in this study contains measurement scales which were adopted from previous studies, and through review of literature. The kind of questionnaire used in this study is a Likert scale-type. According to Hair, Wolfinbarger, Ortinau, and Bush (2008) the use of Likert scales is most appropriate when the survey instrument is self-administered. Due to the ease of administering the Likert-scale kind of questionnaire, it has become very popular and widely-used (Zikmund, 2003). Eventhough, it is acceptable to adopt and adapt a questionnaire to suit the current study, modifications made to the instrument could affect the validity and reliability of the instrument. In this study, the use of a questionnaire was employed in obtaining data from the selected sample within the Kuala Lumpur

area. Based on the suggestion of Sekaran & Bougie (2016), a structured questionnaire was used a suitable instrument for data collection, since the researcher has knowledge on what is required, as well as how to measure the variables under study. The questionnaire used in this study contains different sections with items that covering the Demographic profile of the respondents, as well as questions on dependent variable (customer satisfaction) and independent variables of the study. The section which contains questions related to the independent variables also contain sub-variables for measuring the dimensions of corporate social responsibility Activities (community support, Environmentally Friendly, sell locally produced products, treating employees

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4. Results:

4.1 Respondent Profile

This section presents the profile of the study respondents, which includes age, gender, education, monthly income, ethnicity, religion, purchase goods from hypermarket in Kuala Lumpur or no, and frequency of shopping from the hypermarkets. With regards to age, the result of the descriptive analysis presented in Table 1 shows that 14.3 % of the respondents were within age range of 18-25 years, followed by 32.3% of the respondents who were aged 26-35 years, 34.1% of them were within the age range of 36-45 years old at 34.1%, and then 19.3% of them were within the age range of 46 and above.

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In terms of gender, more than half of the respondents, which was about 56.8% were females, while the remaining of the respondents (43.2%) were males. With regards to the educational background of the respondents, the table above reveals that 8.9% of the respondents had only primary school education, 38% had secondary school education, 49% had Bachelor's degree, while the remaining 4.2% were educated to postgraduate level. For the Income level of the respondents, the results presented in the table shows that 16.1% of them earned less than Rm 1000, 35.9% of them earned Rm1000-Rm2999, 35.9% of them earned Rm 3000 to Rm 4999 (32.6%), and the remaining 15.4% earned Rm5000 and above. with regards to the fifth aspect, which is Ethnicity, the table above shows that 47.4% of the respondents were Malay, 32% of them were Chinese, 14.3% of them were Indians, and the remaining 6.3% of them belonged to other ethnic groups. For the sixth aspect, the table above shows that almost half of the respondents were Muslims (47.4%), 32.6% of them were Christians, 13.5% of them were Hindus, and the remaining 6.5% of them belonged to other religions. The seventh aspect, which is frequency of shopping at hypermarkets, the table above shows that 46.4% of them indicated that they shopped 1 to 3 times weekly, 33.1% of them indicated that shopped 4 to 6 times weekly, followed by 44% of them

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who indicated that they shopped 7 to 9 times weekly (14.3%), while 6.3% of them indicated that they shopped 10 times and more weekly. Then for the last aspect, which is whether the respondents purchase goods from any hypermarket in Kuala Lumpur. The above table shows that the respondents were only required to indicate Yes or No, and the results showed that almost all of them (95.8%) of them indicated that they shopped from hypermarkets in Kuala Lumpur, while just few of them (4.2%) indicated that they do not shop in hypermarkets in Kuala Lumpur. Generally, based on the results it can be said that majority of the respondents were females, and then most of them were within the age range of 36-45 years. More so, most of them had Bachelor's degree, and majority of them were Muslims. With regards to their income, majority of them earned Rm1000 TO Rm2999. In addition, it was found that majority of them agreed that they shopped from hypermarkets in Malaysia, and then most of the indicated that they shopped from hypermarkets 1 to 3 times in a week.

4.2 Reliability of the Study's Instruments

The collected data were examined in terms of reliability. In this study, the usable data were obtained from 384 respondents. For reliability measurement of the used instrument, Cronbach's Alpha was used, as proposed in Sekaran & Bougie (2016). In this study, the reliability of all items was tested, and according to Pallant (2013), in order to be accepting, the items must be Cronbach's alpha value of at least 0.70. As already mentioned, pilot study was carried out in this study, on 384 randomly selected customers as respondents. The reliability of all items of all dimensions were ascertained and based on the results, all dimensions achieved high reliability. Meanwhile, for the survey with N=384, the corresponding Cronbach's Alpha values are as displayed.

The table above is showing that all variables in this study achieved good Cronbach's Alpha, as all items obtained values are greater than 0.7. Hence, the scales were proven to be reliable and usable in the examination of the model proposed in the study.

4.3 Convergent validity

The use of Convergent Validity is employed in knowing to what extent the indicators of a given construct converge share a high proportion of variance in common (Hair, Black, Babin, & Anderson, 2010). An assessment of the Convergent Validity was carried out by examining AVE, Composite Reliability (CR), and factor loading as suggested by Hair et al. (2010). As suggested

by Hair et al, (2010), a good Convergence Validity is indicated by an AVE that is 0.5 or higher; estimated loadings of 0.7 or higher; and CR od 0.7 or higher. Based on the result which shown on Table 2, the AVE values of all the constructs ranged from 0.681 to 0.740, which is above the recommended threshold value of 0.5. This result reveals that the convergent validity of the study's measurement model is adequate.

Note: The AVE values for each item must be at 0.50 or higher to indicate an adequate convergent validity (Fornell and Larker, 1981).

4.4 Fornell-Larcker's criterio

Apart from ensuring the discriminant validity of the measurement model, the cross-loading measurement was examined as per the indicator based on Fornell-Larcker's criterion (1981) of measurements criteria. The discriminant validity was determined by comparing the square root of average variance extracted (AVE) with the correlations of the other variables. It is expected that the latent variable correlations (LVC) should not be larger than each latent variable. Table 5 shows the square root of the AVE for Customer Satisfaction, community support, environmentally friendly, sell locally produced products, treating employees.

4.5 Results model path coefficient beta and r direct relationship

In this study, structural model evaluation was used to validate the proposed hypotheses. To warrant the path coefficient to the suggested model, Hair et al. (2011) proposed that an accepted level of path coefficient should be at least 0.1 with the significant level of the coefficient of at least 0.05 (or 95% confidence level). The level of significance and acceptance of hypotheses was determined using the values of obtained from the bootstrapping procedure which was performed using SmartPLS 3.0. The t-values which were obtained using SmartPLS 3.0 bootstrapping at 384 resampling were used to determine the significance of the hypothese for all constructs. The following positive direction was advocated in this study: To examine the effect of CSR Activities (community support, environmentally friendly, sell locally produced products, treating employees) on customer satisfaction. Based on the statistical assessment of the path coefficients, it is only when the t-value is greater than 1.96 that the hypothesis will be accepted and supported (Hair et al., 2017). The result of the hypotheses testing is presented in Table 4.8.2, which shows that all the four hypotheses that were tested to determine direct effect, were supported and there was a significant positive influence. Result of direct effect for the supported hypotheses including

H1) the positive influence of community support on Customer Satisfaction ($t=3.897$; $p<0.05$), H2) the positive influence of environmentally friendly on Customer Satisfaction ($t=3.926$; $p<0.05$), H3) the positive influence of sell locally produced products on Customer Satisfaction ($t=3.835$; $p<0.05$), H4) the positive influence of treating employees on Customer Satisfaction ($t=3.852$; $p<0.05$).

5. Discussion and Conclusion

One of the topics that has emerged as a relevant topic in the field of marketing is Corporate Social Responsibility Activities, as there is an increase in the interest of practitioners and business theorists in the area of CSR, as well as its implications for firms. Findings of the study revealed that customer satisfaction is influenced by Corporate Social Responsibility Activities (community support, environmentally friendly, sell locally produced products, treating employees), and as such should be considered by firms as an effective marketing tool for hypermarkets in Malaysia. The result of the statistical analysis confirmed that the main research hypotheses were accepted. Also, the result showed that CSR Activities (community support, environmentally friendly, sell locally produced products, treating employees) has a positive influence on the satisfaction of customers towards a product or firm.

Despite the fact that the study was successfully carried out, there are some limitations associated with the study, and based on those limitations, suggestions for future study were given. This study contributes to the area of marketing by providing insight on the level of CSR in hypermarkets through an examination of the correlation between CSR Activities and customer satisfaction towards hypermarkets. One of the major ways through which a sustainable competitive advantage can be built is by ensuring the customers are satisfied. In this study, the role of CSR factors in enhancing customer satisfaction in hypermarkets. More so, in this study an investigation of the moderating effects of hypermarkets in the correlation between CSR and customer satisfaction. These findings have several practical and theoretical implications. Based on the findings of the study, it can be concluded that a higher level of CSR positively affects customer satisfaction. The perception which customers have about CSR is important and has implications for customers. Stronger evaluations of hypermarkets can result from the expectations which customers have towards CSR Activities. For customers to demonstrate intentions to repeat a business firms if they must increase their CSR so that customers can develop favourable attitudes, thereby resulting satisfaction. This research contributes to the overall understanding of the level of CSR in hypermarkets by providing

insight on how CSR influences customer satisfaction. Therefore, it can be concluded that sustainable competitive advantage can be built through customer satisfaction. This means that if firms' carryout extensive CSR Activities, the perceptions of customers towards hypermarkets will be positively influenced.

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