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The Foodservice Industry's Social Responsibility Regarding the Obesity Epidemic, Part II: Incorporating Strategic Corporate Social Responsibility into Foodservice Operations

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Abstract

Just as all types of business firms are now expected to go beyond their profit-oriented activities in boosting the well-being of the community, so, too, is corporate social responsibility (CSR) expected from foodservice firms. The significance of the obesity epidemic, combined with the foodservice industry's role in the development of this epidemic, suggests that the industry has an ethical responsibility to implement CSR activities that will help reduce obesity, particularly among children. CSR should be seen as an efficient management strategy through which a firm voluntarily integrates social and environmental concerns into its business operations and its interactions with stakeholders. Although costs are associated with CSR initiatives, benefits accrue to the firm. Decisions regarding alternative CSR activities should be based on a cost-benefit analysis and calculation of the present value of the revenue stream that can be identified as resulting from the specific CSR activities. CSR initiatives should be viewed as long-term investments that will enhance the firms' value. Key areas for foodservice firms' CSR activities include marketing practices, particularly practices impacting advertising to children and marketing that will enhance the firms' visibility; portion-size modification; new-product development; and consistent nutrition labeling on menus.

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By Audrey C. McCool and Barent N. McCool

Just as all types of business firms are now expected to go beyond their profit-oriented activities in boosting the well-being of the community, so, too, is corporate social responsibility (CSR) expected from foodservice firms. The significance of the obesity epidemic, combined with the foodservice industry's role in the development of this epidemic, suggests that the industry has an ethical responsibility to implement CSR activities that will help reduce obesity, particularly among children. CSR should be seen as an efficient management strategy through which a firm voluntarily integrates social and environmental concerns into its business operations and its interactions with stakeholders. Although costs are associated with CSR initiatives, benefits accrue to the firm. Decisions regarding alternative CSR activities should be based on a cost-benefit analysis and calculation of the present value of the revenue stream that can be identified as resulting from the specific CSR activities. CSR initiatives should be viewed as long-term investments that will enhance the firms' value. Key areas for foodservice firms' CSR activities include marketing practices, particularly practices impacting advertising to children and marketing that will enhance the firms' visibility; portion-size modification; new-product development; and consistent nutrition labeling on menus.

INTRODUCTION

CSR is no longer a vague concept with limited relevance to the foodservice industry. In today's high tech world, news spreads quickly; everyone is expected to do his/her part to take care of the world, and corporate responsibility is a business necessity. Firms are expected to go beyond their profit-oriented activities and boost the well-being of the community. Modern consumers increasingly make purchasing choices from businesses that they trust to be good corporate citizens. Such trust is difficult to earn and easy to lose; once a company loses trust, it may lose its customers' business forever. Although there may be no readily available tool for calculating the payback to a firm for its civic or public health actions, many corporate officials believe that "doing the right thing" has a value that cannot be measured. Indeed, if a business' aim is to survive and prosper, the best way is to take a long-term view and understand that if it treats society well, society will return the favor. ("Act responsibly," 2004; Falck & Hebich, 2007; International Organization for Standardization, 2009; Nicolau, 2008).

Part I of this two-part discussion of the foodservice industry's responsibility regarding the obesity epidemic pointed out that there is

little doubt that the current obesity epidemic is nearing crisis proportions, and that the potential long-term economic impact of the epidemic may be catastrophic to the U.S. economy (McCool & McCool, 2010). Today Americans are intensely concerned about the obesity problem and poor nutrition in general. The foodservice industry has played a significant role in the development of this epidemic, even if that role is only one of several contributing factors. Americans are dining out today more than ever before; almost half of consumers' food dollar is now spent in restaurants and other foodservice establishments. Many persons are getting at least one-third of all their calories from restaurant foods, and the higher frequency of eating meals outside the home has been associated with adverse nutritional consequences (Frumkin, 2010; Kant & Graubard, 2004).

The foodservice industry has a record of becoming actively involved in social issues, including smoking and foodborne illnesses (McCool & McCool, 2010). Today consumers are expecting businesses to behave responsibly and are looking for more information about the food they are consuming and its impact on their health (Frumkin, 2010). Thus, it seems logical that the foodservice industry should recognize that it has social responsibility regarding the obesity epidemic and take the initiative in assuming a leading role in the nation's efforts to combat obesity, a far more critical public health issue than any previously faced in the U.S. Such a proactive approach would reflect the foodservice industry's long-standing support of each operation's local community while also helping to deflect potential obesity-related legal and legislative actions that would be detrimental to the industry as a whole.

Both smoking and foodborne illnesses represent significant public health issues related to the foodservice industry (McCool & McCool, 2010). One might ask whether the industry has taken actions to reduce the problems associated with these health issues because the industry believes that it has an ethical and a social responsibility to do so or because it has an economic interest in doing so. Perhaps it is both; perhaps the industry's economic interests are related to its ethical and social responsibility. One might ask, then, whether such a relationship between a foodservice firm's economic interests and social responsibility carries over to the current obesity epidemic. If so, what actions might be appropriate for the industry to take to help reduce the incidence and associated economic burden of obesity? To consider these questions, it is first necessary to consider the concepts of ethical and social responsibility as they might be applied to the foodservice industry.

DEFINING ETHICS

If foodservice establishments are to be evaluated relative to their ethical behavior in regard to the obesity epidemic, it is necessary to consider the term *ethics*. Parhizgar (2001, p. 134) stated:

> Ethics involves critical analysis of cultural value systems in order to determine the validity of their rightness or wrongness in terms of two major criteria: truthfulness and its justification. Ethics examines the relationship of an individual in respect to society, to nature, and/or to God. It examines popular cultural elements, justifications, and generalizations of customs, conventions, and traditions in terms of justness, fairness and worthiness.

He went on to say "Ethics is to harmonize conflicting psychosocial interest between an individual and other people" (p. 134). Ross (2004, p. 4) quoted Nash (1993, p. 5) in saying that "business ethics may be understood as '. . . how personal moral norms apply to the activities and goals of commercial enterprise.' " Rendtorff (2009) noted that ethical principles are important to service firms, i.e., firms such as foodservice establishments that deal directly with people, and that such principles apply to all the firm's stakeholders, including both employees and customers. He defined four ethical principles relevant to these firms: autonomy, dignity, integrity, and vulnerability (See Table 1). In Table 1, the concepts embodied in each of these principles are identified, and the identification is expanded to illustrate how it might apply to the foodservice industry and the obesity epidemic. These principles could provide guidance to foodservice firms as they consider their relationship to the obesity epidemic and their ethical responsibility to all of their stakeholders, including their local community.

Table 1
Ethical principles for service
industries as defined by Rendtorff (2009)[1]

Principle	Concept Embodied in the Principle	Concept Applied to the Foodservice Industry and the Obesity Epidemic
Autonomy	Establishments should be free to work, produce, trade, buy, & sell and make profits	Establishments should be free to sell whatever food products they wish, consistent with their business strategy and profit objectives; the obesity epidemic is irrelevant unless incorporated into the business strategy
Dignity	Reflects an emphasis on human rights; related to whether a firm can be held responsible for its actions; concerns the relations of the firm to the environment	Establishments need to consider customers' rights to be able to obtain healthful food; they can be held responsible for selling products which contribute to obesity, particularly if they do not consider the relationship of such products to environmental issues.
Integrity	Linked to honesty and uprightness in character; implies commitment and conscientious adherence to one's moral principles; expresses the willingness, capacity, and readiness of a firm to be committed to act as a good citizen and responsible moral agent in society	Establishments' decision-making regarding products sold based on corporate values; values would incorporate a perspective on social responsibility that would impact decision making regarding possible actions that might be taken to help alleviate obesity among all establishment stakeholders
Vulnerability	Implies respect for weaker or less powerful persons or organizations; leads to taking responsibility for giving such persons or organizations fair treatment and not exploiting their vulnerability	Establishments would treat persons with respect and not try to get them to purchase and consume foods of low nutritional value or which could potentially contribute to persons' obesity in order to increase profits

[1]Rendtorff, J.D. (2009). Basic ethical principles applied to service industries. *The Service Industries Journal, 29(1),* 9-19.

CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Today business firms are expected to have ethical responsibilities; thus, they are expected to go beyond their profit-oriented activities and boost the well-being of the community. People tend to put their trust in responsible firms. Trust in a firm and the product sold is very important to a foodservice establishment, as food is closely related to the health and wellbeing of the customer, as has been noted in Part I's discussion regarding foodborne illnesses (McCool & McCool, 2010). CSR initiatives can reflect a strong public relations strategy that can lead to competitive advantages and long-term financial rewards, particularly in today's market environment, in which many stakeholders may have strong social concerns (Nicolau, 2008). While there is no firm definition of CSR, it should be noted that CSR is ultimately based on the recognition that businesses are part of society and that, as such, they have the potential to make a positive contribution to social goals and aspirations. Thus, CSR might be thought of as a concept whereby firms voluntarily integrate social and environmental concerns into their business operations and into their interactions with their stakeholders (Jones, Comfort, & Hillier, 2006). The World Bank defined *CSR* as:

> a term describing a company's obligations to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit" (as cited in Nicolau, 2008, p. 991).

Rendtorff (2009) argued that corporate social performance is closely linked to CSR and that ethical responsibility constitutes a normative restraint on the firm. Such responsibility, along with a values-driven management based on ethical principles, is an important aspect of corporate social responsiveness and the foundation of corporate social performance.

Five key drivers influencing the increasing business focus on CSR have been suggested. These drivers are: (1) direct stakeholder pressures; (2) greater stakeholder awareness of corporate ethical, social, and environmental behavior; (3) investor pressure; (4) peer pressure; and (5) an increased sense of social responsibility. These drivers reflect fundamental changes in today's overall business environment, which include (1) globalization; (2) responsibilities firms feel as they increasingly source products and services in developing countries; (3) issues of image

and reputation; and (4) the need to recruit and retain highly skilled personnel (Jones et al., 2006). The ideas of corporate citizenship, sustainability, responsibility, fairness, and concerns for community are practical guidelines for corporate social responsibility.

Based on a comprehensive review of the literature regarding CSR, Lantos (2002) suggested that there are three types of CSR: ethical, altruistic, and strategic. He perceived ethical CSR as that which is morally mandatory, i.e., responsibility that goes beyond a firm's fulfilling its economic and legal obligations. Ethical CSR leads to responsibilities to avoid harm or social injuries even if the firm might not appear to benefit from such action. Hence, from the perspective of ethical CSR, a firm is morally responsible to any individuals or groups upon whom a particular course of action might inflict actual or potential injury. From this perspective, it would seem that foodservice firms would have a moral responsibility to forgo offering consumers products that would contribute to weight gain, potentially causing them to become obese. This responsibility not to cause harm (not to cause obesity) would supercede the firm's responsibility to create profit if the two responsibilities were not compatible.

Altruistic CSR would reflect the firm's philanthropic responsibilities and involve contributing to the good of various societal stakeholders even if such contributions sacrificed part of the firm's profitability. It assumes that there is an implicit social contract between a business firm and society whereby the firm, entrusted with economic and human resources from the surrounding society, agrees to be a good steward of these resources for society. Because altruistic CSR diverts business resources away from the good of the firm and reduces the economic viability of the firm, Lantos argued that altruistic CSR is unethical for a business and thus an inappropriate practice for a business firm (2002). Lantos is not alone in his argument against altruistic CSR, as Friedmann (1982), cited in Jones et al. (2006, p. 331) stated:

> There is one and only one social responsibility of business--to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say engages in open and free competition without deception or fraud.

Altruistic CSR seems to imply that the foodservice industry should be using industry resources aggressively to alleviate obesity, a significant social issue, in any way possible. From this perspective, such efforts should be undertaken without regard to a firm's need to meet at

least minimum profit objectives. If the firm is to stay in business, such a perspective regarding the firm's CSR is not operationally practical over the long term. Indeed, the concept of CSR can be considered highly ambiguous as business firms are influenced by two sets of interests: (1) their fiduciary responsibility to their shareholders, who would prioritize growth and efficient allocation of resources; and (2) their responsibility to their remaining stakeholders, a responsibility often defined by a legal framework that the firms did not create (Rodríguez & Cruz, 2007; Reich, 1998).

In contrast to ethical and altruistic CSR, strategic CSR incorporates caring corporate community- service activities that accomplish strategic business goals. With strategic CSR, firms contribute to their constituencies not only because it is a kind and generous thing to do, but also because they believe it to be in their best financial interests to do so, thereby fulfilling their fiduciary responsibilities to their owners. Since concepts such as loyalty and trust are important components of business activity roles and relationships, an "ethics of care" perspective should help business firms understand the priorities of their various social duties. While this perspective seems to underscore the importance of firms entering into caring relationships with their various constituencies (i.e., employees, customers, supply-chain partners, etc.), there is a belief that the ethics of care should also encompass the larger system of relationships that make up communities. From this perspective, businesses are considered to be vital components of "an interconnected world community and ecosystem" (Trevino & Nelson, 1999, cited in Lantos, 2002, p. 217). Indeed, Lantos suggested that socially responsible practices are justifiable when such practices can be demonstrated to yield benefits to the firm commensurate with their costs, as they are then consistent with the firm's primary role as an economic/business operation. Thus, from the perspective of strategic CSR, a foodservice establishment should take socially responsible actions that will help alleviate obesity. However, such actions should be in accord with the overall objectives of the firm and should reflect the community's perspective on major social concerns that may extend beyond obesity to other issues, such as environmental sustainability.

THE INCORPORATION OF CSR INTO A FIRM'S STRATEGIC MANAGEMENT

Several reported literature reviews have concluded that the market rewards business firms' social activities, and they point out that CSR can be considered an efficient management strategy. However,

effective CSR is usually a long-term strategy and should be considered an investment in the company's future (Falck & Heblich, 2007). Strategic management theory suggests that the key to success lies in creating a competitive advantage which, skillfully managed, will result in value creation. Value is created when consumers are willing to pay a premium for the firm's products and/or services based on its involvement in and position with respect to specific social issues. All of a firm's activities may add value to the extent that they reduce costs, create product differentiation, or move customers to buy from that firm rather than from a competitor. CSR initiatives and activities provide an opportunity to re-configure a firm's competitive landscape. Value creation often reflects a firm's innovation ability, and strategic management theorists have consistently asserted that CSR can lead to opportunities for innovation. However, it is not a given that CSR innovation will produce either a competitive advantage or create value; thus CSR alternatives must be carefully considered relative to the firm's strategic goals (Husted & Allen, 2007).

Rodríguez & Cruz (2007) suggested that CSR should be seen as a business firm's voluntary integration of social and environmental concerns into their business operations and their interactions with their stakeholders. This perspective implies that CSR goes beyond merely complying with established legislation. Rather, it involves investing in human capital, in the environment, and in the firm's relationships with its stakeholders. Consequently, CSR involves a strategic-type approach that affects the decision-making and operations throughout the entire organization, creating long-term value and contributing significantly to the acquisition of long-term competitive advantages. Nicolau (2008) noted that the effect of CSR on a firm's performance is critical, i.e., (1) whether socially oriented activities lead to positive outcomes for the firm or (2) whether there might be fundamental tensions between socially oriented CSR activities and the firm's profit objectives. He went on to indicate that his tourism-industry-based study indicated that a firm acting as a "responsible citizen" is not incompatible with the firm's attaining its profit goals. However, a firm's social reputation, derived from the firm's applying CSR actions, is a long-term relationship; therefore, CSR should be used strategically to aid management in making strategic plans that will simultaneously satisfy stakeholders' social interests, and their interests in the firm's profitability and long-term value. Falck & Heblich (2007) suggested that a firm's decision regarding implementation of a CSR activity should be based on an evaluation of the opportunities and threats involved, and the calculation of a cost-benefit analysis and the expected

net present value of the future cash flow that would likely result from the CSR activity.

Holcomb, Upchurch, and Okumus (2007) supported the importance of firms' engaging in CSR as a part of their organizational strategy, indicating that lodging firms were increasingly incorporating CSR into their strategic operations and utilizing socially responsible activities as a means of enhancing their overall business success. Reflecting increasing world-wide public interest in business ethics and corporate social responsibility, the majority of the ten leading international hotel companies considered in this study reported making some form of charitable donations in the past year and often reported such donations on company Web sites, where the reports would be visible to everyone. These corporations now seem to believe that publicizing their contributions to their communities benefits employee morale, helps promote their reputation and brand image, and even facilities their recruitment of quality employees. Further, at the time of this study, four of these lodging corporations had some mention of social responsibility in their vision or mission statement or related documents, indicating that CSR had moved into the strategic thinking of these firms. However, the CSR within the lodging industry reported by this study focuses on contributions to local community charities rather than fundamental changes to the product offered by the firm, as may be the case for many foodservice firms engaging in CSR activities. Unfortunately, no similar studies have been reported for the foodservice industry that evaluate the impact of product changes undertaken as CSR-related actions. However, the authors do quote an association known as Business in the Community to define *CSR* as

" . . . the management of a company's positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors, and suppliers" (Holcomb, Upchurch, & Okumus, 2007, p. 462). This definition implies that it is not just contributions to community charities, but also the management of the firm's positive impact through its products and services, that can lead to positive economic benefits for the firm.

WHY HOSPITALITY FIRMS ARE ENGAGING IN CSR ACTIVITIES

Today, there is a climate of cynicism regarding businesses' and business management's ethics throughout much of the business world (Panda, 2008; Ross, 2004). Such a climate can have a negative impact on

all facets of the hospitality industry, including foodservice establishments, as such firms are often evaluated relative to the service and care provided to their guests.   Accordingly, foodservice establishments need to be aware of the impact that their perceived ethical or socially responsible actions, or lack thereof, may have on their reputation with their customer base over the long term (Ross, 2004).

Businesses expect to derive benefits from their CSR activities that will offset the costs of implementing such activities. The five main areas of potential benefits include: (1) improvement of the company image and reputation among consumers; (2) enhanced morale among employees leading to improved employee motivation, retention, and recruitment; (3) cost savings, such as reduction in health insurance costs or absentee rates due to illness; (4) revenue increases from higher sales and market share that could result indirectly from improved brand image or directly through product or market development; and (5) CSR-related risk reduction, which could result from improved relationships with government agencies, the surrounding community, or responsiveness to expectations of customers and social groups (Lee & Park, 2009; Nicolau, 2008; Rodríguez & Cruz, 2007; Weber, 2008).

A firm's reputation and brand are greatly influenced by public perception, and visible CSR activities may positively affect a firm's reputation. Visibility builds customer and stakeholder awareness of a firm's products with CSR value added (Husted & Allen, 2007; Wildes, 2008). Increased presence of a firm's CSR activities in the media and the associated development of a favorable firm image appear to have a positive impact on the ability of the firm to generate value through increased customer loyalty, attraction of new customers, and development of new products and markets (Husted & Allen, 2007). Wildes (2008) reported that a poll of over 25,000 respondents from 23 countries on six continents conducted by Environics International, Ltd., found that two out of three respondents expressed the desire for companies to go beyond making money and contribute to broader societal goals. She suggested that basic management training in CSR not only leads to better working conditions, but also nurtures fresh, new ideas. Foodservice firms could capitalize on visibility by developing new, healthful menu items and/or modifying existing items to be more healthful and then developing and implementing an innovative marketing program for these menu items. Table 2 lists some ways in which CSR initiatives relative to the obesity epidemic and consumers' interest in healthful foods might be incorporated into the workplace.

Table 2
Possible corporate social responsibility (CSR) initiatives relative to the obesity epidemic and the nutritional value of food for hospitality industry firms[1]

Embed CSR in the firm's strategic planning and management
Provide specific guidelines and audit firm activities for CSR initiatives
Make CSR part of the weekly business agenda
Create a committee for CSR concerns
Promote employee awareness through training and development
Publish CSR reports in company newsletters, briefings, and annual reports
Measure the effectiveness of the firm's CSR initiatives
Ensure the financial side of the firm develops analyses for CSR initiatives
Allow for flexibility for CSR initiatives and solutions from within the firm
Promote employee awareness of CSR - encourage ideas and suggestions
Adopt a school initiative and teach children what the firm is doing relative to CSR initiatives
Buy local products
Change the menu to reflect seasonality of products
Respect culture; train the local population
Invest in the community
Explore partnering with other organizations (e.g. co-sponsor a community event)
Contact local business organizations, such as the Chamber of Commerce, to learn what events they sponsor and how the firm might contribute
Spread the word; publish your activities/findings; send press releases to local, regional, and national newspapers and other publications as well as to local radio and television stations to let them know about the firm's efforts
Donate foods to food banks and receive a tax deduction
Be proud of the firm's CSR initiatives and challenge other companies to join in the effort

[1]Adapted from Wildes, V.J. (2008). How can organizational leaders really lead and serve at the same time. *International Journal of Contemporary Hospitality Management, 20(1),* 72-74.

Any one CSR activity is not likely to result in benefits in all five categories. Thus decisions have to be made regarding alternative CSR actions. Such decisions should be made through an evaluation of the strategic relevance of the business benefits anticipated from each CSR alternative. Assessment of the impact of CSR activities on a firm's market value is also important. Assuming that shareholders behave rationally, the share price of a firm's stock should reflect the present value of future cash flows. Thus the estimated impact of proposed CSR activities on a firm's value is a good approach for evaluating CSR alternatives (Nicolau, 2008; Weber, 2008).

There are a limited number of reports regarding foodservice industry CSR activities in the U.S. However, one report regarding CSR activities by pub operators in the United Kingdom (Jones et al., 2006) indicated that while those pub operators were involved in CSR activities, many of their activities appeared to be driven by business imperatives as opposed to strategic planning. For example, their efforts to reduce energy use and waste generation are presented more as operational cost savings than as CSR activities, or efforts to promote responsible drinking may be based more on avoidance of the high costs of legal liability than on actual concern for customers' welfare (Jones et al., 2006). Peattie (2006) suggested considering CSR as a process of managing and balancing the relationships between a business and its many stakeholders in a professional, proactive, responsible, and sustainable way. He suggested that concerns about social and environmental issues bring opportunities for innovations and new products.

Lodging industry reports on CSR may reflect the foodservice industry's rationale regarding CSR. From a lodging industry perspective, Upchurch (1998) reported that lodging industry management did engage in ethical or socially responsible activities. He found that the primary motivation for such activity was benevolence, a concept defined as the firm's acting in a fair and impartial basis to maximize the good, following impartial distribution rules. In contrast to the previously discussed concept of strategic CSR described by Lantos (2002), under the principle of benevolence, the firm does not make socially responsible decisions on the basis of marketing strategies or other such strategies that place the long-term economic well-being of the firm as the primary criterion. Rather, emphasis is on maximizing the best interest of organizational members within prescribed boundaries (Upchurch, 1998).

It is important to recognize that a firm's acting as a "responsible citizen" is not incompatible with the firm's needing economic profits. It should be remembered that consumers tend to put their trust in responsible firms, and that trust is essential for firms in the hospitality industry. Markets within the hospitality industry, including the foodservice industry, are very information-sensitive. Consumer uncertainty is high due to the inherent characteristics of purchase and consumption, i.e., people purchase and consume food without having an opportunity to "try out" the food before it is purchased or to return food found to be unsatisfactory after it is eaten. Consumers must trust the foodservice firm to provide them with food that is safe and nutritious, and that trust is enhanced when a firm engages in CSR activities for the benefit of the consumers and the community. For foodservice firms, this

trust is essential regardless of the economic status of the consumer. Although consumers with limited economic resources may purchase foods that are low in cost without consideration of their nutritional value, as indicated in Part I of this two-part series (McCool & McCool, 2010), it is almost a certainty that a foodservice firm will quickly be out of business if consumers do not trust the operation to serve them safe food, i.e., food that will not cause foodborne illnesses.

CSR CAN ADD VALUE TO A HOSPITALITY INDUSTRY FIRM

As CSR has become increasingly relevant in today's business environment, and as hospitality industry firms have become actively involved in community and social issues in various ways, the question arises as to whether there is a value, or a return on investment, to the firms as a result of these activities. Overall, in the hospitality industry context, there have been only a limited number of reported studies of the impact of CSR on a firm's financial performance. Several studies have reported that CSR activities appear to have a positive impact on both customer satisfaction and the value of the firm (Jackson & Hua, 2009: Kang, Lee, & Huh, 2009; Lee & Heo, 2009; Lee & Park, 2009; Park & Lee, 2009; Rodríquez & Cruz, 2007). Jackson and Hua (2009) and Lee and Park (2009) found that a positive synergy existed between well-executed CSR initiatives and a hotel firm's performance, with a resulting increase in both the firm's profitability (or short-term performance) and value (long-term performance as reflected by the market perspective of the company). Though these studies focused primarily on hotel firms, Kang et al. (2009) included restaurants in their study and found that like hotels, restaurant firms' CSR activities had a positive impact on the firms' value. However, here too, this impact is primarily realized over the long term and may not result in short-term profitability. They suggest that restaurant establishments should prepare CSR investment plans that consider the long-term effect of CSR activities; thus, recognizing in their planning that the long-term returns compensate for the required implementation investment.

Park and Lee (2009) concur with this perspective while also noting that restaurant firms should give more attention to informing the public about their CSR activities. However, care should be taken that it does not appear to the public that a firm engages in CSR activities simply to boost sales. Firms must recognize that, although initial investment costs will likely exceed short-term return, there is long-term value in investing in CSR. They must also recognize that such investment must be

done as a reflection of their acceptance of their social responsibility, a perspective that must be built into the firm's core concept. CSR values, programs, and policies should be integrated into company strategy so that they can be instilled in stakeholders' minds as a long-term goal rather than a short-term tool (Park & Lee, 2009).

MARKETING PRACTICES WITHIN THE FOODSERVICE INDUSTRY AS STRATEGIC CSR

It is suggested that marketing should take a leadership role in developing a firm's strategic CSR so that philanthropic giving to society and community needs is tied to organizational objectives and strategy. For marketers, as has been discussed previously, visibility of CSR activities is essential for a positive return on investment for these activities and an increase in the long-term value of the firm. Indeed, the greatest benefit of CSR activities lies in the accrued goodwill among a firm's stakeholders (Husted & Allen, 2007; Wildes, 2008). Strategic CSR activity should focus on benefits that can accrue to the firm through the improvement of a firm's image and increased motivation and loyalty, primarily among employees and customers, but also among other key stakeholders throughout the firm's integrated community (Lee & Park, 2009; Nicolau, 2008; Rodríguez & Cruz, 2007; Weber, 2008). While a firm may choose to support some social programs for reasons of good image, public relations, or other strategic interest, such support is a matter of marketing strategy rather than a duty required of the firm (Lantos, 2002).

Marketing strategy is closely linked with ethical issues and CSR, and many concerns about the marketing practices of the foodservice industry have emerged in recent years. Unethical marketing involves the use of practices within marketing to pursue corporate or an individual manager's ends without consideration of what is right and beneficial for both the firm and society. Deceptive advertising is an example of unethical marketing practices of particular concern to the foodservice industry (Panda, 2008).

There is little doubt that advertising and food marketing are areas which have had an important impact on the changes in food consumption patterns that have occurred in the U.S. Studies have shown that both children and adults are influenced by advertisements, especially advertisements viewed on television and other electronic devices. Advertisements have the power to trigger automatic eating behaviors, as well as influence consumer brand preference (Anschutz, Engels, & Van Strien, 2009; Harris, Bargh, & Brownell, 2009; Shaw, 2009).

Of particular concern relative to the obesity crisis is the targeting of advertisements for foods that have limited nutritional value or high sugar or fat content toward children (Kennedy, 2008; Parker-Pope, 2010). This practice is perceived as unethical because of the impact on children's nutritional status and their long-term health and well-being. Kennedy (2008) reported that, in its 2006 policy statement, the American Academy of Pediatrics noted that: (1) children younger than eight years old are cognitively and psychologically defenseless against advertising because they accept the advertising claims at face value; (2) children view 40,000 television advertisements per year, half of which are advertisements about food; (3) of the 20,000 food advertisements, only three percent are for health foods; (4) viewing junk food advertisements in such large volume leads children to overeat and ask for the specific foods presented in the advertisements; and (5) children who are already overweight or obese are more susceptible to the messages they are exposed to through food advertising on television.   Food marketers associate their products with fun/happiness appeals targeted at children while rarely employing a healthy product theme or appeal.   Fast food commercials have been found to have the highest prevalence of fun/happiness appeals along with the heaviest usage of premium offers and active campaigns to direct children to product-based Web sites (Stitt & Kunkel, 2008). This continued marketing of foods low in nutritional value has potentially serious consequences for the foodservice industry, as policy legislation may be considered to reduce or eliminate marketing practices deemed to be undesirable or harmful to children (Nestle, 2006; International Organization for Standardization, 2009; Seiders & Petty, 2004; Seiders & Petty, 2007). In 2006, the U.S. Institute of Medicine (IOM) suggested that the food/foodservice industry be given two years to pursue voluntary efforts to achieve balance in the nutritional quality of foods marketed to children. However, should voluntary efforts fall short of achieving such a balance, the IOM recommended that the U.S. Congress adopt legislation mandating that balance. The IOM 2006 recommendation also included a provision that the foodservice industry should adopt a policy ensuring that "licensed characters are used only for the promotion of foods and beverages that support healthful diets for children" (Stitt & Kunkel, 2008, p. 583).

Concern for such advertising is growing as the number of venues for nutrient-poor, calorie-dense food advertisements oriented toward children increases through the use of video games, cell phones and other such electronic venues (Harris, Bargh, & Brownell, 2009; Moore & Rideout, 2007; Seiders & Petty, 2007).   Policy issues associated with

online food marketing to children include (1) unhealthful nutritional profiles of the promoted products, (2) nonexistence of limits on ad exposures, (3) use of viral marketing tactics, i.e., using social networks to promote brands or providing direct incentives to trigger purchases (special games or merchandise in exchange for proof of product purchases), and (4) market research studies being done with children, i.e., persuading children to watch television advertisements for food products online and using sites to feature entertainment tie-ins and spokes-characters (Moore & Rideout, 2007; Seiders & Petty, 2007). Similarly, advertisements for high-calorie foods, such as many fast foods, have been implicated as unethically targeting minority and low-income populations, contributing to their higher incidence of obesity (Grier, Mensinger, Huang, Kumanyika, & Stettler, 2007; Henderson & Kelly, 2005; Ramirez-Le, et al., 2009). Social marketing has been suggested as an intervention to change the impact of current marketing practices related to food, particularly advertisement directed to minorities and children (Seiders & Petty, 2007).

Because these advertisements have proven to be highly influential regarding food selection and eating habits, advertising offers an important opportunity for the foodservice industry to engage in CSR. Changing food choices in fast food restaurants is an important goal, but the need for change extends throughout all types of restaurants. Simply introducing healthier foods is unlikely to lead to consumers' making healthier food choices. Restaurants must promote the healthier foods as heavily as they do their other menu items. These marketing efforts need to encourage consumers to opt for the healthier menu offerings. Signage and menu descriptors are critically important because what consumers actually "taste" is partially a function of how products are labeled and advertised (Goldberg & Gunasti, 2007).

If the industry were to take the initiative to develop advertisements promoting healthful foods and eating habits that would help reduce and prevent obesity, it seems likely that important inroads could be made into the obesity epidemic, especially among children. The question is: Would the industry be willing to forego short-term profits that might be made and invest in the long-term health and well being of today's consumers, especially children? When considering the content of their advertising and the potential cost-benefit of changing advertising content to focus on healthful food, foodservice firms need to consider that policy legislation is "on the horizon," and they could potentially be faced with restrictive regulations if they do not voluntarily make changes in their advertising and marketing efforts. While some corporations have

made some changes in their advertising and marketing practices toward children, such efforts are limited, and much more change is needed (Kennedy, 2008). Much is known about advertising psychology (Harris, Brownell, & Bargh, 2009), and that knowledge could be applied to new, healthful food advertising for the long-term benefit of all.

CSR ACTIONS REGARDING PORTION SIZE AND NUTRITION LABELING

When the total foodservice industry is considered, the industry has a strong "track record" of involvement in local community activities and in support of the local community's social needs. According to the National Restaurant Association (2005), 90% of restaurants participate in community-based charitable activities. They also help support food banks, homeless shelters, meal programs for the elderly and school nutrition programs. Many restaurants are demonstrating environmental responsibility through sustainable business practices, such as recycling programs and energy- and water-conservation measures. They are also offering sustainable food choices through support of sustainable agricultural practices and sustainable seafood, as well as by offering organic and locally sourced menu items. Some restaurants are taking note of consumer interest in animal rights and are specifying the use of products such as cage-free eggs and meats from humanely raised animals (*Restaurant, Food*, 2009). While such socially responsible actions are certainly desirable and may offer long-range benefits to both the establishments and their stakeholders, most do not directly address the obesity issue. In addition to the previously noted actions regarding advertising practices, foodservice industry CSR actions are needed regarding two industry-related key concerns regarding obesity: portion size and the nutrition labeling of menu items.

Modifying Portion Size

Portion size is an especially critical concern as it is well known that portion sizes have increased markedly over the past thirty years, an increase paralleling the increasing incidence of obesity. This increase in portion size is found in restaurant meals of all kinds, reflecting the foodservice industry's marketing emphasis on "added value" or "getting more for your money." This "portion distortion" is seen in snack foods and soft drinks in vending machines and product packages in the grocery store, as well as in foodservice establishments (U.S. Dept. of Health and Human Services, 2006; Nielsen & Popkin, 2003). The increase in portion sizes is compounded in fast food and convenience establishments by the emphasis placed on "up-sizing," a practice that offers the customer a

larger portion for only a minimal increase in cost. Because there is an established relationship between portion size and what consumers now believe constitutes a portion (Ledikwe, Ello-Martin, & Rolls, 2005), the foodservice industry, along with food processing firms that package products for sale in venues such as vending machines and grocery stores, could take the initiative to reduce portion sizes and educate consumers regarding the value of portion-size reduction (Goldberg & Gunasti, 2007).

While reducing portion sizes may lead to short-term reductions in gross profit for an establishment, modification of portion sizes also offers opportunities for product redevelopment. Some restaurants, including some of the largest fast food firms, are already involved in new product development (Elan, 2009). However, although new products are being developed and offered, generally the establishment's traditional items have not been modified, and portion sizes for these items remain relatively constant. Even traditional items, though, can be modified to be more healthful. When developing or modifying menu items, it is important that restaurants not go to extremes, but rather make slow changes that allow consumers time to accept the modified products. Adding spices, herbs, and new flavors to items can replace flavors lost as recipe changes are made. The widespread availability of a variety of ethnic foods today has introduced many new flavors into foods served by all types of foodservice firms, flavors that are accepted and enjoyed by many consumers.

Finally, promotion of the healthful products is essential. Public concern with obesity is "here to stay.” The number of products with a label indicating a health benefit consumed per person daily has increased by 45% since 2000 (Glazer, 2010).   Strategic use of CSR suggests that if a firm realizes that a certain social trend is gaining ground, it can act quickly to take advantage of the situation by establishing itself at the forefront of an issue that is becoming a major public concern. The later a firm takes action to join a new trend, the less chance it has of becoming a leader in the field or having much influence on the direction of future regulation (Falck & Heblich, 2007). Thus, it is in a restaurant's interest to be among the industry leaders taking actions to improve the nutritional value of their menu items.   A strong marketing program will let consumers know about a restaurant's healthful food menu options while also enhancing the restaurant's reputation as a "responsible citizen" in the community (Glazer, 2010).

A reported project attempted to incorporate changes in restaurant menus as a part of an effort to change the community food environment and support more healthful eating. Although many challenges were encountered, project personnel were able to get some restaurants to offer more healthful foods as a part of their menu offerings. These changes, combined with a strong publicity program to enhance the visibility of the restaurants and their healthful foods initiative, did result in a significant positive effect on the community's elementary school children (Economos et al., 2009). This project suggested that restaurants can successfully take an active role that will help combat the obesity epidemic. Because consumers are interested in social values, such as protecting the environment, and are becoming more aware of the importance of a food's nutritional value, they may ultimately enhance the overall profitability of an establishment through increased customer loyalty and enhanced market share if that restaurant assumes social responsibility and reduces the portion sizes offered.

The Need for Consistent Nutrition Labeling

It has been suggested that one way to encourage consumers to make better food choices, eat better nutritionally, and potentially reduce their risk for obesity, would be to provide nutrition information about menu items for consumers. Most consumers are unaware of the nutritional value of foods available to them in foodservice establishments. Generally, the caloric level and the amounts of fat and sodium in foods are higher than the consumer thinks; so, consumers may believe they are eating healthy foods when, in reality, the foods are likely to be contributing to their potential weight gain (Burton, Creyer, Kees, & Huggins, 2006).

While there have been efforts to require restaurants to provide nutrition information for some time, such efforts have only recently gained strong support. Nutrition labeling would be consistent with the perspective that individuals are personally responsible for what they eat. If nutrition labeling provided consumers with information about their possible food choices, then, from this perspective, consumers could take responsibility for their food intake and choose more healthful foods (Kwan, 2009). While a study by Harnack et al. (2008) reported no significant differences in the energy composition of meals ordered or eaten as a result of menu labeling, but they did suggest that consumers may not have the skills to adequately evaluate the nutritional information incorporated into the menu item labels. They suggested that consumer education is needed as a component of any menu labeling efforts. More

recent studies, though, have concluded that restaurant menu labeling may lead to significantly lower caloric content in restaurant meals, including restaurant meals purchased for children (Tandon et al., 2010). A simulation study conducted by the Los Angeles County Department of Public Health (Kuo, Jarosz, Simon, & Fielding, 2009) suggested that even limited changes in consumer behavior as a result of nutrition labeling in restaurants could have a significant impact on decreasing population weight gain. The impact could be enhanced if related strategies such as pricing incentives for healthier menu items or community education to improve nutrition knowledge were also implemented.

More and more cities, counties, and states have been passing laws with diverse provisions, thus creating much confusion for both the foodservice industry and consumers. To resolve this confusion, a nutrition labeling bill, supported by the National Restaurant Association, has been proposed in the U.S. Congress. If this bill is ultimately passed, it would provide consistent national nutrition labeling standards for foodservice establishments with 20 or more locations. Unfortunately, though, under this legislation, only the larger chain operations would be required to provide nutrition labeling for their menu items (Center for Science, 2003; National Restaurant Association, 2010).

Even if laws are passed requiring nutrition labeling, there are obstacles to implementing such labeling. Such obstacles include too many menu variations for nutrient calculations to be accurate, limited space on the menu for labeling, loss of flexibility in changing the menu, and perception of potentially negative effect on revenue (Almanza, Nelson, & Chai, 1997). Clearly, if nutrition labeling is to have a positive effect on consumers' menu choices, such obstacles must be addressed by the industry. Also, the information must be readily available to the foodservice establishment's guests and must be presented in an understandable format. Not only must consumers be able to access and understand the information, but the information must be accurate and consumers must have confidence in the information accuracy. Unfortunately, a recent study found that the stated caloric content of many restaurant foods and frozen meals from supermarkets labeled as "reduced-energy" was not consistently accurate. The actual caloric content was considerably more than the level stated (Urban et al., 2010). If the foodservice industry is going to take the initiative to provide nutrition information about menu items, then to be socially responsible, the firms will need to exercise care in determining items' nutritional value and will need to help educate consumers about the availability and value of the information.

CONCLUSIONS

The foodservice industry has a record of being actively involved in social issues, such as smoking and foodborne illnesses. Thus, it would seem only logical that the foodservice industry would recognize that it has an ethical responsibility regarding the obesity epidemic and would take the initiative in assuming a leading role in the efforts to combat obesity, a far more critical social issue than any other previously faced in the U.S. While there is little evidence specifically addressing the foodservice industry, a growing body of research from other businesses, including other types of hospitality industry businesses, indicates a positive, synergistic relationship between CSR and the firm's long-term value, particularly when the firm incorporates marketing practices that will enhance the firm's visibility within its strategic management. Thus, it seems likely that it would be in the best interests of foodservice firms to give serious consideration to incorporating CSR initiatives and actions as a component of the firms' strategic management.

Critical areas where CSR actions are needed include portion size, nutrition labeling and ethical advertising practices, particularly regarding advertising directed toward children. Initiation of ethical advertising actions can play an important role in public education regarding both portion sizes and the value of nutritional labeling when consumers are making food selections. While socially responsible actions in regard to these three areas may seem to be a reversal of profitable industry actions, actions that have contributed to the obesity issues, it should be recognized that CSR actions should be incorporated into both the strategic planning and long-term investment planning of the foodservice firms. By doing so, the firms will not only help address the obesity crisis now, but will be positively perceived by their stakeholders as ethical firms worthy of commitment and support over the long-term. Such commitment should enable the foodservice industry to avoid legislated policy mandating CSR action, such as the policy legislation passed to mandate changes in regard to smoking. Such commitment should result in long-term profitability and enhanced market value for the firm, as the firm helps to achieve control of the obesity epidemic.

More research is needed regarding the incorporation of CSR activities within the foodservice industry and the potential impact of such activities on the obesity epidemic and the long-term value and profitability of the firm. For example, studies might be done comparing the types of CSR activities engaged in by various facets of the hospitality industry and the extent to which foodservice firms and other types of

hospitality industry firms have incorporated CSR into their strategic management. Studies should also compare the impact of foodservice industry CSR activities that are only contributions to community charities or activities, to the impact of CSR activities that change the actual products offered, to determine the subsequent impact on the firms' market value and profitability. Relative to the obesity epidemic, it is essential that research be done to evaluate the impact of foodservice industry CSR actions--particularly those actions related to product modification, portion-size modifications, and consumer education--on the incidence of obesity within the communities served by the studied foodservice firms. There is much to be done to learn about the foodservice industry's incorporation of CSR activities, how they are incorporated by these firms, and how they are related to the current obesity epidemic. The time to start on such research is now.

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