How CSR influences customer behavioural loyalty in the Chinese hotel industry

CSR influences customer behavioural loyalty

1

Received 24 April 2018 Revised 23 August 2018 1 December 2018 7 February 2019 9 April 2019 Accepted 9 April 2019

Matthew Tingchi Liu and Yongdan Liu
Faculty of Business Administration, University of Macau, Macau, China
Ziving Mo

International School of Business & Finance, Sun Yat-sen University, Guangzhou, China Zhidong Zhao

Business School, University of Nottingham, Ningbo, China, and Zhenghao Zhu

Department of Business Administration, Zhejiang Business Technology Institute, Ningbo, China

Abstract

Purpose – The purpose of this paper is to focus on how corporate social responsibility (CSR) (i.e. responsibility to customers, employees and society) influences customer behavioural loyalty in the hotel industry. The mediating effects of brand image and customer trust on the relationship between CSR and customer behavioural loyalty are also considered.

Design/methodology/approach — In total, 298 valid responses to questionnaire surveys were collected from a convenience sample in China in 2017. A structural equation model was used to test the hypotheses. Findings — Hotel customer behavioural loyalty can be enhanced by CSR performance. Performance in each of the three CSR domains positively impacted customer behavioural loyalty to different degrees. The impact of CSR on the customer had the strongest influence on Chinese customers' behavioural loyalty among the three CSR domains of customer, employee and society. Brand image and customer trust were found to be mediators of the relationship between CSR performance and customer behavioural loyalty.

Originality/value – The current research contributes to the literature by demonstrating that CSR activities are not all equally effective. Results reveal that the society dimension of CSR had the strongest impact on Chinese customers' brand image of hotels among the three CSR dimensions investigated. In terms of Chinese hotel customers' trust, the CSR–customer dimension plays the most effective role. The findings also support the notion that Chinese consumers are beginning to use CSR information to evaluate hotels.

Keywords China, Corporate social responsibility, Brand image, Hotel, Customer trust, Customer behavioural loyalty

Paper type Research paper

Introduction

Corporate social responsibility (CSR) has been drawing increasing academic interest for several decades (Choi *et al.*, 2016; Luu, 2017; Liu, Wong, Shi, Chu and Brock, 2014; Korschun *et al.*, 2014). For marketers, CSR is often adopted as a valuable marketing strategy to create effective communication between service providers and their customers (Singh *et al.*, 2008). Engagement in CSR behaviour is prevalent across various types of business in different industries and countries (Luo and Bhattacharya, 2009). Other studies have regarded CSR as a significant factor that can boost or impede brand building (Kang and Namkung, 2017). Wang *et al.* (2015) found that CSR and brand equity positively affect firm performance. Kang and Namkung (2017) found that ethical, legal and economic aspects of CSR have



Asia Pacific Journal of Marketing and Logistics Vol. 32 No. 1, 2020 pp. 1-22 © Emerald Publishing Limited 1355-5855 DOI 10.1108/APJML-04-2018-0160

The work was partially funded by research committee of University of Macau (Ref. Nos: MYRG2018-00078-FBA and MYRG2016-00048-FBA).

significant effects on consumers' perceptions of brand equity. Many companies have high expectations regarding CSR actions, which are hoped to contribute in a beneficial manner to corporate social image, branding benefits, customer awareness and even business performance (Korschun *et al.*, 2014). Kang and Namkung (2017) have suggested that CSR is a method to enhance brand equity and promote a firm's positive image, helping to retain current customers and attract new ones.

The results of research that tested the relationships between CSR and marketing results have recently emerged to provide an academic perspective. However, three identified research gaps still need to be filled. First, marketing scholars tend to focus on very limited dimensions when investigating CSR image (Pérez and Bosque, 2013). For example, many studies have used one-dimensional measurement scales to gauge customer CSR perceptions, which mostly focused on ethical and philanthropic corporate responsibilities (Sen and Bhattacharya, 2001). Pérez and Bosque (2013) proposed a new scale of CSR image with a multidimensional character based on stakeholder theory. However, their scale was only tested in the context of a causal model of consumer—company identification in the banking sector. To date, little effort has been applied to cross-validate the multidimensional scale with different well-established causal models in different contexts. Thus, to fill this gap in the literature, the present study focuses on the three major dimensions of CSR's influence on branding and customer responses: CSR to customer, CSR to employee and CSR to society.

Second, although research efforts have increasingly focused on the effects of CSR, the issue of whether CSR is worthwhile for the hotel industry still remains to be addressed (Gu et al., 2013). The question of how CSR influences customers and company performance has been previously discussed in the hospitality literature (Vong and Wong, 2013). Some investigators' findings indicate that CSR leads to higher consumer satisfaction (Luo and Bhattacharya, 2006) and return intentions (Berezan et al., 2013). On the other hand, other researchers suggest that hotels should not inform consumers about their CSR activities, because consumers suspect their efficacy and subsequently lower their evaluations (Robinot and Giannelloni, 2010). This is especially the case when consumers' perceive that the motive for implementing CSR is self-serving (e.g. to increase profits, sales or the profile of a specific brand) rather than public serving (e.g. to assist with community development or raise awareness for a specific cause) (Gao and Mattila, 2014). In light of this, it is necessary for further research to be conducted to examine the mechanism of CSR in the hotel industry.

Third, CSR has emerged as an inescapable priority for business leaders in every country (Porter and Kramer, 2006). Some literature has focused specifically on Chinese consumers and CSR (Liu, Wong, Shi, Chu and Brock, 2014; Ramasamy and Yeung, 2009; Tian *et al.*, 2011), but certain questions remain unanswered: How do Chinese consumers in the hotel industry look at CSR? Does CSR performance really influence customer behavioural loyalty in the Chinese hotel industry? Are all CSR activities equally effective in influencing customer behavioural loyalty in the Chinese hotel industry?

As a result of the limited available research, this study aims to test a theoretical model that is expected to achieve two goals: elucidating how the different dimensional CSR actions influence customer behavioural loyalty in the fast-growing hotel industry in China, which has had quite limited exploration to date; illuminating the role of brand image and customer trust between CSR dimensions and behavioural loyalty, as well as determining which of the two comparative variables will have a stronger impact on the outcome.

Literature review and hypothesis formulation

CSR and its different dimensions

The term "CSR" has been popular since the 1960s and has remained a descriptor used indiscriminately by many to indicate legal and moral responsibility. According to Aguilera *et al.* (2007), CSR is activity that demonstrates concern for stakeholders (e.g. customers and employees)

CSR influences

through socially responsible activities. Integrating CSR programmes as a component in building brand image and encouraging positive customer responses has become an important strategy for many businesses (Kang and Namkung, 2017). However, the results are mixed. Aguilera *et al.* (2007) found that CSR actions may have negative impacts on customers' purchase intentions when customers perceive issues regarding a product or its performance. It is generally suggested that customers respond positively to effective CSR activities in specific situations and react negatively to a lack of CSR activities or to ineffective CSR activities (Sen and Bhattacharya, 2001), although there are some contradictory findings regarding this belief.

The scales developed to measure consumers' CSR perceptions have generally been applied to single studies, and little effort has been devoted to ensuring the validation and generalisation of these scales. Some researchers have argued that the variety of CSR measurements have caused inconsistent explanations of customer behaviour and responses to CSR perceptions, as it is obvious that the findings might vary if marketing scholars considered only limited dimensions of the CSR image and relied on simplified indicators (e.g. Pérez and Bosque, 2013). Therefore, CSR is now more commonly measured using a multidimensional measurement protocol (Salmones et al., 2005). One of the most widely adopted definitions of CSR was proposed by the World Business Council for Sustainable Development (1999). It stated that CSR is an integral part of sustainable development, and it divided CSR into three categories: environment, economy and society. A number of researchers proposed other models of CSR. For example, in a study by Mohr et al. (2001), CSR was classified into two categories: the first explains that CSR relates to various stakeholders of an organisation, such as customers and employees, while the second is based on a societal marketing concept raised by Kotler (2008). This concept has become significant in other subsequent research on CSR classification (Liu, Wong, Shi, Chu and Brock, 2014; Liu, Wong, Chu, Shi, Brock and Tseng, 2014). Although numerous frameworks and metrics for CSR have been developed, there is no agreement as to which should be used when evaluating CSR performance (De Grosbois, 2012).

Due to the popularity of the related concepts of sustainability and CSR, service companies tend to communicate CSR efforts under the banner of sustainability (Houdre, 2008). Therefore, not surprisingly, the common sentiment among practitioners is that CSR is largely about the environment (Sheldon and Park, 2011). Similarly, previous research examining CSR activities has focused predominantly on environmental practices (e.g. Williamson *et al.*, 2006; Andereck, 2009; Pedersen, 2010; Gao and Mattila, 2014). Environmental impact is the most widely investigated dimension within the CSR paradigm and is arguably its major predictive aspect. Numerous research studies have revealed that successful environmental CSR performance can enhance service providers' reputation (e.g. Marin and Ruiz, 2007; Liu, Wong, Shi, Chu and Brock, 2014; Liu, Wong, Shi, Chu and Brock, 2014).

However, some researchers argue that the issue of CSR should be addressed from a broader perspective beyond the environmental dimension (e.g. Maignan *et al.*, 1999; Levy and Park, 2011). More recently, it has been found that there is a lack of research investigating how CSR affects other key stakeholders, such as the local community (Serra-Cantallops *et al.*, 2018). The current study, therefore, adopts the CSR dimension from a stakeholder perspective, which categorises CSR into corporate responsibilities towards customers, employees and society (Maignan *et al.*, 1999; Pérez and Bosque, 2013). To date, little effort has been applied to cross-validate the categorised CSR scale in brand image—loyalty intention causal models. Therefore, in an attempt to fill this gap, the present study focuses on the three major dimensions of CSR's influence on branding and customer responses.

CSR and brand image

Brand image has long been recognised as a key contributor to a company's continued prosperity, and it has always been an integral part of building a successful business. Brand image is one of the most important concepts in marketing and is defined as perceptions about

a brand, reflected as brand associations held in the consumer's memory (Keller, 1993). Perceptions of CSR provide positive content to brand images. A firm's CSR activities can be understood and perceived as being honest, fulfilling promises and being truthful in the relationship with its consumers (Popoli, 2011). Consumers tend to believe that brands with healthy CSR practices such as treating their customers, employees and society in an ethical manner are also more likely to transfer product information honestly and to guarantee the product quality (He and Lai, 2014). Thus, consumers' perceptions of CSR may further enhance positive brand image. Some studies have demonstrated the existence of a strong relationship between CSR and brand image. For example, Becker-Olsen *et al.* (2006) demonstrated that 52 per cent of the respondents to a survey give negative feedback for products and services of brands perceived as being irresponsible. However, there remains a limited framework for examining the relationships between different dimensions of CSR and brand image (He and Lai, 2014). Hence, the first proposed hypothesis of the present study is as follows:

H1. (a) CSR towards the customer, (b) CSR towards the employee and (c) CSR towards the employee positively relate to brand image.

CSR and customer trust

Trust is the willingness to rely on an exchange partner in whom one has confidence, and it is recognised in the development and maintenance of relationships between the buyer and seller in an exchange process (Stathopoulou and Balabanis, 2016; Morgan and Hunt, 1994). Based on social identity theory (Tajfel and Turner, 1979) and self-categorisation theory (Turner *et al.*, 1987), customer trust helps to explain the mechanism by which customers are encouraged to relate to brands. Consumer trust is influenced by the values that firms and their consumers share (Morgan and Hunt, 1994). A firm's CSR activities provide information about corporate characteristics and values (Brown and Dacin, 1997) and thus enhance general trust of the brand (Aaker, 1996). Several studies have demonstrated that trust is positively influenced by CSR (Martinez and Bosque, 2013; Roman, 2003; Choi and La, 2013). Based on these previous investigations, the current study proposes that the relationship between the three dimensions of CSR and customer trust is positive in the hotel industry, which is similarly service orientated. To this end, the following hypothesis is proposed:

H2. (a) CSR towards the customer, (b) CSR towards the employee and (c) CSR towards society positively relate to customer trust.

In addition, customers develop trust relationships with a brand partially through brand image. It is well known that a brand's characteristics play a vital role in earning consumers' trust. Customers often judge a brand before they decide to trust it (Lau and Lee, 1999). Certain studies have considered the relationship between brand image and customer trust. If a brand creates a good image, this in turn stimulates consumer trust (Kim and Ham, 2016). Trust can minimise consumers' perceived risk and amplify the certainty of a purchase at the moment of execution, thus indicating that brand image has a positive influence on brand trust (Flavián *et al.*, 2005). Positive brand image serves the purpose of maintaining customer trust in a long-term relationship. Corporate brand image in particular has influences in different areas, most notably within the financial services industry (Flavián *et al.*, 2005). Thus, the following hypothesis can be proposed:

H3. The relationship between the three dimensions of CSR and customer trust is mediated by brand image.

Loyalty behaviour

It is a general belief that customer loyalty leads to greater profitability (Martinez and Bosque, 2013). Most hotels provide reward schemes, routinely track their customers' preferences, and

CSR influences

offer special deals for repeat guests (Mason et al., 2006). Guests are the major source of revenue for hotels, and their loyalty directly influences profits (So et al., 2013). Several research initiatives have studied the drivers of loyalty in the hospitality context (Tanford et al., 2012). However, to the best of our knowledge, previous empirical literature regarding the hospitality industry did not include research on the relationships between the three dimensions of CSR and customer loyalty. The measurement of customer loyalty comprises attitudinal and behavioural dimensions, and they are extensively applied in marketing literature (Ganesh et al., 2000; Han et al., 2011; Liu et al., 2017). Chaudhuri and Holbrook (2001) define behavioural loyalty as repeat purchase probability, exclusive purchase and share of category requirements, while attitudinal loyalty comprises commitment, positive word of mouth and stated intention to buy. Much of the literature has evaluated customer loyalty only by applying an attitudinal process; however, a customer's favourable attitude towards a particular product or brand may not always assure repeat patronage or repurchase frequency (Dick and Basu, 1994). Thus, it is essential for further hospitality research to consider both attitudinal and behavioural aspects of customer loyalty (Han et al., 2011). Instead of emphasising attitudinal loyalty, as was done in previous hospitality literature (Martinez and Bosque, 2013), the present study links behavioural loyalty to three dimensions of CSR in the hotel industry.

As part of an investigation, Martinez *et al.* (2014) established a model involving a Latin American hotel industry sample, and their results show the role of CSR as a tool to generate both a functional and effective brand image, as well as confirming its positive direct effect on brand loyalty. Other researchers demonstrated that CSR activities (i.e. satisfying perceived legal and ethical responsibilities perceived by consumers) may improve brand loyalty through enhancing positive brand image (He and Lai, 2014; Kim and Ham, 2016). In light of these studies' findings, the following hypothesis is proposed:

H4. There is a positive relationship between brand image and behavioural loyalty.

A trustful relationship is one in which a party is confident that another party will behave as expected (Hart and Saunders, 1997). Previous studies have widely demonstrated that customer trust can influence their purchasing decisions (Gefen and Straub, 2004). In addition, it has been found that brand reputation has a positive effect on brand loyalty and that this positive effect is mediated by consumers' trust in the brand (Lau and Lee, 1999; Chen, 2010). According to this argument, the better the perception of the brand image, the more likely it is that the customer will depend on the brand based on their trust. Therefore, the following hypothesis is proposed:

H5. There is a positive relationship between customer trust and behavioural loyalty.

Most of the relevant published studies have examined the direct relationship between customer trust and customer loyalty as a major point of interest (Guenzi *et al.*, 2009). For instance, Choi and La (2013) illustrated the positive relationship between perceived CSR and customer loyalty, which is mediated by customer trust in a variety of service sector types. Previous investigations have consistently demonstrated that positive perceptions of CSR have positive influences on customer trust and customer loyalty within the financial industry (Roman, 2003). In terms of applying customer trust as the mediator, Martinez and Bosque (2013) found that hotel customer loyalty is indirectly affected by perceived CSR, via the mediation of trust, identification and satisfaction. Therefore, this study predicts that the flow of the three dimensions of CSR \rightarrow brand image \rightarrow customer trust \rightarrow behavioural loyalty is more plausible. To sum up, we hypothesise that:

- H6. The relationship between the three dimensions of CSR and behavioural loyalty is mediated by customer trust.
- H7. The relationship between the three dimensions of CSR and behavioural loyalty is mediated by brand image and customer trust.

Methodology

Measurements

This study used a questionnaire survey to cross-validate the multidimensional scale of CSR and understand the correlation among three CSR dimensions: brand image, customer trust and behavioural loyalty (dependent variable). The questionnaire was initially developed in English based on well-established scales and then subsequently translated into Chinese. CSR dimensions' constructs were measured by the stakeholder-based scale proposed by Pérez and Bosque (2013). Sixteen statements were attributed to a seven-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). First, corporate activities orientated towards customers were evaluated with a five-item scale (e.g. "Establishes procedures to comply with customers' complaints") that basically concerned complete and honest communication of corporate products and services and the management of complaints (Salmones et al., 2005). Second, CSR orientated towards employees was evaluated with a five-item scale (e.g. "Pays fair salaries to its employees") adapted from Mercer (2003), covering issues regarding job creation and employment opportunities. The final, six-item scale (e.g. "Helps solve social problems") evaluated CSR obligations towards society and included issues such as charity, community development and environmental protection (Singh et al., 2008; Mo et al., 2018), Cronbach's α were 0.92, 0.86 and 0.91, respectively. To guarantee the face validity, two marketing scholars (who have previously published many papers in the CSR domain) were asked to evaluate the degree to which items were representative of the conceptual definition of the dimensions of CSR-customer, CSR-employee and CSR-society.

The construct of brand image was measured with a seven-item validated Likert-type scale (e.g. "This hotel brand arouses sympathy") related to subjective imaginable perceptions of the brand, based on Martinez *et al.* (2014). Cronbach's α was 0.87. Concerning psychological reliance, a three-item scale (e.g. "Overall, I can confidently rely on the hotel group") from Choi and La (2013) was used to measure customer trust. Cronbach's α was 0.87. The behavioural loyalty construct is drawn from services literature (Sirdeshmukh *et al.*, 2002) and includes four items (e.g. "I usually use this hotel brand as my first choice vs other brands"). Cronbach's α was 0.84.

Samples

To reduce possible bias (e.g. concerns over price or convenience) or common bias in similar research (Min et al., 2016), the current study focused only on independent travellers (non-group visitors) who chose to patronise locally managed three-star or four-star hotels. These parameters were chosen for the following reasons: groups of visitors' hotel selection may be limited by the offerings provided by travel agencies that organise trip packages and details, so this segment was eliminated from consideration (Liu, Wong, Shi, Chu and Brock, 2014), and individual travellers who choose low-cost hotels or lower-rated hotels (or restaurants) are mostly price-driven customers (Law et al., 2008). In this case, it is difficult to investigate how much the latter cares about CSR if price is their sole or primary criterion. Most Chinese are poor (gross domestic product per capita = \$5,430) and about 50.05 per cent of the Chinese population (about 670m people) earns less than \$3,600 annually (National Bureau of Statistics of China, 2016), with almost 160m or 12 per cent of the country's population (Chu et al., 2015). However, literature reveals that price sensitivity is not a factor that was more influential than CSR affecting customer choices. For example, Kim (2017) finds that when a hotel demonstrates CSR, consumers did not distinguish between prices and showed generally positive intent to support and intent to purchase from the hotel. When a hotel practices passive CSR and offers cheaper products, consumers showed the weakest supportive and purchase intentions. Choi and Ng's (2011) study reveals that respondents do not show favourable reactions towards low prices when a firm has poor

environmental sustainability. Thus, we avoided focusing on this group because of its pricedriven orientation. Additionally, third, people who are able to stay at five-star hotels are generally very wealthy (and can afford any hotel) or are travelling on business (with accommodation reimbursements), so luxury or convenience may be their top priority when choosing hotels, without significant thought paid to CSR (Liu, Wong, Shi, Chu and Brock, 2014). Besides, fourth, wealthy people comprise a very small portion (0.04 per cent) of the total Chinese population; thus, choosing five-star hotel guests for the study would not reflect the Chinese reality and would weaken the generalisability of the study. Lastly, it is argued that larger firms could invest more in CSR practices, whereas small and medium enterprises invest less (Torugsa et al., 2012). Larger firms can invest more in pursuing their CSR objectives such as CSR-consistent product innovation and improving the education and loyalty – and, thus, quality – of their employees (Luo and Bhattacharya, 2006). In addition, the rating and scale of hotels are considered external factors that influence hotels' branding or CSR performance (Liu, Wong, Shi, Chu and Brock, 2014). Thus, the sample selection method in this study may not affect the hotels' branding or CSR performance that we discussed later in the research model. Based on the reasons mentioned, this study mainly focused on individual travellers staying in locally run, three-star or four-star hotels with a formal CSR programme in place.

Data collection

To better represent the reality and cover the city development diversity in China, questionnaires were mainly distributed in selected hotels in the following cities: Shanghai (municipality), Xiamen (special economic zone), Hangzhou (first-tier city), Fuzhou (second-tier city) and Longvan (third-tier city). Convenience sampling was employed. In each city, we randomly chose one hotel from a list in the Yellow Pages. Then, we checked whether the selected hotel had a CSR programme in place by browsing its website and enquiring by phone. If the hotel had a formal CSR programme, it was retained; if not, we drew from the lot again until we found a qualifying hotel. The respondents were interviewed while waiting for check-out in the hotels selected for the study. In this environment, respondents had sufficient time to respond to the questionnaires patiently and efficiently. Qualified respondents were those whose purpose of their current hotel stay was not business related and who had stayed in the hotel at least twice previously (to ensure respondents' familiarity with the hotel). As general customers may have no idea about a hotel's CSR practices, we offered each respondent the hotel's publicity materials and CSR information and then asked them to answer the questionnaire based on the information given and their personal experience (see Appendix 1). To ensure that the CSR information contained all three categories of CSR activities, one of the authors checked the hotel's website and contacted the hotel for CSR information. Thus, the CSR information is either from the hotel's website or based on communication between the hotel manager and the author. The procedure of offering CSR materials to respondents to increase their awareness of CSR has also been documented in previous studies (Sen et al., 2006; Liu, Wong, Shi, Chu and Brock, 2014). However, such a procedure may cause common method bias, which can be an issue with investigations concerning CSR or sustainability in general. This bias may be further exacerbated when an interviewer is present; in such a case, respondents are more likely to rate CSR or sustainability initiatives higher. A Harman's single-factor test for common method variance was performed by conducting exploratory factor analysis (EFA) with no rotation (Podsakoff et al., 2003). The results obtained showed that there was more than one factor in the measures, and that the highest factor accounted for 37.4 per cent of the covariance among the measures, which is lower than the 50 per cent threshold. These results thus suggested that the common method bias is not acceptable in our data.

The questionnaire began with an introduction of the investigator's identity and study purpose. Respondents acknowledged the anonymity of the survey and the confidentiality of any collected information (see Appendix 2). The questionnaire contained multi-item sections of different variables as components. In the post-introductory section, participants were asked to rate statements regarding CSR dimensions, brand image, customer trust and behavioural loyalty on a seven-point scale. All of the statements' ratings along the seven-point scale were specific to the hotel brand the customer had selected in the first section. The last part of the questionnaire related to the hotel customer's demographic factors: gender, age, educational level and annual income.

In order to ensure participants comprehensively completed the questionnaires, survey responses were collected face to face by professionally trained investigators. The collection process lasted around four months, from July 2017 to mid-November 2017. A final tally of 300 individuals' responses was gathered; of those responses, two individuals' questionnaires were incomplete. Subsequently, 298 questionnaires were deemed eligible for this study, with a valid response rate of about 99.33 per cent.

Results

This research further submits the items for all six measures to a confirmatory factor analysis (CFA) to assess their psychometric properties. This research also utilises four criteria to ascertain the overall model fit: root mean square error of approximation (RMSEA) lower than 0.08 and Tucker–Lewis index (TLI) incremental fit index (IFI) and comparative fit index (CFI) higher than 0.90 (Hu and Bentler, 1999). The fit of the baseline six-factor model is compared to three alternative models in Table II. The baseline six-factor model shows satisfactory goodness-of-fit indices ($\chi^2 = 635.78$; df = 378; RMSEA = 0.04; TLI = 0.96; IFI = 0.96; CFI = 0.96). In addition, the ratio of the χ^2 statistic to degrees of freedom (χ^2 /df = 1.72) is below the recommended cutoff point of 3.0 (Bagozzi and Yi, 1998). The CFA results show that all related models combining constructs have significantly higher χ^2 and RMSEA, and lower TLI, IFI and CFI, than the baseline model of six factors. Table I also shows the statistics calculated to verify the properties and the main goodness-of-fit indicators.

An additional analysis for the validity of the measures is employed following Fornell and Larcker (1981). A further indicator, the average variance extracted (AVE), is recommended to be above 0.50 (Hair *et al.*, 2010) and has been considered for convergent validity (see Table II). This study finds that the AVEs of CSR towards customers (0.68), CSR towards employees (0.57), CSR towards society (0.62), brand image (0.61), customer trust (0.75) and behavioural loyalty (0.68) all exceed 0.50. These findings demonstrate adequate convergent validity. Discriminant validity is examined by comparing the correlations of the factors with the square root of each AVE. Discriminant validity is established when the square root of the AVE for

Model	Factor	χ^2	df	$\Delta \chi^2$	RMSEA	TLI	IFI	CFI
Baseline model	Six factors	635.78	378	_	0.04	0.96	0.96	0.96
Model 1	Five factors (combining CSR towards customer and CSR towards employee)	844.75	389	208.97	0.06	0.93	0.93	0.93
Model 2	Five factors (combining CSR towards customer and CSR towards society)	883.37	389	247.59	0.07	0.92	0.93	0.93
Model 3	Four factors (combining CSR towards customer, CSR towards employee and CSR towards society)	951.42	393	315.64	0.07	0.91	0.92	0.92

Table I.Results of CFA for the measures of variables studied

Notes: n=298. RMSEA, root mean square error of approximation; CFI, comparative fit index; TLI, Tucker–Lewis index; IFI, incremental fit index; $\Delta \chi^2$, change in chi-square between the alternative model and the baseline model. All χ^2 and $\Delta \chi^2$ are significant at the p<0.01 level

Factor	Item	Standardized regression weights	Cronbach's	AVE	CSR influences customer
CSR towards customer	CSRC1	0.79	0.92	0.68	behavioural
	CSRC2	0.84			
	CSRC3	0.85			loyalty
	CSRC4	0.84			
	CSRC5	0.82			0
CSR towards employee	CSRE1	0.71	0.86	0.57	9
	CSRE2	0.86			
	CSRE3	0.75			
	CSRE4	0.81			
	CSRE5	0.61			
CSR towards society	CSRS1	0.83	0.91	0.62	
	CSRS2	0.80			
	CSRS3	0.76			
	CSRS4	0.85			
	CSRS5	0.69			
	CSRS6	0.80			
Brand image	BI1	0.86	0.87	0.61	
	BI2	0.72			
	BI3	0.85			
	BI4	0.76			
	BI5	0.85			
	BI6	0.71			
	BI7	0.67			
Customer trust	CT1	0.88	0.87	0.75	
	CT2	0.83			
	CT3	0.90			
Behavioural loyalty	BL1	0.75	0.84	0.68	
	BL2	0.74			
	BL3	0.90			
	BL4	0.89			Table II.
Notes: $n = 298$. AVE, ave 0.04; TLI = 0.96; IFI = 0.96		extracted. $\chi^2 = 635.78$; df = 378; ($p = 0.00$	00); $\chi^2/\text{df} = 1.72$. R	MSEA =	CFA of the baseline model

each factor is higher than the correlations among the factors. Table III indicates that the square root of the AVE for each factor is higher than its correlations with other factors, offering evidence for discriminant validity. Therefore, these results provide reasonable support for the distinction between measures.

To analyse the data and test the proposed hypotheses, this study employs M-Plus Version 8 (Muthén and Muthén, 2010) to conduct a structural equation modelling. In line with Hu and Bentler (1999), this study evaluates model fit utilising CFI, RMSEA and SRMR: the cutoff for

Variable		M	SD	1	2	3	4	5	6
1	CSR towards customer	5.42	0.92	0.83					
2	CSR towards employee	5.14	0.79	0.43**	0.76				
3	CSR towards society	5.15	0.76	0.43**	0.49**	0.79			
4	Brand image	4.84	0.71	0.50**	0.54**	0.55**	0.78		
5	Customer trust	5.70	0.82	0.52**	0.52**	0.52**	0.55**	0.87	
6	Behavioural lovalty	5.44	0.76	0.51**	0.46**	0.42**	0.53**	0.55**	0.83

Notes: n = 298. The italics diagonal elements are the square root of the variance shared between the constructs and their measures. Off diagonal elements are the correlations among constructs. **Correlation is significant at the 0.01 level (two tailed)

Table III. Discriminant validity analysis from CFA

CFI is 0.90 or more, and the cutoff for RMSEA and SRMR is 0.08 or less. In addition, this study further performs a bootstrap analysis in order to provide the most robust evidence pertaining to significance and confidence interval (CI) of the indirect effects.

The entire qualified sample of the questionnaire survey consists of 298 hotel guests' responses. Table III presents the correlation coefficient results of the proposed construct model. Six variables in the study model have been shown to be positively related to each other variable in Table III.

The hypothesised model using path analysis exhibits a good fit to the data ($\chi^2 = 807.33$, df = 390, p = 0.00, CFI = 0.94, RMSEA = 0.06, SRMR = 0.04). However, this study finds non-significant direct effects of CSR towards customers, CSR towards employees and CSR towards society on behavioural loyalty. Accordingly, this study further tests for full mediation by analysing an alternative model that did not allow direct effects of CSR towards customers, CSR towards employees and CSR towards society on behavioural loyalty. This alternative model exhibits a good fit to the data ($\chi^2 = 810.91$, df = 393, p = 0.00, CFI = 0.94, RMSEA = 0.06, SRMR = 0.04). There is no significant difference between the two models ($\Delta\chi^2 = 3.58$, Δ df = 3, ns). Therefore, this study reports the results of hypotheses tests based on this more parsimonious full mediation model, which is illustrated in Figure 1.

H1a–H1c examine the impact of three CSR dimensions on brand image and customer trust. The estimation results of the model (Table IV) reveal that CSR towards customers ($\beta = 0.28^{**}$, p < 0.01), CSR towards employees ($\beta = 0.30^{***}$, p < 0.001) and CSR towards

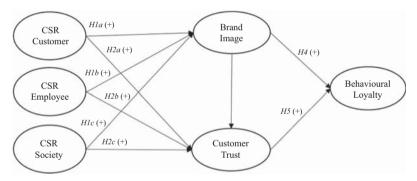


Figure 1. Research framework

H3: CSR → Brand Image → Customer Trust

 $H6: CSR \rightarrow Customer Trust \rightarrow Behavioural Loyalty$

 $H7: CSR \rightarrow Brand\ Image \rightarrow Customer\ Trust \rightarrow Behavioural\ Loyalty$

Hypotheses	Structural relationship	Std. coefficient	Contrast
H1a	CSR towards customer → Brand image	0.28**	Accepted
H1b	CSR towards employee → Brand image	0.30***	Accepted
H1c	CSR towards society → Brand image	0.39***	Accepted
H2a	CSR towards customer → Customer trust	0.38***	Accepted
H2b	CSR towards employee → Customer trust	0.22*	Accepted
H2c	CSR towards society → Customer trust	0.15*	Accepted
H4	Brand image → Behavioural loyalty	0.13*	Accepted
H5	Customer trust → Behavioural loyalty	0.65***	Accepted
Notes: n - 209	RMSFA = 0.06: TH I = 0.94: CFI = 0.94: SRMR = 0.0	$0.4 \cdot \sqrt{2} = 810.91 \cdot df = 393$	8(b - 0.000)

Table IV. Structural equation model results

Notes: n = 298. RMSEA = 0.06; TLI = 0.94; CFI = 0.94; SRMR = 0.04; $\chi^2 = 810.91$; df = 393 (p = 0.000) $\chi^2/df = 2.06$. *p < 0.05; **p < 0.01; ***p < 0.01

society ($\beta = 0.39***, p < 0.001$) have a positive effect on brand image. Thus, H1a–H1c are CSR influences supported. The results show that CSR towards customers ($\beta = 0.38^{***}$, $\beta < 0.001$), CSR towards employees ($\beta = 0.22^*$, p < 0.05) and CSR towards society ($\beta = 0.15^*$, p < 0.05) have a positive effect on customer trust, in support of H2a-c. In addition, brand image $(\beta = 0.13^*, p < 0.05)$ and customer trust $(\beta = 0.65^{***}, p < 0.001)$ are positively related to behavioural loyalty, which supports H4 and H5. In summary, the significant and positive effects in the model reveal the influence of three CSR associations on behavioural loyalty through brand image and customer trust.

Furthermore, this study expects the mediation effects of brand image and customer trust to link the independent variables (three CSR dimensions) and the dependent variable (behavioural loyalty). As noted above, this study finds support for the fully mediated relationships. To test the significance of indirect effects of the fully mediated relationships. this study performs a parametric bootstrap procedure with 5,000 Monte Carlo replications, using estimates in the entire model. As shown in Table V, the results reveal the significant indirect effect of brand image on the relationship between CSR towards customers and customer trust (indirect effect = 0.06, p < 0.05, 95% CI = [0.03, 0.11]), on the relationship between CSR towards employees and customer trust (indirect effect = 0.07, p < 0.05, 95% CI = [0.03, 0.14]), and on the relationship between CSR towards society and customer trust (indirect effect = 0.09, p < 0.05, 95% CI = [0.04, 0.16]). Thus, H3 is supported. In addition, the bootstrapping results also support the significant indirect effect of customer trust on the relationship between CSR towards customers and behavioural loyalty (indirect effect = 0.24, p < 0.01, 95% CI = [0.13, 0.37]), on the relationship between CSR towards employees and behavioural loyalty (indirect effect = 0.14, p < 0.05, 95% CI = [0.02, 0.25]), and on the relationship between CSR towards society and behavioural loyalty (indirect effect = 0.10, p < 0.05, 95% CI = [0.00, 0.23]). Therefore, H6 is supported. Furthermore, the bootstrapping results support the significant indirect effect of the flows of CSR towards customers \rightarrow brand image \rightarrow customer trust \rightarrow behavioural loyalty (indirect effect = 0.04, p < 0.05, 95% CI = [0.02, 0.08]), CSR towards employees \rightarrow brand image \rightarrow customer trust \rightarrow behavioural loyalty (indirect effect = 0.04, p < 0.05, 95% CI = [0.02, 0.11]), and CSR towards society \rightarrow brand image \rightarrow customer trust \rightarrow behavioural loyalty (indirect effect = 0.06, p < 0.05, 95% CI = [0.02, 0.12]). H7 is therefore supported.

This study further adopts post hoc analysis, which was suggested by Cohen et al. (2003) to be used to compare two different independent variables' impacts on a dependent variable

	Boots	trapping 95%
Indirect paths	Indirect effect	confidence interval ^a
H3 CSR towards customer → Brand image → Customer trust	0.06*	[0.03, 0.11]
CSR towards employee → Brand image → Customer trust	0.07*	[0.03, 0.14]
CSR towards society → Brand image → Customer trust	0.09*	[0.04, 0.16]
H6 CSR towards customer → Customer trust → Behavioural loyalty	0.24**	[0.13, 0.37]
CSR towards employee \rightarrow Customer trust \rightarrow Behavioural loyalty	0.14*	[0.02, 0.25]
CSR towards society → Customer trust → Behavioural loyalty	0.10*	[0.00, 0.23]
H7 CSR towards customer → Brand image → Customer trust → Behavioural loyalty	0.04*	[0.02, 0.08]
CSR towards employee \rightarrow Brand image \rightarrow Customer trust \rightarrow Behavioural loyalty	0.04*	[0.02, 0.11]
CSR towards society → Brand image → Customer trust → Behavioural loyalty	0.06*	[0.02, 0.12]

Note: n = 298. Bootstrapping is conducted on the basis of the Monte Carlo method with 5,000 repetitions; all terms in the hypothesised model are used when generating these estimates. aCI values do not include zero at three decimal places. *b < 0.05; **b < 0.01; ***b < 0.001

Table V. Bootstrapping tests for mediation

within the same sample. Table VI reports the results of this *post hoc* analysis. As shown in Table VI, the CSR–society domain has a stronger impact than the other two domains on brand image (vs CSR–customer: p < 0.01; vs CSR–employee: p < 0.01). Furthermore, the CSR–customer domain has a stronger impact than the other two domains on customer trust (vs CSR–employee: p < 0.01; vs CSR–society: p < 0.01).

Discussion

Theoretical implications

This study explored whether, and to what extent, the different dimensions of CSR influenced hotel customer behavioural loyalty, through the mediating roles of brand image and customer trust in the context of hotel service providers within the Chinese market. Consistent with prior research in Western countries, CSR is a valuable driver of branding consequences (Luo and Bhattacharya, 2006; Sen and Bhattacharya, 2001; Singh *et al.*, 2008; Liu, Wong, Shi, Chu and Brock, 2014). Results of the current research reveal that Chinese customers' evaluation of brands is positively related to perceived CSR information, which echoes previous research findings (e.g. Tian *et al.*, 2011). Customer behavioural loyalty could be enhanced if they were provided with more information and convincing evidence regarding service providers' CSR activities. Other potential critical factors, such as brand image and customer trust, play a mediating role in the relationship between CSR performance and customer behavioural loyalty (Liu, Wong, Shi, Chu and Brock, 2014).

An additional contribution of the current findings concerns the effects of different domains of CSR performance on brand image and customer trust. In European countries with well-developed CSR, a growing number of hospitality companies (e.g. Meliá Hotels International, Marriott International, NH Hotels and Novotel Hotels) have implemented numerous CSR practices, including energy and water conservation, recycling and community involvement (Goeldner and Brent Ritchie, 2006). For example, Meliá Hotels International cooperates with TUI Travel – the leading travel group in Europe – in the distribution of a guide educating clients on souvenir purchasing. Previous literature studied the hotel industry in these countries (e.g. Spain) and found that customer loyalty was affected by perceived CSR. via the mediation of trust, identification and satisfaction suggesting a hotel's involvement in CSR activities (Martinez and Bosque, 2013). However, they focused on all the dimensions of CSR, whereas in China, with developing (less developed) CSR programmes in hospitality companies (Li et al., 2015), the limited marketing resources should be allocated to the most valued dimensions of CSR to achieve customer loyalty and sustainable competitive advantages. Our research extends this line of academic research by highlighting the effects of different CSR domains on brand image and customer trust in China, which contributes to the theoretical implications for international hospitality management.

Our results reveal that the society dimension of CSR had the heaviest impact on Chinese customers' brand image of hotels among the three CSR dimensions investigated. Such a result is consistent with Torres *et al.*'s (2012) finding that philanthropic donations aimed at the community were more strongly related with financial performance as compared with all other

DV	Path coefficient	Result	Conclusion
BI BI CT CT	$ \beta_{\text{SCSR} \to \text{BI}} $ vs $ \beta_{\text{CCSR} \to \text{BI}} = 0.39^{***} $ vs 0.28^{**} $ \beta_{\text{SCSR} \to \text{BI}} $ vs $ \beta_{\text{ECSR} \to \text{BI}} = 0.39^{***} $ vs $ 0.30^{**} $ $ \beta_{\text{CCSR} \to \text{CT}} $ vs $ \beta_{\text{ECSR} \to \text{CT}} = 0.38^{***} $ vs $ 0.22^{*} $ $ \beta_{\text{CCSR} \to \text{CT}} $ vs $ \beta_{\text{SCSR} \to \text{CT}} = 0.38^{***} $ vs $ 0.15^{*} $	$\begin{array}{l} p < 0.01** \\ p < 0.01** \\ p < 0.01** \\ p < 0.01** \\ p < 0.01** \end{array}$	$\begin{array}{l} \beta_{\text{SCSR} \rightarrow \text{BI}} > \beta_{\text{CCSR} \rightarrow \text{BI}} \\ \beta_{\text{SCSR} \rightarrow \text{BI}} > \beta_{\text{ECSR} \rightarrow \text{BI}} \\ \beta_{\text{CCSR} \rightarrow \text{CT}} > \beta_{\text{ECSR} \rightarrow \text{CT}} \\ \beta_{\text{CCSR} \rightarrow \text{CT}} > \beta_{\text{SCSR} \rightarrow \text{CT}} \end{array}$

Table VI. *Post hoc* analysis results

Notes: DV, dependent variable; BI, brand image; CT, customer trust; CCSR, customer CSR; ECSR, employee CSR; SCSR, society CSR. *p < 0.05; **p < 0.01; ***p < 0.01

CSR influences

CSR initiatives. This may due to the fact that the service providers' societal CSR practices (e.g. the hotel contributes money to cultural and social events) are more easily perceived by Chinese consumers through the mass media, which in turn leads to enhanced brand image and behavioural loyalty. When a hotel brand behaves in a manner that is perceived as ethical. guests are likely to infer that it has certain desirable traits that resonate with their sense of self (Pérez and Bosque, 2013). The more prestigious a service brand is, the better the opportunity for consumers to identify themselves with the brand. Well-perceived societal CSR practices of the service provider would certainly facilitate such a process (Singh et al., 2008; Mohr et al., 2001). In terms of customer trust, the CSR-customer dimension plays the most effective role as compared to the CSR-employee and CSR-society dimensions. This result echoes Pérez and Bosque's (2012) research, which demonstrated that customers tend to care more for the CSR initiatives that are directly connected to their needs and commercial goals than those that are remotely related. Drawing on the concept of self-serving motives, since the CSR-customer dimension is more relevant to service recipients, it would appear more valuable to them (Liu. Wong, Shi, Chu and Brock, 2014). The empirical evidence of our study reveals that Chinese guests tend to focus more on CSR-customer practices, as these provide direct benefits to them. The CSR-customer dimension is more positively related to customer trust as compared to the CSR-employee and CSR-society dimensions, which leads to a higher indirect effect on customer behavioural loyalty. The current research therefore contributes to the literature by suggesting that not all CSR activities are equally effective.

Managerial implications

The results suggest that service providers can enhance customer behavioural loyalty by undertaking diverse CSR practices based on the theoretical contributions of the hierarchy of effects model. First, hospitality companies in China are facing increasing challenges due to the current global expansion of hotel brands in China (Huang and Cai, 2015). With its economic development, China is evolving from the leading producer of globally distributed goods to the world's largest consumer market (Siuta-Tokarska, 2013). Hotels are springing up not only in tier-1 cities but also in tier-2 and tier-3 cities, hoping to benefit from the economic transition and growing premium business travel industry (Travel Daily, 2018a). Marriott, which has a higher exposure to international markets than Hilton, claimed that revenue per available room in China grew 9.1 per cent in the fourth quarter ended December 31 2018 (Travel Daily, 2018b). Moreover, competition in the hotel industry has intensified with more brands entering the market. As a business activity, many upscale hotels attempt to distinguish themselves through their unique decoration styles in order to forge a prestigious and luxurious brand image (Li et al., 2015).

Today, "fog and haze" and "PM2.5" are the hot topics discussed among the general public in China (Li et al., 2015). Consumer sensitivity to CSR practices carried out by firms is increasing. Many hospitality companies contribute to CSR activities, which sends positive signals to customers, showing that they are sincere in dealing with their stakeholders and their communities (Hyun, 2010; Han and Hyun, 2013). However, these CSR practices focus on several dimensions, including responsibilities to the environment, customers, employees and society, whereas one of our findings points out that the most valuable CSR sector for service brand image is the society dimension. Thus, in order to better allocate marketing resources, hospitality companies in China should consider allocating more resources to fund adequate CSR programmes that focus on reflecting a strong commitment towards a community. For hotels and hospitality companies in China, CSR–society practices may serve as the most valued means of improving their brand image and increasing their "moral capital" (Saiia et al., 2003; Li et al., 2015). It would be beneficial for hotels to allocate their media and marketing resources with particular attention towards the flourishing social media channels to elaborate their CSR–society

practices for enhanced brand image, customer trust and behavioural loyalty. Hotels in China may implement more CSR policies to society, such as the Green Hotel regulations that came into force on 1 January 2011 and the emphasis laid on a "green growth" model announced on 5 March 2011 at the National Peoples' Congress as part of the 12th Five-Year Plan (2011–2015), as well as with reference to environmental planning, philanthropic actions and, to a lesser degree, benchmarking best practice. Other specific CSR practices in the societal dimension could also be taken by the hotels in China. For instance, hotel may send representatives to visit the penitentiaries, orphanages and homes for the aged poor, and organise a special reunion party for them, which to celebrate the Chinese New Year in advance, and express appreciation to them as well. Hotels could organise an "Earth Hour worldwide event" annually as part of their commitment to educate the society and inhouse guests in participating in turning off non-essential lights for one hour per night. During that night, all non-essential hotel lights in the public areas could be turned off for one hour and the hotel could also organise an unplugged show at the hotel lobby for all the inhouse guests to enjoy the hotel band singing songs and some delicacies.

On the other hand, according to Meadin (2018), despite the number of hotels in China having increased continuously, the government's implementation of its "eight regulations" aimed at curbing luxury consumption in the public sector has led to a decrease in the use of luxury hotels. In order to redevelop their brand image, luxury hotels may engage in more CSR—society practices to form the "green hotel" concept. A luxury hotel that is committed to CSR—society practices (e.g. involvement of partners, media and guests in environmental protection initiatives) may gain positive perceptions from both the general public and potential customers.

Second, it is noteworthy that customer behavioural loyalty is positively related to customer trust. Particularly, greater attention needs to be paid towards the CSR-customer dimension in order to improve customers' trust of service brands. Most recently, poor cleaning practices at several high-end hotels have been exposed by news media, and hotel hygiene concerns soon became the hottest topic discussed among the general public in China (*China Daily*, 2018), significantly undermining customer trust in the Chinese hospitality industry. As one of our findings points out that the most valuable CSR sector for hotel customer trust is the customer dimension, hotels may invest more in CSR-customer practices in order to re-build customer trust in Chinese hospitality companies. In this regard, hotels should design and implement activities to better deliver consistent service quality, treat customers fairly and fulfil promises in order to build up customers' confidence in their brand. For example, hotels may set up expert teams to inspect hotels' hygiene standards, put high-standard policies in place regarding cleanliness and commit to providing clean air to guest rooms through a partnership with "Pure Living". This will facilitate an enduring long-term relationship.

Third, although CSR performance is able to enhance behavioural loyalty, it cannot offset the negative results of an existing negative brand image and poor consumer trust. To avoid such circumstances, service providers should constantly strive to improve their service quality and endeavour to ensure superior customer behavioural loyalty in the market to achieve long-term financial returns.

Limitations and future research

There are some limitations of the present study that must be addressed. First, this study utilised a convenience sampling method, which may limit its generalisability to the target population. Yet, we mitigated this problem by drawing the sample from five major cities in China that represent both highly developed and less-developed cities. Second, due to time constraints and limited resources, the respondent sample of this study included only 298 eligible questionnaires. Therefore, our findings and subsequent implications are limited, to a degree, by sample size. Additionally, data of this research were collected from customers in only five cities of southern China and so may not accurately represent the general

behavioural

CSR influences

population of China. Furthermore, this study focuses on locally run brand hotels in the Chinese market, and segmentation is varied only within hotel star ratings. A comparison was only done between individual hotels within the industry, which is a lengthways investigation, whereas a crosswise analysis comparison at the hotel group level was not completed. Another limitation is that only the three main dimensions of CSR (i.e. CSR-customer, CSR-employee, and CSR-society) were addressed and evaluated in this study. Multiple items of each scale were considered to be visible and measureable to customers. However, while dealing with CSR or sustainability, social desirability bias can be an issue because respondents are likely to have a higher degree of anticipation (Ramasamy and Yeung, 2009). Furthermore, beyond these three CSR dimensions, other CSR factors need to be considered, such as shareholder, competitor and supplier concerns. Their influences on behavioural loyalty were not investigated in the current setting. In addition, there are alternative explanations as to why the CSR-customer dimension has the highest effect on customer trust among the three CSR dimensions. Arguably, this is because most of the CSR-customer scale uses classic trust aspects, such as honesty, transparency and complaint management, while the trust construct is an overall measure of trust.

In view of these limitations, several suggestions can be provided to help further elucidate the relationship between CSR and customer behavioural loyalty. First, it would be preferable to enlarge the research sample size and ensure an even distribution of demographics such as age, gender and annual income. Second, the resources of the current study limit the sample geography. Consumption habits of customers from different cities in China are likely to be significantly different and should be considered for further investigation. Multi-group analysis performed between developed cities and less-developed cities regarding key dimensions of CSR can also be completed in future research. Finally, further research could incorporate the current results by extending the model and including new variables. It would be wise to consider using other approaches such as projective techniques to ensure a more controlled environment. Besides the three dimensions of CSR studied herein, the potential influences of other CSR associations could also be investigated. Future investigations may further test the proposed relationship model by utilising different composite measurements of loyalty and then exploring whether the influence of current variables would project in the same direction.

References

- Aaker, D.A. (1996), "Measuring brand equity across products and markets", California Management Review, Vol. 38 No. 3, pp. 102-120.
- Aguilera, R., Rupp, D.E., Williams, C.A. and Ganapathi, J. (2007), "Putting the S back in corporate social responsibility: a multilevel theory of social change in organizations", *Academy of Management Review*, Vol. 32 No. 3, pp. 836-863.
- Andereck, K.L. (2009), "Tourists' perceptions of environmentally responsible innovations at tourism businesses", *Journal of Sustainable Tourism*, Vol. 17 No. 4, pp. 489-499.
- Bagozzi, R.P. and Yi, Y. (1998), "On evaluation of structural equations models", *Journal of the Academy of Marketing Science*, Vol. 16 No. 1, pp. 74-94.
- Becker-Olsen, K.L., Cudmore, B.A. and Hill, R.P. (2006), "The impact of perceived corporate social responsibility on consumer behavior", *Journal of Business Research*, Vol. 59 No. 1, pp. 46-53.
- Berezan, O., Raab, C., Yoo, M. and Love, C. (2013), "Sustainable hotel practices and nationality: The impact on guest satisfaction and guest intention to return", *International Journal of Hospitality Management*, Vol. 34 No. 6, pp. 227-233.
- Brown, T.J. and Dacin, P.A. (1997), "The company and the product: corporate associations and consumer product responses", *Journal of Marketing*, Vol. 61 No. 1, pp. 68-84.
- Chaudhuri, A. and Holbrook, M.B. (2001), "The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty", *Journal of Marketing*, Vol. 65 No. 2, pp. 81-93.

- Chen, Y.S. (2010), "The drivers of green brand equity: green brand image, green satisfaction, and green trust", *Journal of Business Ethics*, Vol. 93 No. 2, pp. 307-319.
- China Daily (2018), "Ministry leads checks on luxury hotels after hygiene scandal", China Daily, p. A1, available at: www.chinadaily.com.cn/a/201812/03/WS5c04e194a310eff30328eb92.html (accessed 2 February 2019).
- Choi, B. and La, S. (2013), "The impact of corporate social responsibility (CSR) and customer trust on the restoration of loyalty after service failure and recovery", *Journal of Services Marketing*, Vol. 27 No. 3, pp. 223-233.
- Choi, J., Chang, Y.K., Li, Y.J. and Jang, M.G. (2016), "Doing good in another neighborhood: attributions of CSR motives depend on corporate nationality and cultural orientation", *Journal of International Marketing*, Vol. 24 No. 4, pp. 82-102.
- Choi, S. and Ng, A. (2011), "Environmental and economic dimensions of sustainability and price effects on consumer responses", *Journal of Business Ethics*, Vol. 104 No. 2, pp. 269-282.
- Chu, R., Leonhardt, J. and Liu, M. (2015), "Chinese migrant workers' adoption of urban consumer habits", Marketing Letters, Vol. 26 No. 1, pp. 57-66.
- Cohen, J., Cohen, P., West, S.G. and Aiken, L.S. (2003), *Applied Multiple Regression/ Correlation Analysis for the Behavioral Sciences*, Lawrence Erlbaum Associates, London.
- De Grosbois, D. (2012), "Corporate social responsibility reporting by the global hotel industry: commitment, initiatives and performance", *International Journal of Hospitality Management*, Vol. 31 No. 3, pp. 896-905.
- Dick, A. and Basu, K. (1994), "Customer loyalty: toward an integrated conceptual framework", Journal of Academy of Marketing Science, Vol. 22 No. 2, pp. 99-113.
- Flavián, C., Guinaliu, M. and Torres, E. (2005), "The influence of corporate image on consumer trust: a comparative analysis in traditional versus internet banking", *Internet Research*, Vol. 15 No. 4, pp. 447-470.
- Fornell, C. and Larcker, D.F. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research*, Vol. 18 No. 3, pp. 39-50.
- Ganesh, J., Arnold, M.J. and Reynolds, K.E. (2000), "Understanding the customer base of service providers: an examination of the differences between switchers and stayers", *Journal of Marketing*, Vol. 64 No. 3, pp. 65-87.
- Gao, Y.L. and Mattila, A.S. (2014), "Improving consumer satisfaction in green hotels: the roles of perceived warmth, perceived competence, and CSR motive", *International Journal of Hospitality Management*, Vol. 42, pp. 20-31.
- Gefen, D. and Straub, D.W. (2004), "Consumer trust in B2C e-commerce and the importance of social presence: experiments in e-products and e-services", *Omega*, Vol. 32 No. 6, pp. 407-424.
- Goeldner, C.R. and Brent Ritchie, J.R. (2006), Tourism: Principles, Practices, Philosophies, John Wiley & Sons, Hoboken, NJ.
- Gu, H.M., Ryan, C., Li, B. and Gao, W. (2013), "Political connections, Guanxi and adoption of CSR policies in the Chinese hotel industry: is there a link?", *Tourism Management*, Vol. 34 No. 2, pp. 231-235.
- Guenzi, P., Johnson, M.D. and Castaldo, S. (2009), "A comprehensive model of customer trust in two retail stores", *Journal of Service Management*, Vol. 20 No. 3, pp. 290-316.
- Hair, J.F., Black, W.C., Babin, B.J. and Anderson, R.E. (2010), *Multivariate Data Analysis*, Pearson Prentice Hall, Upper Saddle River, NJ.
- Han, H. and Hyun, S.S. (2013), "Image congruence and relationship quality in predicting switching intention conspicuousness of product use as a moderator variable", *Journal of Hospitality & Tourism Research*, Vol. 37 No. 3, pp. 303-329.
- Han, H., Kim, Y. and Kim, E. (2011), "Cognitive, affective, conative, and action loyalty: testing the impact of inertia", *International Journal of Hospitality Management*, Vol. 30 No. 4, pp. 1108-1119.
- Hart, P. and Saunders, C. (1997), "Power and trust: Critical factors in the adoption and use of electronic data interchange", Organization Science, Vol. 8 No. 1, pp. 23-42.

lovaltv

behavioural

- He, Y. and Lai, K.K. (2014), "The effect of corporate social responsibility on brand loyalty: the mediating CSR influences role of brand image", Total Quality Management & Business Excellence, Vol. 25 No. 3, pp. 249-263.
- Houdre, H. (2008), Sustainable Hospitality: Sustainable Development in the Hotel Industry, Cornell University, Ithaca, NY.
- Hu, L. and Bentler, P.M. (1999), "Cutoff criteria for fit indexes in covariance structure analysis: conventional criteria versus new alternatives", Structural Equation Modeling, Vol. 6 No. 1, pp. 1-55.
- Huang, Z.I. and Cai, L.A. (2015), "Modeling consumer-based brand equity for multinational hotel brands – when hosts become guests", Tourism Management, Vol. 46, pp. 431-443.
- Hyun, S.S. (2010), "Predictors of relationship quality and loyalty in the chain restaurant industry", Cornell Hospitality Quarterly, Vol. 51 No. 2, pp. 251-267.
- Kang, J.W. and Namkung, Y. (2017), "The effect of corporate social responsibility on brand equity and the moderating role of ethical consumerism: the case of Starbucks", Journal of Hospitality & Tourism Research, Vol. 42 No. 7, pp. 1130-1151.
- Keller, K.L. (1993), "Conceptualizing, measuring and managing customer-based brand equity", Journal of Marketing, Vol. 57 No. 1, pp. 1-22.
- Kim, E. and Ham, S. (2016), "Restaurants' disclosure of nutritional information as a corporate social responsibility initiative: customers' attitudinal and behavioral responses". International Journal of Hospitality Management, Vol. 55, pp. 96-106.
- Kim, Y. (2017), "Consumer responses to the food industry's proactive and passive environmental CSR, factoring in price as CSR trade-off", Journal of Business Ethics, Vol. 140 No. 2, pp. 307-321.
- Korschun, D., Bhattacharya, C.B. and Swain, S.D. (2014), "Corporate social responsibility, customer orientation, and the job performance of frontline employees", Journal of Marketing, Vol. 78 No. 3, pp. 20-37.
- Kotler, P. (2008), Marketing Management, Prentice-Hall, Upper Saddle River, NJ.
- Lau, G.T. and Lee, S.H. (1999), "Consumers' trust in a brand and the link to brand loyalty", Journal of Market-Focused Management, Vol. 4 No. 4, pp. 341-370.
- Law, R., To, T. and Goh, C. (2008), "How do mainland Chinese travelers choose restaurants in Hong Kong? An exploratory study of individual visit scheme travelers and packaged travellers", International Journal of Hospitality Management, Vol. 27 No. 3, pp. 346-354.
- Levy, S.E. and Park, S.Y. (2011), "An analysis of CSR activities in the lodging industry", Journal of Hospitality and Tourism Management, Vol. 18 No. 1, pp. 147-154.
- Li, Y., Fu, H. and Huang, S. (2015), "Does conspicuous decoration style influence customer's intention to purchase? The moderating effect of CSR practices", International Journal of Hospitality Management, Vol. 51, pp. 19-29.
- Liu, M., Wong, I., Chu, R. and Tseng, T. (2014), "Do perceived CSR initiatives enhance customer preference and loyalty in casinos?", International Journal of Contemporary Hospitality Management, Vol. 26 No. 7, pp. 1024-1045.
- Liu, M., Wong, I.A., Shi, G., Chu, R. and Brock, J.L. (2014), "The impact of corporate social responsibility (CSR) performance and perceived brand quality on customer-based brand preference", Journal of Services Marketing, Vol. 28 No. 3, pp. 181-194.
- Liu, M., Wong, I.A., Tseng, T., Chang, W.Y. and Phau, I. (2017), "Applying consumer-based brand equity in luxury hotel branding", *Journal of Business Research*, Vol. 81, pp. 192-202.
- Liu, M., Wong, I.A., Chu, R., Shi, G., Brock, J. and Tseng, T. (2014), "Can a socially responsible casino better retain its management staff? From an internal customer perspective", Asia Pacific Journal of Marketing and Logistics, Vol. 26 No. 4, pp. 520-539.
- Luo, X. and Bhattacharya, C.B. (2006), "Corporate social responsibility, customer satisfaction, and market value", Journal of Marketing, Vol. 70 No. 4, pp. 1-18.

- Luo, X. and Bhattacharya, C.B. (2009), "The debate over doing good: corporate social performance, strategic marketing levers, and firm-idiosyncratic risk", *Journal of Marketing*, Vol. 73 No. 6, pp. 198-213.
- Luu, T.T. (2017), "CSR and customer value co-creation behavior: the moderation mechanisms of servant leadership and relationship marketing orientation", *Journal of Business Ethics*, Vol. 1 No. 2, pp. 1-20.
- Maignan, I., Ferrell, O.C. and Hult, G.T.M. (1999), "Corporate citizenship: cultural antecedents and business benefits", Journal of the Academy of Marketing Science, Vol. 27 No. 4, pp. 455-469.
- Marin, L. and Ruiz, S. (2007), "I need you too!' corporate identity attractiveness for consumers and the role of social responsibility", *Journal of Business Ethics*, Vol. 71 No. 3, pp. 245-260.
- Martinez, P. and Bosque, I.R.D. (2013), "CSR and customer loyalty: the roles of trust, customer identification with the company and satisfaction", *International Journal of Hospitality Management*, Vol. 35 No. 12, pp. 89-99.
- Martinez, P., Pérez, A. and Bosque, I.R.D. (2014), "CSR influence on hotel brand image and loyalty", Academia Revista Latinoamericana de Administracion, Vol. 27 No. 2, pp. 267-283.
- Mason, D., Tideswell, C. and Roberts, E. (2006), "Guest perceptions of hotel loyalty", *Journal of Hospitality & Tourism Research*, Vol. 30 No. 2, pp. 191-206.
- Meadin (2018), "2018 China tourism industry report", available at: www.meadin.com/196323.html (accessed 3 February 2019).
- Mercer, J.J. (2003), Corporate Social Responsibility and its Importance to Consumers (Doctoral dissertation), Claremont Graduate University, Claremont, CA.
- Min, H., Park, J. and Kim, H.J. (2016), "Common method bias in hospitality research: a critical review of literature and an empirical study", *International Journal of Hospitality Management*, Vol. 56, pp. 126-135.
- Mo, Z., Liu, M. and Liu, Y. (2018), "Effects of functional green advertising on self and others", Psychology & Marketing, Vol. 35 No. 5, pp. 368-382.
- Mohr, L., Webb, D. and Harris, K. (2001), "Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behaviour", *Journal of Consumer Affairs*, Vol. 35 No. 1, pp. 45-72.
- Morgan, R.M. and Hunt, S.D. (1994), "The commitment trust theory of relationship marketing", *Journal of Marketing*, Vol. 58 No. 7, pp. 20-38.
- Muthén, L.K. and Muthén, B. (2010), Mplus User's Guide, Muthén and Muthén, Los Angeles, CA.
- National Bureau of Statistics of China (2016), "Total population and composition & Urban and rural residents' income in 2016", available at: www.stats.gov.cn/english/statisticaldata/ (accessed 2 February 2019).
- Pedersen, E.R. (2010), "Modelling CSR: how managers understand the responsibilities of business towards society", *Journal of Business Ethics*, Vol. 91 No. 2, pp. 155-166.
- Pérez, A. and Bosque, I.R.D. (2012), "The role of CSR in the corporate identity of banking service providers", *Journal of Business Ethics*, Vol. 108 No. 2, pp. 145-166.
- Pérez, A. and Bosque, I.R.D. (2013), "Measuring CSR image: three studies to develop and validate a reliable measurement scale", *Journal of Business Ethics*, Vol. 118 No. 2, pp. 265-286.
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.Y. and Podsakoff, N.P. (2003), "Common method biases in behavioral research: a critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 88 No. 5, pp. 879-903.
- Popoli, P. (2011), "Linking CSR strategy and brand image: different approaches in local and global markets", Marketing Theory, Vol. 11 No. 4, pp. 419-433.
- Porter, M.E. and Kramer, M. (2006), "Strategy and society: the link between competitive advantage and corporate responsibility", *Harvard Business Review*, Vol. 84 No. 12, pp. 76-92.

lovaltv

behavioural

- Ramasamy, B. and Yeung, M. (2009), "Chinese consumers' perception of corporate social responsibility CSR influences (CSR)", Journal of Business Ethics, Vol. 88 No. 1, pp. 119-132.
- Robinot, E. and Giannelloni, J.L. (2010), "Do hotels' green attributes contribute to consumer satisfaction?", Journal of Services Marketing, Vol. 24 No. 2, pp. 157-169.
- Roman, S. (2003), "The impact of ethical sales behavior on customer satisfaction, trust and loyalty to the company: an empirical study in the financial services industry", Journal of Marketing Management, Vol. 19 No. 9, pp. 915-939.
- Saiia, D.H., Carroll, A. and Buchholtz, A. (2003), "Philanthropy as strategy when corporate charity 'begins at home'", Business & Society, Vol. 42 No. 2, pp. 169-201.
- Salmones, M.M.G., Herrero, A. and Bosque, I.R.D. (2005), "Influence of corporate social responsibility on loyalty and valuation of services", Journal of Business Ethics, Vol. 61 No. 4, pp. 369-385.
- Sen, S. and Bhattacharya, C.B. (2001), "Does doing good always lead to doing better? Consumer reactions to corporate social responsibility", Journal of Marketing Research, Vol. 38 No. 2, pp. 225-243.
- Sen, S., Bhattacharva, C.B. and Korschun, D. (2006), "The role of corporate social responsibility in strengthening multiple stakeholder relationships: a field experiment", Journal of the Academy of Marketing Science, Vol. 34 No. 2, pp. 158-166.
- Serra-Cantallops, A., Peña-Miranda, D.D., Ramón-Cardona, J. and Martorell-Cunill, O. (2018), "Progress in research on CSR and the Hotel Industry (2006-2015)", Cornell Hospitality Quarterly, Vol. 59 No. 1, pp. 15-38.
- Sheldon, P.I. and Park, S.Y. (2011), "An exploratory study of corporate social responsibility in the U.S. travel industry", Journal of Travel Research, Vol. 50 No. 4, pp. 392-407.
- Singh, J., Sanchez, M. and del Bosque, I. (2008), "Understanding corporate social responsibility and product perceptions in consumer markets: a cross-culture evolution", *Journal of Business Ethics*, Vol. 80 No. 3, pp. 597-611.
- Sirdeshmukh, D., Japdig, S. and Berry, S. (2002), "Customer trust, value, and loyalty in relational exchanges", Journal of Marketing, Vol. 66 No. 1, pp. 15-37.
- Siuta-Tokarska, B. (2013), "The way of the social and economic development of China an attempt of historical and synthetic representation", China Business Review, Vol. 12 No. 7, pp. 459-468.
- So, K.K.F., King, C., Sparks, B. and Wang, Y. (2013), "The influence of customer brand identification on hotel brand evaluation and loyalty development", International Journal of Hospitality Management, Vol. 34 No. 6, pp. 31-41.
- Stathopoulou, A. and Balabanis, G. (2016), "The effects of lovalty programs on customer satisfaction, trust, and loyalty toward high- and low-end fashion retailers", Journal of Business Research, Vol. 69 No. 12, pp. 5801-5808.
- Tajfel, H. and Turner, J.C. (1979), "An integrative theory of intergroup conflict", in Austin, W. and Worchel, S. (Eds), The Social Psychology of Intergroup Relations, Brooks Cole, Monterrey, pp. 33-47.
- Tanford, S., Carola, R. and Kim, Y.S. (2012), "Determinants of customer loyalty and purchasing behavior for full-service and limited-service hotels", International Journal of Hospitality Management, Vol. 31 No. 2, pp. 319-328.
- Tian, Z., Wang, R. and Yang, W. (2011), "Consumer responses to corporate social responsibility (CSR) in China", Journal of Business Ethics, Vol. 101 No. 2, pp. 197-212.
- Torres, A., Bijmolt, T.H., Tribó, J.A. and Verhoef, P. (2012), "Generating global brand equity through corporate social responsibility to key stakeholders", International Journal of Research in Marketing, Vol. 29 No. 1, pp. 13-24.
- Torugsa, N.A., O'Donohue, W. and Hecker, R. (2012), "Proactive CSR: an empirical analysis of the role of its economic, social and environmental dimensions on the association between capabilities and performance", Journal of Business Ethics, Vol. 115 No. 2, pp. 383-402.
- Travel Daily (2018a), "China's hotel investors set sights on domestic expansion", available at: www. chinatravelnews.com/article/120481 (accessed 2 February 2019).

- Travel Daily (2018b), "China demand helps Hilton, Marriott fuel international growth", available at: www.chinatravelnews.com/article/120378 (accessed 2 February 2019).
- Turner, J.C., Hogg, M.A., Oakes, P.J., Reicher, S.D. and Wetherell, M.S. (1987), *Rediscovering the Social Group: A Self-categorization Theory*, Blackwell, Oxford.
- Vong, F. and Wong, I.A. (2013), "Corporate and social performance links in the gaming industry", Journal of Business Research, Vol. 66 No. 9, pp. 1674-1681.
- Wang, H.M., Chen, P.H., Yu, H.K. and Hsiao, C.Y. (2015), "The effects of corporate social responsibility on brand equity and firm performance", *Journal of Business Research*, Vol. 68 No. 11, pp. 2232-2236.
- Williamson, D., Lynch-Wood, G. and Ramsay, J. (2006), "Drivers of environmental behaviour in manufacturing SMEs and the implications for CSR", Journal of Business Ethics, Vol. 67 No. 3, pp. 317-330.
- Watts, P. and Holme, R. (1999), *Meeting Changing Expectations: Corporate Social Responsibility*, WBCSD, Geneva, available at: www.wbcsd.org (accessed 15 January 2019).

Further reading

Carroll, A.B. (1979), "A three-dimensional conceptual model of corporate performance", Academy of Management, Vol. 4 No. 4, pp. 497-505.

Appendix 1

CSR-customer

- (1) this hotel establishes procedures to comply with customers' complaints;
- (2) this hotel treats its customers honestly;
- this hotel has employees who offer complete information about hotel products/services to customers;
- (4) this hotel uses customers' satisfaction as an indicator to improve the product/service marketing; and
- (5) this hotel makes an effort to know customers' needs.

CSR-employee

- (1) this hotel pays fair salaries to its employees;
- (2) this hotel offers safety at work to its employees;
- (3) this hotel treats its employees fairly (without discrimination or abuse);
- (4) this hotel offers training and career opportunities to its employees; and
- (5) this hotel offers a pleasant work environment (e.g. flexible hours, conciliation).

CSR-society

- (1) this hotel helps in solving social problems;
- (2) this hotel uses part of its budget for donations and social projects to advance the situation of the most unprivileged groups of society;
- (3) this hotel contributes money to cultural and social events (e.g. music, sports);
- (4) this hotel plays a role in society beyond the generation of economic benefits;
- (5) this hotel is concerned with improving the general well-being of society; and
- (6) this hotel brand is concerned with respecting and protecting the natural environment.

Brand image

- (1) this hotel brand arouses sympathy;
- (2) this hotel brand transmits a personality that differentiates itself from competitors;
- (3) the hiring of services with this hotel brand says something about the kind of person I am;
- (4) I have a picture of the kind of people who enter into a contract with this hotel brand;
- (5) services offered by this hotel brand are of high quality;
- (6) services offered by this hotel brand have better features than those of competitors; and
- (7) services offered by this hotel brand are usually more expensive than those of competitors.

Customer trust

- (1) generally speaking, I trust the hotel group;
- (2) overall, I can confidently rely on the hotel group; and
- (3) the hotel group is safe to patronise.

Behavioural Loyalty

- (1) I usually use this hotel brand as my first choice compared to other brands;
- (2) I could find other hotel brands offering services at lower prices than this brand;
- (3) there are different hotel brands that might offer additional services; and
- (4) it would be costly in terms of money, time and effort to end the relationship with this hotel brand.

Appendix 2. Example of CSR stimulus materials (the original stimulus is in Chinese) Dear respondent,

Your participation in this academic survey "How CSR affects Customer Trust, Brand Image and Behavioural Loyalty. An Empirical Study of the Hotel Industry" conducted by the University of Macau is very much appreciated. First, you will see a brief introduction to the CSR information of the specific hotel you have chosen. After that, please kindly help to fill the questionnaire. This questionnaire will take you approximately 10–15 min to finish. According to the law and academic ethics, all personal information will be kept confidential. All information collected will be used for academic research purposes only. Your responses will be anonymous. You have a right to stop answering the questionnaire process at any time and without any reason. Thank you for your valuable opinions.

CSR-customer

- to provide clean air to our guest rooms through our partnership with "Pure Living" (on the website);
- treat customers fairly and honestly (asked by authors);
- · adopt a holistic approach to capture direct feedback from our guests (asked by authors); and
- commit to continuous improvement and excellent service delivery to enhance guest loyalty (asked by authors).

CSR-employee

- provide our colleagues with training and resources to meet our environmental and social objectives (asked by authors);
- give special consideration to the employment of local people (asked by authors);

CSR influences customer behavioural loyalty

21

- provide a healthy and safe environment for all, with equal opportunities regardless of age, race, religion or gender (asked by authors); and
- build a culture where respect and understanding is fostered and the diversity of peoples' backgrounds and circumstances is positively valued (asked by authors).

CSR-society

- reduce the demand for resources such as energy and water (on the website);
- raise awareness of environmental issues such as the protection of endangered species (on the website);
- involve colleagues in community projects (on the website);
- involve partners, media and guests in environmental protection initiatives (on the website); and
- give preference to products and services of local origin where possible (asked by authors).

Source: www.cordishotels.com/en/shanghai-hongqiao/overview/corporate-social-responsibility/

About the authors

Matthew Tingchi Liu, PhD, is Professor of Marketing, University of Macau. He published 150+ papers in referred journals and conference proceedings, including Marketing Letters, Psychology & Marketing, European Journal of Marketing, Industrial Marketing Management, Journal of Business Research, International Marketing Review, Journal of Services Marketing, Asia Pacific Journal of Marketing and Logistics, Journal of Consumer Marketing, Journal of International Consumer Marketing, Journal of Hospitality & Tourism Research, International Journal of Contemporary Hospitality Management, International Journal of Mobile Communications, among others. Liu is also editorial board member of Journal of Marketing Theory and Practice.

Yongdan Liu is PhD candidate, Department of Marketing, FBA, University of Macau, Liu is now PhD candidate of University of Macau (Macau) with Master degree from Hong Kong Polytechnic University (Hong Kong). His paper published in *Psychology & Marketing, Asia Pacific Journal of Marketing and Logistics* and some top-tier conferences (e.g. INFORMS 2017, EMAC 2019).

Dr Ziying Mo, PhD, is Postdoc Fellow, International School of Business & Finance, Sun Yat-Sen University. Dr Mo received her Master degree from University of St Andrews (Scotland, UK) and PhD from Macau University of Science and Technology (Macau). Her paper published in *Psychology & Marketing, Asia Pacific Journal of Marketing and Logistics*, and some top-tier conferences (e.g. AOM 2019). Dr Ziying Mo is the corresponding author and can be contacted at: mozy5@mail.sysu.edu.cn

Zhidong Zhao is PhD candidate of Nottingham University Business School, Ningbo, China, majors Finance. Zhao received both her Master degree and Bachelor degree from Peking University. Her research interests focus on brand image, luxury consumption, asset pricing, financial stability, systemic risk and so on.

Zhenghao Zhu is PhD candidate, College of Business Administration, Capital University of Economics and Business, Beijing. Zhenghao Zhu is also Professor of Business Administration, Zhejiang Business Technology Institute, Zhejiang Province, P.R.C. Professor Zhenghao Zhu received his Master degree from Peking University (Beijing). His paper published in CSSCI Journals such as *Asia-pacific Economic Review, Taiwan Research Journal, Science and Technology Management Research* and *Tourism Science*.