

CSR Dimensions and Customer Satisfaction: The Mediating Role of Brand Image from the Perspective of the Hotel Industry

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Abstract

The concept of corporate social responsibility (CSR) is still considered to be in the initial phases in the research and academic arena especially in Asian developing economies. Current research embraces a more comprehensive and integrated approach with regard to the assessment of CSR dimensions (economic and ethical) on customer satisfaction with a mediating role of brand image. This article investigates the relation amongst CSR dimensions (ethical and economic) intervened by brand image. Data were collected, from 212 hotels based in Pakistan, and the research model was analyzed by employing the PLS-SEM technique. The statistical findings show that both CSR dimensions (economic and ethical) positively impact firm performances whereas brand image acts a strong mediator among CSR dimensions and customer satisfaction.

Keywords: Customer Satisfaction, Brand Image, Corporate Social Responsibility Dimensions, Pakistan

Introduction

Throughout the past decade, corporate social responsibility (CSR) have become much important for hotel businesses, which is due to facing severe pressure from public for improving customer satisfaction (Mohammed & Rashid, 2018). This is because CSR are considered to be a strategic resource of the company which needs to be valued by the hotels. Besides the growing pressure on hotel businesses from public, increase in public awareness regarding CSR has put severe pressure on hotels to improve the satisfactory levels of the customers (Deegan, 2015). Furthermore, this has led the hotel businesses to expect their managers to accomplish another target which is to improve the customer satisfaction. Therefore, one way for hotel managers to realize this is through consideration of CSR of the hotel. Increase in customer awareness relating to CSR and the growing realization of the customers for pleasant experience, comfortability, and increased satisfaction. In addition, this has led the hotels interested to sustain competitive advantage through the utilization of CSR (Carroll & Shabana, 2010). CSR have emerged as a means for hotels to improve the image of the hotels, and eventually all in all satisfactory levels of the customers as well. Hotels are engaged on making their customers satisfied, by improving their image (Mohammed & Rashid, 2018). Where, improved image of the hotel would have critical influence on hotels presentation, consumers purchasing decisions, and improve all in all customer satisfactory levels. Through CSR hotels can improve the image of the hotel and eventually improve the satisfaction level of the guests as well. With the passage of time, hotel industry has improved to become one of the most acknowledged industries all around the globe (Saleem & Raja, 2014). Hotel segment of a nation is a way of friendly reception for outsiders (Hashim, Hashim, Bo, Ahmad, & Mobin, 2016).

In recent times, decisions of customers regarding hotels are vulnerable to diverse issues regarding disasters, financial differentiation in advanced countries due to economic concerns, and climate change (Martinez, Perez, & Bosque, 2014). Furthermore, guests' aspirations, experiences and values also differ over time. Similarly, guests of hotels are well informed of the inhabitants and planets resources (Levy & Park, 2014), for which they have better freedom of choice as well as higher

purchasing power. Customers ideology related to travel highlights the importance of emotional wellbeing and healthy environment which influences customers purchasing decisions. Moreover, the abovementioned concerns need to be considered by hotels, with an aim to enhance the customer satisfaction along with the competitiveness through the introduction of CSR. Numerous investigations assert motivation for the utilization of CSR upon firm strategy is the opportunity to make the company stand from its competitors (Porter & Kramer, 2006; Reisinger, 2013) and enhance revenue (Lee, 2008; Mohammed & Rashid, 2018). Researches with regards to the US have concentrated on looking at the advantages acquired from CSR usage (Levy & Park, 2014). On the contrary, it has been recommended that different settings should be analyzed, particularly developing economies (Vong & Wong, 2013; Mohammed & Rashid, 2018); especially in non-manufacturing companies such as hotel sector (Xun, 2013).

The Pakistan hotel industry has recently emerged as a major investment destination, and one major reason for this is due to improvement in the tourism industry of Pakistan (Ali, 2016). According to the Pakistan Tourism Development Corporation (PTDC) report, a 6.9% of the contribution in the GDP has been contributed by the tourism segment for the year 2017 (Hassan, 2017). Also, 1.75 million tourists visited Pakistan for the year 2017. Hotels are the popular and major way for stay among foreign and local visitors. Hence, revenue gained through tourism and hotel industry has become another source of developing growth in Pakistan, due to increase in revenue earned by hotels (Ali, 2016). Similarly, with the improvement of various segments and facilities in Pakistan (such as improvement in tourism segment, improved law and order situation, and rising startups), are major reasons for the enhancement of hotel industry (Saleem & Raja, 2014). The better quality of refreshment, experience and expertise provided by hotels has played a huge part in the development of hotel industry in Pakistan. Guests are encouraged with better services by providing better experiences as well as fine surroundings (Mohammed & Rashid, 2018). A prosperous hotel business relies on comprehending the significant determinants relating to consumer satisfaction. Hotels require successful advertising methodologies to draw in Asian and western customers (Poon & Low, 2005; Mohammed & Rashid, 2018). In addition, living up to the guests underlying expectations and expanding satisfaction of the customers would also enhance customers purpose to revisit. Customer satisfaction is perceived to be a crucial factor of success in the tourism segment, for which hotels cannot stay competitive if they are not able to meet customers' expectations. Pakistan's hotels also face severe competitions with each other; therefore CSR have emerged as a way for hotels to sustain advantage from competition. Therefore, these reasons make Pakistan a perfect setting to study the influence of CSR on the customer satisfaction, by taking into consideration the intervening role of brand image.

Theoretical Perspective

Previously, scholars have mainly focused on the internal measures related to improving employee efficiency, operational capabilities to sustaining competitive advantage by taking into consideration the theoretical perspective on the basis of the theory of RBV or stakeholder theory. Moreover, as hotels tend to operate in external environments and have an influence from external sources such as (stakeholder response); thence an institutional view is also required. As per the institutional theory which simply asserts that companies need to manage the stakeholder concerns in order to gain creditability and acceptance (Lee, Seo, & Sharma, 2013). As the problem addressed in the study is for the management of the stakeholder concern of hotel customers for demanding CSR, due to the increase in customer awareness. Therefore, this study takes into consideration the concern of the stakeholders (customers) on the basis of the institutional theory. This study focuses on that hotels would be able to improve and manage the concerns of the stakeholders (customers), based on

the consideration that through the utilization of CSR hotels would be able to improve the hotel business image and ultimately improve guests' satisfaction.

Previous literature confirmed CSR significant contribution to satisfaction of customers in different segments like telecommunication (He & Li, 2011; Mohammed & Rashid, 2018) and financial institutions (Arkan & Guner, 2013). First, ongoing examinations have demonstrated the significance of CSR for hotel industry (Lee et al., 2013; Kim & Kim, 2014; Mohammed & Rashid, 2018). Accordingly, Line and Runyan (2011) suggested as to further researches should relate CSR concerns from the customers viewpoint of the hospitality industry. Various researchers elucidated as to minimal being known about the effect of various actions relating to brand image and customer satisfaction (Heo & Lee, 2009). As per the discussion above, scarce attention has been directed relating to the accord of various CSRA dimensions with customer satisfaction concerning from the setting of hotel segment. Thence, the opportunity has been taken in this research to limit the gap in literature (Sheldon & Park, 2011; Sasa & Borut, 2014; Levy & Park, 2014; Mohammed & Rashid, 2018).

Romani, Grappi and Bagozzi (2013) expressed that possible intervening factors related to a great extent have been disregarded. There is less information on the hypothetical methodologies utilized to comprehend the connection among customer satisfaction and CSR. Freeman (2011) claimed in relation to the stakeholder theory that CSR could boost up brand image for customers, workers, and other interested stakeholders. It makes sense that such exercises could satisfy customers. Coldwell (2001) also explained that successful CSR dimensions could prompt a decent corporate picture, and eventually enhance the company performance. Notwithstanding, experimental confirmation upon this association relates to be equivocal (Coldwell, 2001). Martinez et al., (2014) documented that minimal is known regarding the connection between CSR dimensions, brand image along with the customer satisfaction with regards to the hotel industry. Hence, an opportunity has been taken to study the influence of CSR on customer satisfaction while considering the mediating role of brand image on the hotel industry of Pakistan. Third, to best of our knowledge this would be the first empirical study relating to this field from the perspective of the Pakistan hotel industry.

Literature Review

CSR Dimensions and Customer Satisfaction

CSRA (corporate social responsible activities) have no such recognized definition (Freeman, 2011). Whereas, it is characterized in respect of multifaceted terms (Rowley & Berman, 2000; Mohammed & Rashid, 2018). Carroll and Shabana (2010) documented that corporate social responsibility is a factor that has numerous measurements: philanthropic, legal, ethical and economic. As, economic corporate social responsibility (CSR) have a tendency to fulfill the economic obligations of the organization's stakeholders. On the other hand, CSR also mark towards consenting the directions constructed by company policy makers. Ethical CSR measurement relates to duties of the company pertaining to be execution and leadership as well as legitimate commitment. Moreover, philanthropic CSR measurement works on the improvement of welfare of the people (Mohammed & Rashid, 2018). In general, CSR is advert as to particular activities and the status of organizations which are coherent to its commitments towards its stakeholders (Sen & Bhattacharya, 2001). Between the various parties, customers require more consideration as CSR have compelling impact on the customer related results (Mohammed & Rashid, 2018).

As indicated by the equity theory, customers are observed as stakeholders whom are concerned about the monetary estimation of consumption. Also, customers are concerned about the general

norms or attitude of the firm, to what extent the firm is socially responsible and considering its fairness as shown by corporate activities. Hence, consumers are perceived much satisfied with firms which are socially responsible with regard to stakeholders (Kucukusta, Mak, & Chan, 2013). To illustrate more, customer satisfaction is interpreted as the overall assessment on the basis of consumer's consumption experience and total purchase of the firm's commodities over time (Mohammed & Rashid, 2018).

Stakeholder theory postulates that the purchaser's multifaceted nature is intrigued by the company's activities as a part of a family and an economic entity (Sen & Bhattacharya, 2001). Distinctly, some consumers pertain to be more concerned than the consumption experience (Daub & Ergenzinger, 2005), plus consumers are distinguished as being contented with commodities those are made by socially developed companies (Sen & Bhattacharya, 2001). At the end of the day, the past execution of CSR produces a constructive setting that adds to the purchaser's evaluation and impression concerning the company (Sen & Bhattacharya, 2001; Mohammed & Rashid, 2018).

Previous studies have established the effect of CSR dimensions upon customers behaviors. Choi and La (2013) portrayed the compelling impact of CSR upon consumer loyalty and trust, also the mediating effect of consumer trust. The approach of visitors in Hong Kong related to CSR activities were assessed concerning hotels (five stars) by (Kucukusta et al., 2013). They found CSR factors compelling impacting approach of inclination to pay, brand image and quality of service. Furthermore, the approach of Hong Kong hotel guests regarding CSR of five and four star hotels were studied by (Kucukusta et al., 2013). Their results revealed that CSR activities majorly vision, environment and mission significantly projected these hotel guests' inclinations to pay, brand image, stay preferences.

Likewise, Othman and Hemdi (2014) investigated the CSR-customer retention and relationship with brand image and uncovered CSR exercises significantly and beneficially influenced both customer retention and brand image. They also suggested further research to examine dimensions of CSR regarding customer's stance with a much larger sample size. Whereby, Su, Swanson and Chen (2015) also disclosed that reputation and CSR impacting customer satisfactions. However, despite of these findings, most of these studies neglected and disregarded the impact of CSRA (corporate social responsible activities) dimensions on individual characteristics related to customer satisfaction; neither did previous academicians utilized the CSR activities in their research work as suggested by various authors (Choi & La, 2013). Two areas of CSR are of much importance and hotels should strive to accomplish both: to be ethical and generate revenues. The economic CSR dimension highlights the responsibility of the firm to provide better return on stakeholder's investment, achieve competitive advantage and provide jobs to individuals (M. C. Kim & Kim, 2014). Due to this the managers are assigned with identifying efficient ways of innovating their products, operating their business and grow financially (Su et al., 2015). The previous results regarding CSR economic dimension and customer satisfaction are contradictory. As some scholars such as Kinney, Xia and (Brunk, 2010) and (Choi & La, 2013) concluded a positive relation among customer satisfaction and fairness of price. Similarly, Coldwell (2001) and Xun (2013), found a noteworthy impact of quality of product and services provided on customer satisfaction. Likewise, other corporate social responsibilities factors, economic efficiency was found to positively impact customer satisfaction (Su et al., 2015) while other studies found no relation among corporate social responsibilities factors on customer satisfaction (He & Li, 2011). The ethical dimension of CSR was reported by (Kucukusta et al., 2013) as the discretionary activities of the company to pursue and promote social goals plus further the firms legal responsibilities. Ethical responsibilities take into account the civil rights, strategies for moral values and environmental sustainability (Carroll & Shabana, 2010). Even though the

firms tend to gain revenue from the general citizens, they still have the social responsibility to take action ethically towards the society (Reisinger, 2013). Morgeson and Humphrey (2006) documented that ethical CSR becomes competitive advantage for the company and creates a positive image of the company. Majority of the scholars revealed that ethical CSR firm enhances customer satisfaction (He & Li, 2011). As per the above discussion recent confirmation for the influence of CSR and customer satisfaction is limited (Singh, Sanchez, & Bosque, 2008; Mohammed & Rashid, 2018). Therefore, the current study is a response to the call made by Mohammed and Rashid (2018) to empirically examine the intervening role of brand image amongst CSR dimensions (economic and ethical) and customer satisfaction on the hotel industry. Hence, as per the discussion above the following hypotheses were established:

H1a: Economic corporate social responsibility has a positive significant impact on customer satisfaction.

H1b: Legal corporate social responsibility has a positive significant impact on customer satisfaction.

CSR Dimensions and Brand Image

Brand image is regarded as the paramount notion related to the area of management marketing. It is explained to as the firm's perception in the mind of the customers (Keller, Parameswaran, & Jacob, 2008). A constructive image of the brand is an advantage and affects the behavior of customers regarding firm's correspondence and activities (Mohammed & Rashid, 2018). Specified by; Rashid, Rahman and Khalid (2014), beneficial actions lead towards particular wellbeing, philanthropic causes, instruction and education in the society developing programs which energize a feeling of recognizable dedication and proof between buyers. Rashid et al., (2014) claimed as to such impact to be more noteworthy in the event that it showed a beneficial firm picture.

Liu, Wong, Shi, Chu and Brock (2014) claimed that CSR activities regarding interest related parties (stakeholders) to beneficially impact the inclination of brand between Chinese purchasers. However, (Deegan, 2015) demonstrated as CSR change can prompt an effect upon reputation to the brand as well to brand image itself, showing that CSR recognition lead to a profitable commitment image of the brand (Martinez, Perez, & Bosque, 2014). Furthermore, Ricks (2005) study documented including 293 college undergraduates upheld the previous by deducing that CSR exercises boosted the firm with other brands. Mohammed and Rashid (2018) expressed shortage of research concerning the impact of corporate social responsibility measurements on brand image, especially related to hotel segment. Furthermore, as per the discussion above the following hypotheses are developed:

H2a: Economic corporate social responsibility has a positive significant impact on brand image.

H2b: Legal corporate social responsibility has a positive significant impact on brand image.

Mediating effect of Brand Image on the accord CSR dimension and Customer Satisfaction

Keeping in mind the end goal towards developing an effective CSR plan, it is important for firms to include that the benefits of CSR depend to a great extent on intervening or mediating factors (Carroll & Shabana, 2010). That is, the measurements of CSR may not generally straightforwardly impact consumer satisfaction, as few relationships maybe due to some other variables. As it were, potential variables may mediate the impacts of CSR dimensions on consumer satisfaction. For instance, Sen and Bhattacharya (2001) discovered that the CSR fulfillment relationship isn't generally immediate. Mohammed and Rashid (2018) also expressed that CSR activities relate to have compel-

ling influence on firm performance, where reputation relatively mediates the above mentioned relation among public listed firms of Malaysia.

Against this foundation, stakeholder theory sets that CSR activities may prompt enhanced brand image for customers, representatives, and other partners (Freeman, 2011). Moreover, demonstrating that CSR exercises can in the end enhance satisfaction of customers. Later investigations demonstrated that CSR activities positively affect satisfaction of customers (Arkan & Guner, 2013). While, Deegan (2015) implied that a huge connection among CSR activities and brand image. Furthermore, Ryu, Han and Kim (2008) found a positive influence of brand image on consumer satisfaction. As per the discussion, the criteria set up for an intervening accord proposed by Baron and Kenny (1986), that brand image mediates the accord among CSR dimension and customer satisfaction relating to the setting of hotel industry (Mohammed & Rashid, 2018). Brand image is widely acknowledged to mirror the impression of clients of the brand as prove by firms (Keller et al., 2008). With regards to the tourism industry, Kandampully and Suhartanto (2000) uncovered brand image as a compelling aspect that visitors view as far as their experience and purpose to revisit. Earlier investigations additionally demonstrate that brand image essentially impacts customers perception of significant worth, satisfaction (Ryu et al., 2008; Lai, Griffin, & Babin, 2009; Mohammed & Rashid, 2018).

Therefore, brand image is acknowledged as a crucial component that influences firm exercises, payable from its capacity to influence the impression of clients regarding the products/administrations (Mohammed & Rashid, 2018). So also, Castro, Armario and Ruiz (2007) contemplate, a brand image established to influence the future conduct of customers. The impact of brand image upon customer reputation on client dedication was tried by Cretu and Brodie (2007), who presumed brand image conclusively influenced the value of customers. Furthermore, positive brand image offers better satisfactions of customers.

H3a: Brand image mediates the relationship between economic CSR and customer satisfaction.

H3b: Brand image mediates the relationship between legal CSR and customer satisfaction.

Therefore, as per the above discussion, the existing study will empirically test the following model proposed by (Mohammed & Rashid, 2018) as shown below.

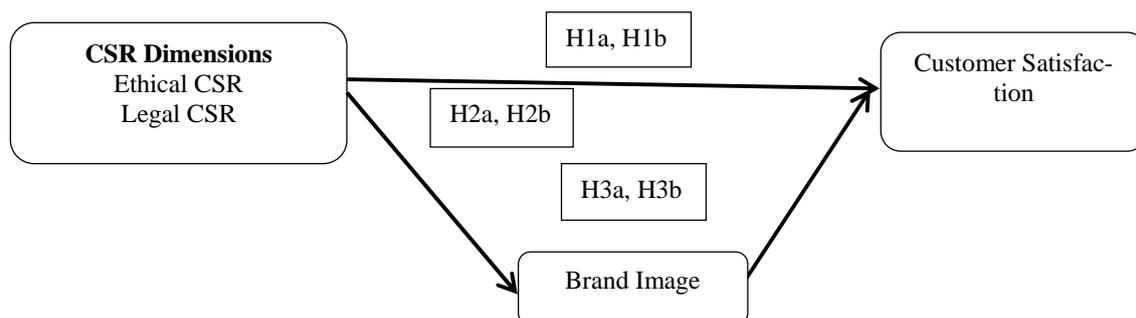


Figure 1 Research Model

Methodology

To test the hypothesis, this study employs a cross sectional data questionnaire to gather data from hotels from Pakistan. All the items relating to (CSR, customer satisfaction, and brand image) are all validated scales from previous researches which have been employed in the study. Furthermore, quantitative data was gathered to examine the intervening role of brand image in between the

relationship of CSR and customer satisfaction. The structural and measurement model were analyzed through path and confirmatory factor analysis. Moreover, PLS-SEM technique was conducted to evaluate the intervening role of brand image. The research model is shown in the research framework in figure 1. Therefore, two approaches were used to gather data from participants: (1) web based survey, and (2) self-administered survey. The approach for each of the data collection method has been concisely discussed below:

The questionnaire (Google form) was established and was emailed to various hotels located in Karachi, Islamabad and Lahore cities to collect data. Secondly, a self-administered survey was conducted adopting a three step approach, in the first phase the aim of the study was demonstrated to the participants and a meeting was fixed in relation to the agreement to take part in the survey. The participants were approached and the survey questionnaire was filled in the second phase. In the third phase, the survey questionnaires were picked up if they were not filled in the second phase. Furthermore, it was assured that the survey was comprehensively filled, so that there is no existence of non-response. The respondents were also given an incentive as a token of appreciation for their participation.

Taking into consideration the problems that may arise in locating well informed and knowledgeable respondents, snow ball and convenience sampling was utilized to conveniently gather data from hotel managers in Lahore, Karachi and Islamabad. The sampling frame for the list of hotels was established from the website of Pakistan Hotels Association and mentioned hotels from participants. The unit of analysis for this study is hotel managers, as described by (Jawaad & Zafar, 2019) as it is difficult for firms to respond to any survey, so in such case the human resource employed in the firms are the appropriate respondents (Rashid, Rahman, & Khalid, 2014). Furthermore, to make sure that the respondents were well informed about their respective hotels, it was made sure that the hotel managers had spent at least 3 years at the hotel. Previous literature was taken into consideration to recognize appropriate measures of CSR, customer satisfaction and brand image measures. Two dimensions of CSR were identified viz legal and ethical CSR (Mohammed & Rashid, 2018). Every construct was measured utilizing a five point likert scale.

Pilot Test

A pilot test was conducted to refine and validate the questionnaire. A sample of 10 respondents from each city was chosen altogether making it 30 survey questionnaires. Hence, for the aim of better apprehension and understanding, the survey was interpreted in Urdu language. The double protocol translation method was used in developing the survey into Urdu language.

Results

Validity and Reliability Analysis

Table 1 outlines the validity and reliability results of the study. The research model shown in Figure 1 was adopted from past studies, therefore, content validity was presumed. Composite reliability and cronbach alpha values for all the variables exceeded the recommended level (0.7) and were acceptable, thus signifying the survey questionnaire to be valid and reliable (Larcker & Fornell, 1981). Furthermore, the average variance extracted value for all the variables surpass 0.5 exhibiting that the explained variance is more than the error variance. Thence, convergent validity was established.

Table 1. Reliability and Validity Results

Constructs	Cronbach's alpha	Composite reliability	Average variance extracted
Ethical CSR	0.906	0.906	0.689
Economic CSR	0.884	0.892	0.712
Brand image	0.935	0.935	0.706
Customer Satisfaction	0.901	0.899	0.685

Table 2 indicates the results of the discriminant validity which was tested through hetero-trait-monotrait ratio. Henseler, Ringle and Sinkovics (2009) documented superior performance of HTMT ratio for discriminant validity tests. The findings of the study reported all the values of HTMT ratio well below the 0.9 criteria exhibiting that discriminant validity holds (Larcker & Fornell, 1981).

Table 2. HTMT Ratio Results: Discriminant Validity

	EtCSR	EcCSR	BI	CS
Ethical CSR (EtCSR)				
Economic CSR (EcCSR)	0.406			
Brand Image (BI)	0.602	0.541		
Customer Satisfaction (CS)	0.523	0.302	0.393	

Abbreviation: HTMT, heterotrait-monotrait.

Descriptive Analysis

Table 3 indicates the descriptive summary analysis. Altogether, a total of 282 hotels were reached through a web based survey (212) and self-administered survey (70). 232 hotels extended their cooperation and filled the survey questionnaire giving us an overall rate of response of 82.2%. Moreover, these 232 survey responses were evaluated, and 17 responses with extensive missing information were neglected. This left us with 215 fully complete usable hotel manager responses. The information related to the descriptive statistics of the data gathered is given below in Table 3. Table 3 signifies that most of the CSR are still getting initiated or either under consideration constituting the mean among 3 and 4.

Table 3. Descriptive Statistic Results

Constructs	Mean(SD)
Ethical CSR	3.73(0.43)
Economic CSR	4.55(0.29)
Brand Image	4.12(0.32)
Customer Satisfaction	3.89(0.23)

Confirmatory Factor Analysis

In order to assess the research model, Smart PLS 3 software technique was utilized. Measurement model was evaluated by conducting confirmatory factor analysis, where the results are shown in Table 4. Table 4 shows the loadings of each individual indicator with loadings lower than 0.7 (Henseler et al., 2009). Furthermore, the fit indices constituted acceptable results. As the value of

SRMR (0.046), d_ULS (1.219), d_G1 (1.397), d_G2 (2.595), and NFI (0.81) exhibiting that the difference level among the observed and the hypothesized model was found to be insignificant.

Table 4. Confirmatory Factor Analysis Results

Construct	Item	Factor Loading
Ethical CSR	EtCSR1	0.91
	EtCSR2	0.82
Economic CSR	EcCSR1	0.78
	EcCSR2	0.79
	EcCSR3	0.81
Brand Image	BI1	0.96
	BI2	0.91
	BI3	0.89
	BI4	0.85
	BI5	0.93
Customer Satisfaction	CS1	0.77
	CS2	0.82
	CS3	0.85

Path Analysis

Path analysis was done to explore the direct impact of CSR and brand image on the customer satisfaction by employing the PLS methodology. Table 5 indicates the findings related to CSR and brand image accord with customer satisfaction. Table 5 reports that both CSR (ethical and legal) tends to significantly impact the customer satisfaction. Therefore, our proposed hypothesis related to H1a and H1b both are accepted. Similarly, ethical and legal CSR tends to significantly impact brand image, hence accepting H2a and H2b. Overall, ethical CSR tends to have a much stronger impact on brand image as compared to legal CSR. Our results tend to confirm the preceding literature (Lee et al., 2013) that customer satisfaction growth is experienced from working more on CSR such as ethical and legal CSR. Results of the study confirm that concentration by hotels on CSR tends to enhance the level of satisfaction of customers and brand image of the hotel as well. Considering the β s from the results, we can examine that the impact of ethical CSR on customer satisfaction tends to be stronger as compared to legal CSR. Likewise, the β of ethical CSR was also found to exert more impact on brand image as compared to legal CSR. Therefore, these results confirm the claim of positive accord among CSR on customer satisfaction and brand image reported by previous academicians (Mohammed & Rashid, 2018).

Table 5. Path Analysis (Direct Effect Results)

Hypothesis	β	P values	Hypothesis Result
Ethical CSR → Customer Satisfaction (H1a)	0.291	0.003**	Supported
Economic CSR → Customer Satisfaction (H1b)	0.235	0.000***	Supported
Ethical CSR → Brand Image (H2a)	0.262	0.000***	Supported
Economic CSR → Brand Image (H2b)	0.212	0.000***	Supported

Note. β ; path coefficient

**Significant at 0.01 level

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Mediation Analysis

Table 6 indicates the mediation results which were found to be significant, indicating that mediation does exist. First of all, this study tends to follow the typology of Zhao, Lynch and Chen (2010) to assess the existence of mediation and classification of type of mediation. Results indicate that brand image complimentary mediates the accord among CSR and customer satisfaction, which signifies that even though the mediator taken into consideration in the study is consistent with the hypothesized model, there is a possibility of an omitted mediator in the direct path. Thence, H3a and H3b are accepted.

This research's objective was to explore if brand image acts as a mediator among CSR and customer satisfaction as called by (Mohammed & Rashid, 2018). Results show that brand image does act as a mediator in between CSR and customer satisfaction. However, the β value indicates that brand image acts a much stronger mediator in between ethical CSR and customer satisfaction as compared to economic CSR and customer satisfaction respectively.

Table 6. Mediation Analysis Results

Specific Indirect Effect Mediation Results	β	SD	P values	Mediation Result
Ethical CSR→ Brand Image→ Customer Satisfaction	0.356	0.046	0.003**	Complimentary Mediation
Economic CSR→ Brand Im- age→ Customer Satisfaction	0.302	0.075	0.000***	Complimentary Mediation

Note. β ; path coefficient

**Significant at 0.01 level

Discussion and Conclusion

Growing stringent and rigorous regulations have been introduced by the Pakistan governmental bodies to motivate CSR adoption by hotels. CSR are becoming a popular research topic for industrial experts, scholars and academicians, who consider CSR as an important method to develop long relationships with customers. However, Mohammed and Rashid (2018) claimed that the research CSRA (corporate social responsible activities) is still limited, specifically in the hotel industry. Therefore, they proposed a conceptual model and made a call for future research that future studies should be done to examine the mediating role of brand image in between CSR dimensions (specifically ethical and economic) and customer satisfaction on the hotel industry. Growing attention on CSR activities are faced by hotels in Pakistan, due to increase in globalization and tourism. In order for the Pakistani economy to progress in its CSR, strict implementation and consideration of CSR activities is appearing as a management approach for Pakistani hotel managers due to the existence of customer pressure. Increased consideration on ethical and economic CSR initiatives would enable hotel management to find efficient ways to operate the business and develop their products and services in such way which would maximize revenue for the hotel. Consumers nowadays have become more aware and interested about CSR followed by the hotels and tend to prefer hotels which take a step towards initiating CSR (Mohammed & Rashid, 2018). Overall, the findings of this study demonstrate that it does indeed efficient to consider CSR more effectively by the hotels. As efforts made by hotels to adopt CSR tend to result in improved image and increased satisfaction level of guests (customer satisfaction).

Key Insight

It can be analyzed that altogether, all of the hypothesis tested in the study were considered significant and valid related to both mediating and direct relationships. However, this study has uncovered some interesting findings related to CSR in the hotel industry which are as follows. The significant influence of both CSR dimension (economic and ethical) on customer satisfaction show that most of the large hotels in Pakistan, which are strictly considering CSR support environmental planning, improvement in cost minimization and cost performance. As environment issues tend to exist in the developing nations and have led to growing awareness among consumers. Therefore, consumers also tend to prefer a business that is taking CSR activities much more seriously and managing the activities within the hotels accordingly. Our sample included both medium and large scale hotels, so it may be speculated that Pakistani hotels are becoming much responsive to environmental responsibility and customer satisfaction. Coercion from consumers has pushed the Pakistani hotels to self-regulate their activities. According to Mohammed and Rashid (2018) due to a growing customer demand for CSR, hotels nowadays alleviate their responsibility to CSR, ecological issues and sustainability concerns for more sustainable services. Henceforth, such kind of consumer demand might support CSR transition in hotels.

Second, it can be evaluated that hotels in Pakistan do think of taking the CSR through improved brand image and increased level of satisfaction by improving the economic as well as ethical activities of the hotels. Therefore, in implementing CSR though necessitates extra effort and resource utilization, but the final return for hotels may be worth for them to adopt CSR. Thus, we believe that our research model relates to be a good depiction of mediated and direct accord that has been assessed in the study.

Research Contribution

This study makes a mark in the domain of corporate social responsible activities by utilizing a more holistic and unique approach for the first time. The study adds to the hypothetical argument of stakeholder theory, by including the institutional perspective as hotels through the consideration of CSR would be able to manage the stakeholder concern. Furthermore, this study adds to the corporate social responsible activities literature by investigating the intervening influence of brand image in between the accord of CSR and customer satisfaction. Likewise, previous scholars have asserted that minimal has been addressed considering the influence of CSR “dimensions” and customer satisfaction from the perspective of the hotel industry. Hence, this study would provide useful managerial implications to hotels in Pakistan as through the adoption of CSR they can manage the stakeholder concern, increase satisfactory levels of customers, and improve hotel’s performance as well. This study takes focuses on two dimensions of CSR (ethical and economic CSR) to investigate the influence of CSR on customer satisfaction.

Managerial Implications

First this study convinces hotel managers operating in less resource contrived environment that through more consideration on CSR would increase the gains. Operational results may also be secured in long term through such CSR. Second, current study is beneficial for hotels especially in emerging economies. They need to convert their conventional means of management with CSR and collaborate with customers. Third, brand image plays an important role not only in increasing cost minimization but also results in higher level of customer (Bashir & Asad, 2018). Therefore, hotel managers should make constructive decisions regarding more consideration towards CSR dimensions majorly on economic and ethical to improve the satisfaction level and brand image of the hotels in the best possible manner.

Future Directions and Limitations

This study tends to leave much room for future research. First, industry type, years of operation and firm size may act as moderating variables. Second, future scholars may conduct a comparative study of small and large hotel groups to draw a more in depth inference on corporate social responsible activities which would provide different insights. Finally, future studies can also adopt a mixed approach quantitative as well as qualitative to develop much in depth understanding relating to CSR dimension.

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1=Strongly Disagree (SD) 2=Disagree (D) 3=Neutral (N) 4=Agree (A) 5=Strongly Agree (SA)

Brand Image	Del Rio, Vazquez and Iglesias (2001)	SD	D	N	A	SA
The hotel brand is reliable.						
The hotel brand is attractive.						
The hotel brand is pleasing.						
The hotel brand is a social status symbol.						
The hotel brand has a good reputation.						
Economic CSR	Carroll (1979) Lee et al., (2013)					
This hotel tried to save operating costs.						
This hotel strives to improve employee productivity.						
This hotel establishes long term strategy for economic growth.						
Ethical CSR						
The hotel has ethical guidelines on business activities.						
The hotel tries to become an ethically trustworthy entity.						
Customer Satisfaction	Han, Kim and Hyun (2011)					
Overall, I am happy with my decision to stay at this hotel.						
I believe I did the right thing when I stayed at this hotel.						
Overall, I am satisfied with the decision to stay at this hotel.						