p-ISSN : 2708-2474 | e-ISSN : 2708-2482
DOI(Journal): 10.31703/gmsr
DOI(Volume): 10.31703/gmsr/.2024(IX)
DOI(Issue): 10.31703/gmsr.2024(IX.I)

www.gmsrjournal.com

GMSR
Global Management Sciences Review
managing humanity

GMSR

GLOBAL MANAGEMENT SCIENCES REVIEW

HEC-RECOGNIZED CATEGORY-Y

VOL. IX, ISSUE I, WINTER (MARCH-2024)

Double-blind Peer-review Research Journal
www.gmsrjournal.com
© Global Management Sciences Review

HumanityPublications
sharing research
www.humapub.com
US | UK | Pakistan

Humanity Publications (HumaPub)
www.humapub.com
Doi: https://dx.doi.org/10.31703

Article title

Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry

Global Management Sciences Review

p-ISSN: 2708-2474 e-ISSN: 2708-2482
DOI(journal): 10.31703/gmsr
Volume: IX (2024)
DOI (volume): 10.31703/gmsr.2024(IX)
Issue: I (Winter-March 2024)
DOI(Issue): 10.31703/gmsr.2024(IX-I)

Home Page
www.gmsrjournal.com

Volume: IX (2024)
https://www.gmsrjournal.com/Current-issues

Issue: I-Winter (March-2024)
https://www.gmsrjournal.com/issue/9/1/2024

Scope
https://gmsrjournal.com/about-us/aims-and-scope

Submission
https://humaglobe.com/index.php/gmsr/submissions

Google Scholar

Visit Us

Abstract

The relationship among customers' perception of Corporate Social Responsibility (CSR), Customers' Loyalty (CL), Corporate Image (CI), Customers' Satisfaction (SAT), and Positive Word-of-Mouth p(WOM) has been explored extensively in the literature, however, the mediation effect of these constructs between customers' perception of CSR and CL in a single comprehensive model has least been studied. Therefore, the instant research examined the influence of customers' perception of CSR on CL by mediating the impact of SAT, CI, and p(WOM). A comprehensive survey was conducted for the customers of different hotels in Pakistan in 2023. The data from 299 respondents was analyzed by employing PLS-SEM. The findings revealed that customers' perception of CSR positively impacted SAT, CI, and p(WOM), which in turn influenced Customers' Loyalty (CL). Furthermore, results affirmed that SAT, CI, and p(WOM) mediated the relationship between CSR and CL.

Keywords: Customers' Perception of CSR, Customers' Loyalty, Customers' Satisfaction, Corporate Image, Positive Word of Mouth, PLS-SEM, Hotels in Pakistan.

Authors:

Bushra Pervaiz: (Corresponding Author)
Assistant Professor, Department of Economics, Lahore Leads University, Lahore, Punjab, Pakistan.
Email: (bushra19@live.com)

Muhammad Qasim Manzoor: PhD, Assistant Chief, Planning & Development Board, Government of Punjab, Pakistan.

Rabia Pervaiz Awan: MPhil Scholar, Institute of Business & Management, University of Engineering & Technology (UET), Lahore, Punjab, Pakistan.

Pages: 37-47
DOI:10.31703/gssr.2024(IX-I).05
DOI link: https://dx.doi.org/10.31703/gmsr.2024(IX-I).05
Article link: https://gmsrjournal.com/article/impact-of-corporate-social-responsibility-csr-on-customer-loyalty-with-mediating-role-of-customer-satisfaction-corporate-image-and-positive-word-of-mouth-in-pakistans-hotel-industry
Full-text Link: https://gmsrjournal.com/fulltext/impact-of-corporate-social-responsibility-csr-on-customer-loyalty-with-mediating-role-of-customer-satisfaction-corporate-image-and-positive-word-of-mouth-in-pakistans-hotel-industry
Pdf link: https://www.humapub.com/admin/alljournals/gmsr/papers/ujPfQWCAGH.pdf

This work is licensed under the Attribution-Noncommercial- No Derivatives 4.0 International.

Humanity Publications (HumaPub)
www.humapub.com
Doi:https://dx.doi.org/10.31703

Citing Article

05	Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry						
	Author	Bushra Pervaiz Muhammad Qasim Manzoor Rabia Pervaiz Awan		DOI	10.31703/gmsr.2024(IX-I).05		
Pages	37-47	Year	2024	Volume	IX	Issue	I
Referencing & Citing Styles	APA	Pervaiz, B., Manzoor, M. Q., & Awan, R. P. (2024). Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry. *Global Management Sciences Review*, *IX*(I), 37-47. https://doi.org/10.31703/gmsr.2024(IX-I).05					
	CHICAGO	Pervaiz, Bushra, Muhammad Qasim Manzoor, and Rabia Pervaiz Awan. 2024. "Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry." *Global Management Sciences Review* IX (I):37-47. doi: 10.31703/gmsr.2024(IX-I).05.					
	HARVARD	PERVAIZ, B., MANZOOR, M. Q. & AWAN, R. P. 2024. Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry. *Global Management Sciences Review,* IX**,** 37-47.					
	MHRA	Pervaiz, Bushra, Muhammad Qasim Manzoor, and Rabia Pervaiz Awan. 2024. 'Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry', *Global Management Sciences Review*, IX: 37-47.					
	MLA	Pervaiz, Bushra, Muhammad Qasim Manzoor, and Rabia Pervaiz Awan. "Impact of Corporate Social Responsibility (Csr) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry." *Global Management Sciences Review* IX.I (2024): 37-47. Print.					
	OXFORD	Pervaiz, Bushra, Manzoor, Muhammad Qasim, and Awan, Rabia Pervaiz (2024), 'Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry', *Global Management Sciences Review,* IX (I), 37-47.					
	TURABIAN	Pervaiz, Bushra, Muhammad Qasim Manzoor, and Rabia Pervaiz Awan. "Impact of Corporate Social Responsibility (Csr) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry." *Global Management Sciences Review* IX, no. I (2024): 37-47. https://dx.doi.org/10.31703/gmsr.2024(IX-I).05.					

This work is licensed under the Attribution-Noncommercial- No Derivatives 4.0 International.

e-ISSN: 2708-2482 Volume: IX (2024) Issue: I-Winter (March-2024) p-ISSN: 2708-2474

Global Management Sciences Review
www.gmsrjournal.com
DOI: http://dx.doi.org/10.31703/gmsr

Pages: 37-47 URL: https://doi.org/10.31703/gmsr.2024(IX-I).05 Doi: 10.31703/gmsr.2024(IX-I).05

Cite Us

Title

Impact of Corporate Social Responsibility (CSR) on Customer Loyalty with Mediating Role of Customer Satisfaction, Corporate Image, and Positive Word of Mouth in Pakistan's Hotel Industry

Abstract

The relationship among customers' perception of Corporate Social Responsibility (CSR), Customers' Loyalty (CL), Corporate Image, Customers' Satisfaction (SAT), and Positive Word-of-Mouth p(WOM) has been explored extensively in the literature, however, the mediation effect of these constructs between customers' perception of CSR and CL in a single comprehensive model has least been studied. Therefore, the instant research examined the influence of customers' perception of CSR on CL by mediating the impact of SAT, CI, and p(WOM). A comprehensive survey was conducted for the customers of different hotels in Pakistan in 2023. The data from 299 respondents was analyzed by employing PLS-SEM. The findings revealed that customers' perception of CSR positively impacted SAT, CI, and p(WOM), which in turn influenced Customers' Loyalty (CL). Furthermore, results affirmed that SAT, CI, and p(WOM) mediated the relationship between CSR and CL.

Keywords: Customers' Perception of CSR, Customers' Loyalty, Customers' Satisfaction, Corporate Image, Positive Word of Mouth, PLS-SEM, Hotels in Pakistan.

Contents

- Introduction
- Literature Review
- Research Methodology
- Situational Circumstances of the Selected Sub-registers
- Conclusion

Authors:

Bushra Pervaiz: (Corresponding Author)
Assistant Professor, Department of Economics, Lahore Leads University, Lahore, Punjab, Pakistan.
Email: (bushra19@live.com)

Muhammad Qasim Manzoor: PhD, Assistant Chief, Planning & Development Board, Government of Punjab, Pakistan.

Rabia Pervaiz Awan: MPhil Scholar, Institute of Business & Management, University of Engineering & Technology (UET), Lahore, Punjab, Pakistan.

Introduction

The hotel industry usually indulges in negatively affecting our environment by polluting air and water; creating noise pollution; disturbing biodiversity; and avoiding necessary precautions and basic rules of labor. Hence, there is an increasing realization among hotel managers and owners that the hotel industry's negative impact on the environment and society must be reduced or eliminated (Chan, 2010). Consequently, there is a realization to update organizational goals and adopt the practice of Corporate Social Responsibility (CSR).

The CSR addresses the stakeholders' concerns regarding environmental, social, and ethical aspects in order to boost both monetary and non-monetary benefits of the company (Vaaland & Heide, 2008).

This work is licensed under the Attribution-Noncommercial- No Derivatives 4.0 International.

CSR is perceived as a strategy to get positive acknowledgment about the organization from their customers and it provides comparative advantage to the organization (Latif & Sajjad, 2018). CSR not only includes the societal effect but also the environmental responsibility toward all stakeholders (McDonald & Lai, 2011)

The research on CSR is rooted in the stakeholders theory (Latif & Sajjad, 2018) The stakeholders are generally considered as a group of people with which the company has interaction and influence while doing its operations to achieve goals. The imperative part of stakeholder theory is that it throws light on managerial decisions and is perceived from a business point of view (Jones & Wicks, 1999). Therefore, it is expected for organizations to relate their CSR activities with their customers' perception of CSR so that their choice of particular hotel and loyalty may be strengthened (Liu & Wong, 2014).

Likewise, CSR perception of customers is taken as a marketing tool to enhance customer loyalty (Kim & Ham, 2016). In the hotel industry, the customers' perception of CSR has become an important research subject. The good opinion of customers about the hotel's policies towards CSR translates into more readiness to choose that hotel (Park & Kim, 2014). The social identity theory underlines the nexus between the CSR perception of consumers and their loyalty to the company.

As per social identity theory, positive customer perception of CSR on customers' loyalty has been established in some studies (Lu et al., 2017), however, other studies reported an insignificant direct link (Chang & Yeh, 2017). These contradicting findings regarding CSR perception of customers and customers' loyalty provide justification for instant study.

The Customers' Loyalty (CL) can be referred to as consumers' behavior as well as a point of view about the product/service of an organization and it is manifested through the behavioral intentions and behaviors of patronization and recommendation (White & Schneider, 2000). The literature affirms that happy customers are loyal to their product/service providers (Ali et al., 2018).

Customers satisfaction (SAT) is the overall analysis and interaction of customers with their organization's products and services. Customer satisfaction is considered as affirmative and positive feelings about a company's product or service after gaining experience with it, inspecting and evaluating its many aspects (Van Der Wiele et al., 2002). Similarly, customer satisfaction is regarded as a parameter for evaluating the feedback from customers after they use the products or services (Anderson, Fornell & Lehmann, 1994).

The Corporate Image (CI) refers to a set of feelings, intentions, information, and experiences gathered about a company (Arendt & Brettel, 2010). A company or an organization usually designs its image in such a way that the general public can relate and develop feelings with its sign. The hotel industry has especially recognized the importance of CL and how the customers' perception of CSR helps in creating feelings and affection for the company (Palacios-Florencio et al., 2018). The literature further noted that the corporate image helps minimize purchase risk perceived by customers (He & Lai, 2012).

The oral exchange of words among customers, their friends, relatives, and producers regarding the products of an organization has been duly explored in the literature (Chaniotakis & Lymperopoulos, 2009). This is formally called the Word of Mouth (WOM) and is an informal communication between uncommercial receivers and communicators regarding a product or service of a particular organization (Walker-Harrison, 2001). This entails both positive WOM which means good experiences, and negative WOM which may include bad rumors, complaints, and poor experiences by customers (Anderson, Fornell & Lehmann, 1994). However, this research concentrates on the positive WOM of customers about products or services.

Positive Word of Mouth or p(WOM) refers to informing others of the good aspects of a particular company (Brown & Dacin, 2005). The customers who are contented about the organization usually convey positive word of mouth. The p(WOM) happens when customers have trust in this organization (Ranaweera & Prabhu, 2003). Based on the influence of peers' opinions on other consumers' buying decisions, online as well as offline positive word of mouth is considered an inevitable marketing tool (Chen & Xie, 2008). This research is based on Social Identity Theory, Stakeholder Theory, and Signaling Theory.

In the service industry, the customers' informal communication or p(WOM) is considered an extremely important tool especially when the services are complex and it is difficult to evaluate them. The lack of p(WOM) creates customers' dissatisfaction on the one hand and widespread negative opinions about the organization on the other hand (Ranaweera & Prabhu, 2003). Likewise, the shortcoming in the spread of p(WOM) from peers about the organizational product or services negatively affects the other consumers' buying decisions about the product or to avail of any service (Chen & Xie, 2008). Therefore, it is desired to investigate the mediating

impact of p(WOM) on the relationship between customers' perception of CSR and CL.

Literature Review and Hypothesis Development

Relationship between CSR and CL

The impact of CSR on customers' loyalty as well as customer satisfaction with moderators such as corporate image between the two constructs was explored. The results confirmed the influence of CSR on customer loyalty and customer satisfaction significantly (Chung et al., 2015). Likewise, the influence of CSR on CL and its link with SAT, CI, and Service Quality (SQ) in impacting CL in the Taiwan intercity bus service context was explored and the outcome of the study revealed that CSR did not influence CL and SAT directly (Chang & Yeh, 2017). In another similar study conducted in the casinos confirmed the positive influence on CL by perceived CSR initiatives (Liu & Wong, 2014). Similarly, the influence of CSR on loyalty, SQ and repeat patronage intention was analyzed and it was found out that the CSR positively influenced CL (Mandhachitara & Poolthong, 2011).

On the other side, Nyadzayo, Leckie & Mcdonald (2016) depicted that CSR had not affected CL directly. Similarly, Martínez & Rodríguez (2013) studied the influence of perceived CSR on CL through mediations of trust and SAT. It was held in the contextual settings of Spanish hotel consumers. The outcome indicated that the perceived CSR influenced consumer trust and SAT, and customer trust and satisfaction positively affected customers' loyalty. Therefore, perceived CSR had an impact on customers' loyalty through significant mediations of trust and satisfaction. Therefore, the 1st hypothesis was generated i.e. H_1 = Customers' perception of CSR has a significant and positive impact on CL.

Relationship between CSR and SAT

Research held by Su, Pan & Chen (2017) revealed an affirmative influence of customer's perception of CSR on SAT and reputation. In the same way, a study was conducted by Walsh & Bartikowski (2013) to see the influence of CSR and SQ on WOM and CL directly as well as by SAT as a mediator. The findings revealed that CSR significantly affected SAT both in the USA and Germany. Therefore, the 2nd hypothesis was generated i.e. H_2 = Customers' perception of CSR has a significant and positive impact on customers' satisfaction.

Relationship between SAT and CL

The SAT has been found to have a significant impact on CL (Chou & Chang, 2014). EID (2013) studied the relationship between SAT CL and CR. The data was collected from 221 Muslim tourists. The findings depicted that SAT positively affected CL. Santouridis & Trivellas (2010) scrutinized the effect of SQ on CL via SAT. It analyzed the relation between SAT and CL, and also the mediation of SAT between SQ and CL. On the basis of the results, it was found that SQ was firmly associated with SAT. In addition to this, SAT also acted as a mediator between the SQ and CL links. Therefore, the 3rd hypothesis was generated i.e. H_3 = Customers' satisfaction has a significant and positive impact on CL.

Relationship between CSR and CI

Research conducted by Martínez et al. (2014) revealed the affirmative influence on the functional image and affective image of the brand by perceived CSR. Huang & Lien (2012) investigated that CSR positively influenced CI and the performance of the organization. Hossain et al. (2016) conducted research to analyze the effect of CSR on FP by deploying CI and CG as mediators. The aim of the study was to aid managers and other policymakers by presenting more insight into the CSR-FP link. The empirical findings depicted that CSR positively influenced CI and CG. Therefore, the 5th hypothesis was generated i.e. H_5 = Customers' perception of CSR has a significant and positive impact on CI.

Relationship between CI and CL

A study was conducted by (Lai, 2019b) to explore the effect of CI and customer reputation on creating CL in an organization. The findings depicted that image, reputation, and service quality resulted in boosting customer loyalty. A study was conducted by (Kaur & Soch, 2013) to find out the interrelationships among trust, CI, attitudinal and behavioral loyalty in the contextual settings of mobile phone companies. The results showed that the CI affected CL significantly and acted as a mediator between trust and CL. Therefore, the 6th hypothesis was generated i.e. H_6 = CI has a significant and positive impact on CL.

Relationship between CSR and p(WOM)

Han et al., 2020) found that ECSR influenced positively customers' p (WOM), service quality, and emotional attachment. In contrast, research by Supriyatno (2018) showed that CSR influenced trust, CR but it had not influenced WOM. Therefore, the 8th hypothesis was generated i.e. H_8 = Customers'

perception of CSR has a significant and positive impact on p (WOM).

Relationship between P(WOM) and CL

Research conducted by Chen (2011) showed a positive influence on CL electronic WOM, SAT, and technological readiness. In line with this research finding, the 9th hypothesis was generated i.e. H_9 = p(WOM) has a significant and positive impact on CL.

Mediating Effects in the CSR-CL link

The mediating effect in the CSR – CL link was represented by developing the following assumption in the instant study:

H_4 = SAT mediates the relationship between customers' perception of CSR and CL.

H_7 = CI mediates the relationship between customers' perception of CSR and CL.

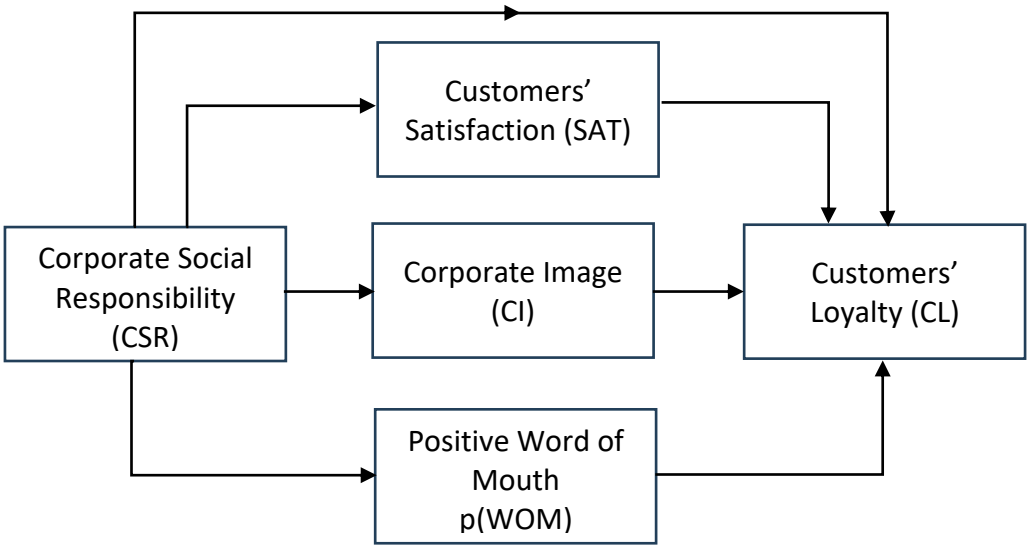
H_{10} = p(WOM) mediates the relationship between customers' perception of CSR and CL.

Theoretical Frame Work

The theoretical framework of instant research is given below:

Figure 1

Theoretical Framework



Research Methodology

The instant research deployed PLS-SEM to test hypotheses. The convenience sampling technique was used for data collection. The respondents were the customers who paid a recent visit to a hotel. The data was collected between June 2022 to December 2022 through personal visits to hotels as well as an online questionnaire form. A total of 350 questionnaires were distributed across different cities like Lahore, Islamabad, Multan, and Peshawar to get representative data of Pakistan's population. However, a total of 310 questionnaires were returned (response rate = 88.5%) and 11 questionnaires were excluded on account of missing data. Consequently, 299 questionnaires were found to be used for analysis. The dimensions of demographics depicted 189 respondents (60%) were men whereas 126 respondents (40%) were women. The age mean was 28years approximately. The unit of analysis was individual in this study.

Demographics were asked in the first part of the questionnaire like age, education, gender, and marital status. Then, in the second portion of the instrument, items for measuring customer perceptions of CSR, CL, CS, CI, and p(WOM) were included. The Items were measured on a 5-point Likert scale where 1 meant strong disagreement and 5 meant strong agreement. The measure of customers' perception of the CSR of an organization was extracted from the scale developed by Kim & Kim (2016). CSR scale was comprised of reflective items and was one-dimensional. A total of eight items were used to

measure customers' perception of CSR to check various aspects of CSR like quality of services and goods. In order to operationalize customers' loyalty, a five-item scale was derived from Zeithaml & Parasuraman (1996). In order to measure customers' satisfaction, a five-item scale was used which was established by Andaleeb & Conway (2006). The perception of customers regarding the corporate image of the hotel was evaluated by a five-item scale developed by Ladhari et al. (2011). Customers' p(WOM) about the organization was measured by a three-item scale established by (Maxham & Netemeyer, 2002).

Results and Discussions

Initially, the descriptive statistics were done by using SPSS 20. Then, the path estimation and significance, and the relationships of dependent, independent, and mediating variables were estimated through bootstrapping on Smart PLS 3.2.7.

Reliability and Validity

The researcher used Cronbach's alpha and composite reliability (CR) in order to check the reliability of the constructs. In the start, the overall item values of each construct were analyzed and those items with factor loading less than 0.600 were excluded. The values of the reliability and validity with factor loadings are depicted in Table 1. It can be seen that all the values of Alpha were more than the criterion of 0.700. Similarly, the values of average variance extracted (AVE) and CRs were more than 0.500 and 0.700 respectively which manifested convergent validity. Hence, the figures depicted that the data was reliable. The cross-loading values showed discriminant validity. The multicollinearity was also scrutinized and values are shown in Table 1. Each value of the Variance Inflation Factor (VIF) was lower than 5.

Table 1

Reliability and validity with item values factor loadings

Indicator	Loadings	Alpha	CR	AVE	VIF
CI_2	0.827	0.909	0.936	0.785	2.332
CI_3	0.867				2.642
CI_4	0.928				1.572
CI_5	0.919				1.550
CL_1	0.927	0.953			1.216
CL_2	0.911				1.308
CL_3	0.882				1.181
CL_4	0.929				1.447
CL_5	0.935				1.584
CSR_1	0.869	0.953	0.961	0.780	1.550
CSR_3	0.900				1.286
CSR_4	0.899				1.505
CSR_5	0.847				1.468
CSR_6	0.829				1.409
CSR_7	0.909				1.392
CSR_8	0.926				1.505
SAT_1	0.927	0.937	0.960	0.888	1.468
SAT_4	0.938				1.409
SAT_5	0.962				1.392
$p(WOM)_1$	0.932	0.810	0.913	0.839	1.864
$p(WOM)_2$	0.900				1.864

The cross-factor loadings of all the items of the construct have been given in Table 2. It can be seen that the values of cross-loadings were lower than the values of factor-loadings confirming the presence of discriminant validity. The discriminant validity was also checked by comparing it with the benchmark values of Fornell & Larcker. The results of it tests are mentioned in Table 3.

Table 2

Reliability and validity with cross-factor loadings

Construct	Corporate Image (CI)	Corporate Social Responsibility (CSR)	Customers' Loyalty (CL)	Customers' Satisfaction (SAT)	Positive Word of Mouth p(WOM)
CI_2	0.827	0.648	0.658	0.706	0.634
CI_3	0.867	0.685	0.743	0.742	0.646
CI_4	0.928	0.775	0.848	0.839	0.826
CI_5	0.919	0.763	0.863	0.833	0.838
CL_1	0.815	0.797	0.927	0.802	0.812
CL_2	0.791	0.772	0.911	0.790	0.781
CL_3	0.800	0.791	0.882	0.823	0.740
CL_4	0.808	0.811	0.929	0.819	0.820
CL_5	0.836	0.817	0.935	0.828	0.810
CSR_1	0.695	0.869	0.739	0.777	0.636
CSR_3	0.759	0.900	0.821	0.801	0.736
CSR_4	0.726	0.899	0.766	0.749	0.682
CSR_5	0.661	0.847	0.689	0.734	0.553
CSR_6	0.676	0.829	0.734	0.720	0.637
CSR_7	0.720	0.909	0.781	0.797	0.662
CSR_8	0.777	0.926	0.835	0.834	0.754
SAT_1	0.791	0.829	0.842	0.927	0.767
SAT_4	0.856	0.825	0.824	0.938	0.746
SAT5	0.849	0.825	0.840	0.962	0.786
$p(WOM)_1$	0.808	0.766	0.850	0.804	0.932
$p(WOM)_2$	0.720	0.609	0.726	0.676	0.900

Table 3

Reliability and validity by comparing benchmark values of the Fornell & Larcker

Sr. No.	Constructs	Corporate Image (CI)	Corporate Social Responsibility (CSR)	Customers' Loyalty (CL)	Customers' Satisfaction (SAT)	Positive word of mouth p(WOM)
1	Corporate Image (CI)	0.886				
2	Corporate Social Responsibility (CSR)	0.813	0.883			
3	Customers' Loyalty (CL)	0.884	0.870	0.917		
4	Customers' Satisfaction (SAT)	0.883	0.877	0.886	0.943	
5	Positive Word of Mouth p(WOM)	0.837	0.757	0.865	0.813	0.916

Table 4

Descriptive analysis of the perception of respondents from the hotel industry in Pakistan

Indicators	Mean	SD
CSR_1	3.759	1.211
CSR_2	3.753	1.165
CSR_3	3.415	1.116
CSR_4	3.385	1.108
CSR_5	4.037	1.110
CSR_6	3.224	1.136
CSR_7	3.515	1.052
CSR_8	3.569	1.120
SAT_1	3.886	1.151
SAT_2	3.726	1.170

Indicators	Mean	SD
SAT_3	3.679	1.120
SAT_4	3.739	1.121
SAT_5	3.833	1.150
CI_1	3.983	0.879
CI_2	4.100	0.948
CI_3	4.000	1.018
CI_4	3.886	1.148
CI_5	3.823	1.176
$p(WOM)_1$	4.010	1.225
$p(WOM)_2$	3.562	1.248
$p(WOM)_3$	3.495	1.471
CL_1	3.930	1.156
CL_2	3.870	1.191
CL_3	3.816	1.093
CL_4	3.813	1.229
CL_5	3.769	1.212

Descriptive Analysis

The descriptive analysis given in Table 4 depicted the perception of respondents from the Pakistan hotel sector in the theoretical framework of this study.

Structural Model

The PLS bootstrapping algorithm technique was used for path model testing in order to test the hypotheses (Dijkstra, 2015). The summary of the hypothesis accepted along with values has been reported in Table 5:

Table 5

Hypothesis Testing

Hypotheses	Statement	Beta	t	*p*	Status
H_1	CSR has a positive impact on customer loyalty.	0.306	5.063	0.000	Accepted
H_2	CSR has a positive impact on customer satisfaction.	0.875	50.543	0.000	Accepted
H_3	Customer satisfaction has a positive impact on customer loyalty.	0.157	2.285	0.023	Accepted
H_5	Customer perception of CSR has a positive impact on corporate image.	0.810	29.567	0.000	Accepted
H_6	Corporate image has a positive impact on customers' loyalty.	0.242	4.070	0.000	Accepted
H_8	CSR has a positive impact on p(WOM).	0.755	22.380	0.000	Accepted
H_9	P(WOM) has a positive impact on customers' loyalty	0.302	5.182	0.000	Accepted

The H_1 states that CSR significantly and positively affects customer loyalty. It was found after the analysis that CSR had a positive impact on CL as evidenced by t and *p* statistics (t=5.063 and p<.05), thus H_1 was accepted. The literature also affirmed that the perceptions of customers about CSR boosts CL (Lee, Chen-Ying, 2017).

The H_2 states that CSR has a significant and positive impact on the SAT. The influence of CSR on SAT was found statistically significant as evidenced by t and p statistics (t=50.543 and p<.05). These results are supported by previous literature (Chung, Choi & Shin, 2015) that CSR practices positively affect SAT in customers of hotel industries While the value of beta indicates that one unit change in CSR will bring 0.875 unit changes in SAT.

The H_3 states that SAT significantly and positively impacts CL. The SAT had a positive impact on CL (t=2.285 and p<.05). This finding was aligned with previous empirical findings held by Chou et al. (2014). The H_5 stated that CSR affects CI significantly and positively. After analysis, it was revealed that the CSR had a positive impact on CI (t=29.567 and p<.05). While the value of beta indicates that one unit change in CSR will bring a 0.810 unit change in CI. The significance also found in previous literature is that positive change in CSR influences the CI of that organization.

The H_6 states that CI has a significant and positive effect on CL. The CI was found to have a significant impact on CL (t=4.070 and p<.05). The significant effect of CI on CL is well supported by literature (Ka & Lai, 2019). The H_8 states that CSR has a significant and positive effect on p(WOM). The customer's perception of CSR was estimated to have a positive impact on p(WOM) (t=22.380 and p<.05). This positive effect of CSR on p(WOM) is well supported by literature (Han et al., 2020). The H_9 states that p(WOM) has a positive and significant impact on CL. The P (WOM) was evaluated to have a positive impact on CL (t=5.182 and p<.05). These results are well supported by literature (Chen, 2011).

Mediation Analysis

The results of the bootstrapping algorithm in PLS-SEM illustrated the indirect effects between CSR and CL through mediators SAT, CI, and p(WOM). The mediation was assessed by calculation of bootstrapping and from specific indirect effect values on PLS. The H_4 states that SAT mediates the relationship of CSR-CL. The indirect effect of mediation of SAT between CSR and CL was observed to be significant (t = 2.294, p=0.022). It partially mediated the relation, therefore, the H_4 was accepted. The H_7 stated that CI mediates the relationship of CSR-CL. The value of CI mediation between the CSR-CL link was found to be significant (t= 4.018, p= 0.00), hence H_7 was supported and it showed that CI mediated the CSR-CL link.

Similarly, the H_{10} states that p(WOM) mediates the relationship of CSR-CL. The values for third mediation p(WOM) between the CSR-CL link depicted that mediation existed (t=4.902, p= 0.00) and H_{10} was accepted. In a nutshell, the effect of customers' perception of CSR on CL had a direct as well as indirect relationship through significant mediation of SAT and p(WOM). The mediation analysis has been summarized in Table 6:

Table 6

Mediation Analysis

Hypothesis	Path	Beta	t	p	Status
H_4	Corporate Social Responsibility (CSR) → customer satisfaction (SAT) → customer loyalty (CL	0.137	2.294	0.022	Accepted
H_7	Corporate Social Responsibility (CSR) → Corporate Image (CI) → Customers' Loyalty (CL	0.196	4.018	0.000	Accepted
H_{10}	Corporate Social Responsibility (CSR) → Positive word of mouth p(WOM) → Customers' Loyalty (CL)	0.228	4.902	0.000	Accepted

Conclusion

This study scrutinized the influence of customers' perception of CSR in enhancing CL via deploying SAT, CI, and p(WOM) as mediators. Based on the findings of the study, it was concluded that customers' perception of CSR had a positive influence on increasing CL. As much as hotels adopted CSR practices, it increased the loyalty of their customers to that hotel. This finding was supported by Social Identity Theory. It was concluded that CSR also affected the satisfaction of customers in a positive way which had been endorsed by the Stakeholders Theory. The customers of the hotels practicing CSR would be more satisfied with that hotel. It was found that an increase in CSR also encouraged the CI of that hotel. Moreover, the findings of this study also endorsed Social Identity Theory, Signaling Theory, and Stakeholder Theory.

In other words, CSR adoption played a role in creating a good image of that organization. It showed that the CSR activities promoted p(WOM) in customers. Likewise, the CSR adoption helped in the generation of good saying about the overall hotel working. The findings of this study also confirmed that SAT influenced CL positively or in other words satisfaction in customers generated loyalty. The more satisfied customers, the more there would be the loyalty with organization from their side. The findings also showed that CI positively affected CL or a good image of the hotel generated more loyalty in customers. Likewise, a study has also revealed that the p(WOM) positively affected CL. Similarly, if customers had a positive opinion about the hotel, it would lead to their loyalty.

It is concluded that CSR practices assist the hotel industry with good results in terms of customers' dedication. CSR can act as a strategic tool for managers to strengthen their relationships with customers. The implementation of CSR in the current world is not an option but mandatory. Any improvement in customers' perceptions of CSR increases the hotel's intangible assets like CL, SAT, CI, and p(WOM). Consequently, in the long run, these all will contribute to CL.

References

Ali, F., Kim, W. G., Li, J., & Jeon, H. (2018). Make it delightful: Customers' experience, satisfaction, and loyalty in Malaysian theme parks. *Journal of Destination Marketing & Management*, *7*, 1–11. https://doi.org/10.1016/j.jdmm.2016.05.003
Google Scholar Worldcat Fulltext

Andaleeb, S. S., & Conway, C. (2006). Customer satisfaction in the restaurant industry: an examination of the transaction-specific model. *Journal of Services Marketing˜the œJournal of Services Marketing*, *20*(1), 3–11. https://doi.org/10.1108/08876040610646536
Google Scholar Worldcat Fulltext

Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer Satisfaction, Market Share, and Profitability: Findings from Sweden. *Journal of Marketing*, *58*(3), 53. https://doi.org/10.2307/1252310
Google Scholar Worldcat Fulltext

Arendt, S., & Brettel, M. (2010). Understanding the influence of corporate social responsibility on corporate identity, image, and firm performance. *Management Decision*, *48*(10), 1469–1492. https://doi.org/10.1108/00251741011090289
Google Scholar Worldcat Fulltext

Brown, T. J. (2005). Spreading the Word: Investigating antecedents of consumers' positive Word-of-Mouth intentions and behaviors in a retailing context. *Journal of the Academy of Marketing Science*, *33*(2), 123–138. https://doi.org/10.1177/0092070304268417
Google Scholar Worldcat Fulltext

Chan, E. S. W. (2010). Implementing Environmental Management Systems in Small- and Medium-Sized Hotels: obstacles. *Journal of Hospitality & Tourism Research*, *35*(1), 3–23. https://doi.org/10.1177/1096348010370857
Google Scholar Worldcat Fulltext

Chang, Y., & Yeh, C. (2017). Corporate social responsibility and customer loyalty in intercity bus services. *Transport Policy*, *59*, 38–45. https://doi.org/10.1016/j.tranpol.2017.07.001
Google Scholar Worldcat Fulltext

Chaniotakis, I. E., & Lymperopoulos, C. (2009). Service quality effect on satisfaction and word of mouth in the health care industry. *Managing Service Quality*, *19*(2), 229–242. https://doi.org/10.1108/09604520910943206
Google Scholar Worldcat Fulltext

Chen, S. (2011). UNDERSTANDING THE EFFECTS OF TECHNOLOGY READINESS, SATISFACTION AND ELECTRONIC WORD-OF-MOUTH ON LOYALTY IN 3C PRODUCTS. *Australian Journal of Business and Management Research*.
Google Scholar Worldcat Fulltext

Chen, Y., & Xie, J. (2008). Online Consumer Review: Word-of-Mouth as a new element of marketing Communication mix. *Management Science*, *54*(3), 477–491. https://doi.org/10.1287/mnsc.1070.0810
Google Scholar Worldcat Fulltext

Chou, P., Lu, C., & Chang, Y. (2014). Effects of service quality and customer satisfaction on customer loyalty in high-speed rail services in Taiwan. *Transportmetrica. A, Transport Science*, *10*(10), 917–945. https://doi.org/10.1080/23249935.2014.915247
Google Scholar Worldcat Fulltext

Chung, K., Yu, J., Choi, M., & Shin, J. (2015). The effects of CSR on customer satisfaction and loyalty in China: The Moderating role of Corporate image. *Journal of Economics, Business and Management*, *3*(5), 542–547. https://doi.org/10.7763/joebm.2015.v3.243
Google Scholar Worldcat Fulltext

Dijkstra, T. K., & Henseler, J. (2015). Consistent partial least squares path modeling. *Management Information Systems Quarterly*, *39*(2), 297–316. https://doi.org/10.25300/misq/2015/39.2.02
Google Scholar Worldcat Fulltext

Eid, R. (2013). Integrating Muslim Customer Perceived Value, Satisfaction, Loyalty and Retention in the Tourism Industry: An Empirical Study. *International Journal of Tourism Research˜the œInternational Journal of Tourism Research*, *17*(3), 249–260. https://doi.org/10.1002/jtr.1982
Google Scholar Worldcat Fulltext

Han, H., Al-Ansi, A., Chi, X., Baek, H., & Lee, K. (2020). Impact of environmental CSR, service quality, emotional attachment, and price perception on Word-of-Mouth for Full-Service Airlines. *Sustainability*, *12*(10), 3974. https://doi.org/10.3390/su12103974
Google Scholar Worldcat Fulltext

Kaur, H., & Soch, H. (2013). Mediating roles of commitment and corporate image in the formation of customer loyalty. *Journal of Indian Business Research*, *5*(1), 33–51. https://doi.org/10.1108/17554191311303376
Google Scholar Worldcat Fulltext

He, Y., & Lai, K. K. (2012). The effect of corporate social responsibility on brand loyalty: the mediating role of brand image. *Total Quality Management and Business Excellence/Total Quality Management & Business Excellence*, *25*(3–4), 249–263. https://doi.org/10.1080/14783363.2012.661138
Google Scholar Worldcat Fulltext

Van Der Wiele, T., Boselie, P., & Hesselink, M. (2002). Empirical evidence for the relationship between customer satisfaction and business performance. *Managing Service Quality*, *12*(3), 184–193. https://doi.org/10.1108/09604520210429259
Google Scholar Worldcat Fulltext

Hossain, M. M., Alamgir, M., & Alam, M. (2016). The

mediating role of corporate governance and corporate image on the CSR-FP link. *Journal of General Management*, *41*(3), 33–51. https://doi.org/10.1177/030630701604100303
Google Scholar Worldcat Fulltext

Huang, C., & Lien, H. (2012). An empirical analysis of the influences of corporate social responsibility on organizational performance of Taiwan's construction industry: using corporate image as a mediator. *Construction Management & Economics*, *30*(4), 263–275. https://doi.org/10.1080/01446193.2012.668620
Google Scholar Worldcat Fulltext

Jones, T. M., & Wicks, A. C. (1999). Convergent stakeholder theory. ˜the œAcademy of Management Review, *24*(2), 206–221. https://doi.org/10.5465/amr.1999.1893929
Google Scholar Worldcat Fulltext

Lai, I. K. W. (2019b). Hotel image and reputation on building customer loyalty: An empirical study in Macau. *Journal of Hospitality and Tourism Management*, *38*, 111–121. https://doi.org/10.1016/j.jhtm.2019.01.003
Google Scholar Worldcat Fulltext

Latif, K. F., & Sajjad, A. (2018). Measuring corporate social responsibility: A critical review of survey instruments. *Corporate Social-responsibility and Environmental Management*, *25*(6), 1174–1197. https://doi.org/10.1002/csr.1630
Google Scholar Worldcat Fulltext

Kim, E., & Ham, S. (2016). Restaurants' disclosure of nutritional information as a corporate social responsibility initiative: Customers' attitudinal and behavioral responses. *International Journal of Hospitality Management*, *55*, 96–106. https://doi.org/10.1016/j.ijhm.2016.02.002
Google Scholar Worldcat Fulltext

Kim, S., & Kim, D. (2016). The influence of corporate social responsibility, ability, reputation, and transparency on hotel customer loyalty in the U.S.: a gender-based approach. *SpringerPlus*, *5*(1). https://doi.org/10.1186/s40064-016-3220-3
Google Scholar Worldcat Fulltext

Ladhari, R., Souiden, N., & Ladhari, I. (2011). Determinants of loyalty and recommendation: The role of perceived service quality, emotional satisfaction and image. *Journal of Financial Services Marketing*, *16*(2), 111–124. https://doi.org/10.1057/fsm.2011.10
Google Scholar Worldcat Fulltext

McDonald, L. M., & Lai, C. H. (2011). Impact of corporate social responsibility initiatives on Taiwanese banking customers. *International Journal of Bank Marketing*, *29*(1), 50–63. https://doi.org/10.1108/02652321111101374
Google Scholar Worldcat Fulltext

Lee, C., Chang, W., & Lee, H. (2017). An investigation of the effects of corporate social responsibility on corporate reputation and customer loyalty – evidence from the Taiwan non-life insurance industry. *Social Responsibility Journal*, *13*(2), 355–369. https://doi.org/10.1108/srj-01-2016-00060
Google Scholar Worldcat Fulltext

Liu, M. T., Wong, I. A., Rongwei, C., & Tseng, T. (2014). Do perceived CSR initiatives enhance customer preference and loyalty in casinos? *International Journal of Contemporary Hospitality Management*, *26*(7), 1024–1045. https://doi.org/10.1108/ijchm-05-2013-0222
Google Scholar Worldcat Fulltext

Mandhachitara, R., & Poolthong, Y. (2011). A model of customer loyalty and corporate social responsibility. *Journal of Services Marketing/˜the œJournal of Services Marketing*, *25*(2), 122–133. https://doi.org/10.1108/08876041111119840
Google Scholar Worldcat Fulltext

Martínez, P., Pérez, A., & Del Bosque, I. R. (2014). CSR influence on hotel brand image and loyalty. *Academia*, *27*(2), 267–283. https://doi.org/10.1108/arla-12-2013-0190
Google Scholar Worldcat Fulltext

Martínez, P., & Del Bosque, I. R. (2013). CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction. *International Journal of Hospitality Management*, *35*, 89–99. https://doi.org/10.1016/j.ijhm.2013.05.009
Google Scholar Worldcat Fulltext

Maxham, J. G., & Netemeyer, R. G. (2002). A longitudinal study of complaining customers' evaluations of multiple service failures and recovery efforts. *Journal of Marketing*, *66*(4), 57–71. https://doi.org/10.1509/jmkg.66.4.57.18512
Google Scholar Worldcat Fulltext

Nyadzayo, M. W., Leckie, C., & McDonald, H. (2016). CSR, relationship quality, loyalty and psychological connection in sports. *Marketing Intelligence & Planning*, *34*(6), 883–898. https://doi.org/10.1108/mip-08-2015-0148
Google Scholar Worldcat Fulltext

Park, J., Lee, H., & Kim, C. (2014). Corporate social responsibilities, consumer trust and corporate reputation: South Korean consumers' perspectives. *Journal of Business Research*, *67*(3), 295–302. https://doi.org/10.1016/j.jbusres.2013.05.016
Google Scholar Worldcat Fulltext

Ranaweera, C., & Prabhu, J. (2003). On the relative importance of customer satisfaction and trust as determinants of customer retention and positive word of mouth. *Journal of Targeting, Measurement and Analysis for Marketing*, *12*(1), 82–90. https://doi.org/10.1057/palgrave.jt.5740100
Google Scholar Worldcat Fulltext

Santouridis, I., & Trivellas, P. (2010). Investigating the impact of service quality and customer satisfaction on customer loyalty in mobile telephony in Greece. *˜the œTQM Journal*, *22*(3), 330–343. https://doi.org/10.1108/17542731011035550
Google Scholar Worldcat Fulltext

Su, L., Pan, Y., & Chen, X. (2017). Corporate social responsibility: Findings from the Chinese hospitality industry. *Journal of Retailing and Consumer Services*, *34*, 240–247. https://doi.org/10.1016/j.jretconser.2016.10.013
Google Scholar Worldcat Fulltext

Supriyatno, A. (2018). The effect of corporate social responsibility on word of mouth with trust and corporate reputation as intervening variable. *Jurnal Manajemen Bisnis*, *9*(2). https://doi.org/10.18196/mb.9263
Google Scholar Worldcat Fulltext

Vaaland, T. I., Heide, M., & Grønhaug, K. (2008). Corporate social responsibility: investigating theory and research in the marketing context. *European Journal of Marketing*, *42*(9/10), 927–953. https://doi.org/10.1108/03090560810891082
Google Scholar Worldcat Fulltext

Harrison-Walker, L. J. (2001b). The measurement of Word-of-Mouth communication and an investigation of service quality and customer commitment as potential antecedents. *Journal of Service Research*, *4*(1), 60–75. https://doi.org/10.1177/109467050141006
Google Scholar Worldcat Fulltext

Walsh, G., & Bartikowski, B. (2013). Exploring corporate ability and social responsibility associations as antecedents of customer satisfaction cross-culturally. *Journal of Business Research*, *66*(8), 989–995. https://doi.org/10.1016/j.jbusres.2011.12.022
Google Scholar Worldcat Fulltext

White, S. S., & Schneider, B. (2000). Climbing the commitment ladder. *Journal of Service Research*, *2*(3), 240–253. https://doi.org/10.1177/109467050023002
Google Scholar Worldcat Fulltext

Lu, X., Liu, H. W., & Rahman, M. (2017). The impact of corporate social responsibility on customer loyalty: A case for two global corporations in China. *Strategic Change*, *26*(3), 251–260. https://doi.org/10.1002/jsc.2126
Google Scholar Worldcat Fulltext

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, *60*(2), 31. https://doi.org/10.2307/1251929
Google Scholar Worldcat Fulltext