Relationship Between Corporate Social Responsibility, Brand Equity, Customer Trust and Usage Decisions in the Hotel Industry

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ABSTRACT: This study researches corporate social responsibility's impact on hotel industry consumer usage decisions through two mediating factors: brand equity and customer trust. Although there have been many studies on the impact of CSR on consumer behavior, there is no research conducted in the hotel industry in Vietnam. Results of an empirical study of 562 tourists in Vietnam. The partial least squares linear structural modeling method (PLS-SEM) was used. Research shows that CSR directly impacts brand equity, customer trust, and usage decisions. In addition, CSR also contributes to improving business reputation and brand trust, thereby indirectly affecting consumer usage decisions. The research results will supplement the rationale for the direct and indirect impacts of CSR on consumption behavior, and at the same time suggest recommendations for the hotel industry in Vietnam to improve the implementation of CSR.

Keywords: CSR, Brand Equity, Customer Trust, Usage Decision, Hotel Industry, Vietnam

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1.   INTRODUCTION

In the context of the Covid 19 epidemic, people are more and more concerned and conscious of protecting the environment, so environmental friendliness becomes a prerequisite when they choose to buy products. products and services. For the tourism industry, this trend is reflected in the products "ecotourism" or "green tourism". Simultaneously with the interest in green tourism, tourists also tend to turn to hotels with environmentally friendly activities, also known as "socially responsible hotels".

To promote the development status of hotels, social media is a popular communication tool used (Bindu, 2018). Cai et al. (2004) indicate that modern travelers view the Internet as an important source of information. Online reviews and discussions on social networks are used by tourists when traveling (Yoo & Gretzel, 2008). The topic of green consumption or green tourism, which is of interest, is also discussed more on social networks (Severo et al., 2019).

Vietnam has 62 million social network users, accounting for 62% of the population1. Tourism is also an important industry, contributing about 10% to the GDP of Vietnam's economy. Currently, hotels applying green practices in Vietnam are increasing, no longer a trend used to polish their names. Green hotels have become an important criterion in doing business in a more responsible way for the local community. In addition, 70% of customers book a room if they know it is an eco-friendly hotel even though they are not intentionally looking for a socially responsible hotel. In such a context, it is important to study the influence of

social media use on the hotel selection behavior of tourists in Vietnam. However, academic research on this topic in Vietnam is limited.

2. LITERATURE REVIEW AND HYPOTHESIS

2.1. Corporate social responsibility (CSR)

The notion of CSR has received much examination over the last few decades, yet many scholars have expressed varying opinions on it. Accordingly, depending on their circumstances, traits, and degree of development, each business, enterprise, and government approaches CSR from a different aspect and perspective (Nguyen Ngoc Thang, 2010; Tran Ha Minh Quan, 2014). CSR is hard to define, as various audiences view it in different ways. As a result, there hasn't been a clear definition of CSR until today.

According to Davis (1973), corporate social responsibility (CSR) is how firms care about and respond to problems that go beyond meeting legal and technological criteria. According to Carroll (1991), in terms of economy, law, ethics, and charity, CSR is a societal expectation. According to Kotler & Lee (2005), corporate social responsibility (CSR) is a commitment to enhancing community welfare via charitable business endeavors and the donation of corporate funds to the community. In recent years, a lot of research has been done on the CSR components of duty to the environment, responsibility to customers, responsibility to employees, and responsibility to the community (Ho Thi Van Anh, 2017). According to the previous research, this study continues to inherit the CSR elements.

2.2. Usage Decision

According to Ajzen (2006), intention is a sign of a person's willingness to perform a certain behavior, and it is considered to be the direct antecedent of the behavior. Accordingly, for customers, the intention to choose speaks to the customer's tendency to purchase or consume a product, service, or brand (Tho & Trang, 2004).

Usage Decision is a very important concept in the study of consumer behavior. According to Ajzen & Fishbein (1980), the intention to choose a product, service, or brand is a determinant of consumer behavior toward that product, service, or brand. Therefore, the measurement of 'choice intention' has proven to be the key factor that most accurately predicts the real consumption behavior of customers (Ajzen, 1991).

2.3. Brand Equity

When compared to other intangible assets, brand equity is regarded to be one of the most valuable intangible assets. Brand equity is built up over time by increasing popularity rather than through the acquisition of items like trademarks, copyrights, or patents. According to McWilliams et al. (2006), companies should think of CSR as a way to enhance or preserve their reputation. A successful CSR program will improve the company's standing among stakeholders and make it easier for customers to identify its products from those of rivals. A company's reputation will affect consumer decisions. However, the majority of recent research has focused on the impact of brand equity on the profitability of the company and overlooked the influence of reputation on specific consumers (Helm et al., 2010).

It is challenging to pinpoint the mediating mechanisms in the influence of CSR on consumer behavior, according to the findings of a review of earlier studies. The reason is that the Vietnamese market is still expanding and that many customers have not paid enough attention to CSR or have not yet paid enough attention to CSR effectively leveraging its power, even though consumer knowledge of CSR has advanced significantly but is still mostly passive. Brand equity and brand trust have a significant role in customers' decisions to use things.

H2a: Corporate social responsibility has a positive impact on brand equity.

Murray (2003) asserts that a major company's performance, particularly in the consumer sector, is largely dependent on its brand equity. Businesses may be able to sell goods for more money if they have strong brand equity. The brand equity of an organization is described by Stanaaland et al. (2011)'s research as customers' perceptions of an organization's dependability and credibility among its stakeholders.

According to Stanaaland et al. (2011), there is a correlation between consumer knowledge of CSR activities and businesses' ability to grow CSR activity revenue through brand equity and reputation enhances customer loyalty and trust, and reputation may also help customers feel less risky about utilizing a company's goods or

services. Consumers frequently place their confidence in brands. Because brand equity is focused on a certain period, it is crucial for lowering customer uncertainty when they assess organizations. Customers are therefore more inclined to think highly regarded companies are trustworthy.

Brand equity is sometimes referred to as a "fragile resource," meaning that it requires a lot of effort and money to build but is simple to lose. As a result, consumers are more likely to have faith in the obligations of companies with strong brand equity, which positively affects brand equity. Businesses with strong brand equity are also anticipated to perform well and are less likely to engage in undesirable conduct. Since brand equity affects usage decisions, the following particular premise is made:

H2b: Brand equity has a positive impact on Usage decisions.

2.4. Customer Trust

Trust is a concern for tourist attractions. Trust plays an important role in the behavior of tourists visiting a tourist destination by reducing the risk that tourists feel when visiting. Trust is an important antecedent of tourist interest when visiting a given destination (Abubakar & Ilkan, 2016). One of the keys to success in managing the marketing of tourist attractions is the existence of DT. Many studies show that destination trust can influence the behavior of individuals or groups toward destinations, even generating tourist interest in certain destinations and interest in certain destinations. to return visits, which allows for visitor retention (Artigaz et al., 2017, Giao et al., 2020b). Confidence in a good destination will facilitate the formation of visitor satisfaction after visiting (Giao et al., 2021, Giao & Son, 2017, Giao et al., 2020a).

Research by Jalilvand et al. (2017) shows that corporate social responsibility has a direct and positive impact on trust, reputation, and word-of-mouth reputation is positively correlated with trust and satisfaction of customers. client. The more customers come, perceive a socially responsible destination, and participate in activities that benefit the community, the more people will trust the destination. According to Su & Swanson (2017), companies that engage in activities related to the development and expansion of social responsibility will have positive internal and external impacts.

H3a: Corporate social responsibility has a positive impact on customer trust.

H3b: Customer trust has a positive impact on Usage decisions.
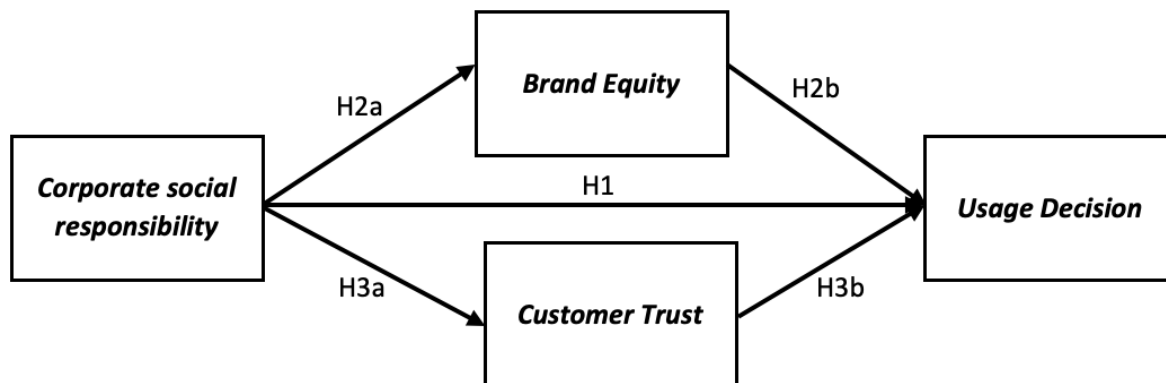

Figure 1. Model research

3. MEDOLOTHOGY

The scales that have been utilized in earlier studies have been constructed as a draft scale by the author using the study findings on the theoretical underpinnings of CSR and consumer behavior. It is challenging to adapt the research's findings in other nations since CSR implementation also depends on the cultural, economic, and social circumstances of each area, nation, and research environment (Burton et al., 2000). The author performs qualitative research by interviewing a group of specialists to evaluate the compatibility of the variables contained in the theoretical research model with the actual data. The scale will be adjusted and supplemented using the material as a foundation. After that, the research conducted a preliminary consumer survey to determine whether to delete the unsuitable scales.

Tourists in Vietnam who are interested in or have heard about CSR are the study's survey subjects. The research sample size included 562 individuals, 326 of whom were male and 236 of whom were female, ranging in age from 18 to 65. The income range between 3 and 6 million VND/month has the greatest rate, accounting for 38.45%, while the income range larger than 12 million VND/month accounts for 35, 68%. The income range below 3 million VND/month accounts for 25.87%.

With the use of Smart PLS software, the study tests the hypotheses using the PLS-SEM analytic approach. According to Hair et al. (2017), PLS-SEM provides more benefits than CB-SEM in the areas of strategic management, organizational behavior, and marketing research on consumer behavior analysis. the following circumstances: enables the estimation of complicated research models with several intermediate, latent, and observable variables, notably structural modeling, while avoiding issues associated with small sample size and non-normally distributed data (Henseler et al., 2009).

4. RESULTS

The evaluation of the resultant measurement model takes into account average extracted variance (AVE) to determine convergent value, individual reliability of each scale/variable, and aggregate reliability to gauge internal consistency. Additionally, HTMT rate data is used to assess the discriminant validity.

First, the measurement model's dependability and convergence value have been assessed. The factors of load factor, total reliability, and average extracted variance (AVE) are used to assess this. The scale's reliability and convergence study findings are shown in Table 1.

Table 1. Results of the reliability and convergence analysis of the scale

Code	Variables	Outer loadings	Cronbach's Alpha	CR	AVE
CSR	*Corporate social responsibility*				
CSR1	Human responsibility	0,741	*0,833*	*0,882*	*0,600*
CSR2	Legal responsibility	0,821			
CSR3	Moral responsibility	0,701			
CSR4	Economic responsibility	0,768			
CSR5	Environment	0,834			
BE	*Brand Equity*				
BE1	Brand Loyalty	0,886	*0,871*	*0,911*	*0,720*
BE2	Brand Awareness	0,889			
BE3	Perceived Quality	0,809			
BE4	Brand Image	0,807			
CT	*Customer Trust*				
CT1	Provide service with stable quality	0,795	*0,852*	*0,894*	*0,628*
CT2	Care about customer satisfaction	0,825			
CT3	Bringing value to me with its own product	0,748			
CT4	Solve any problems I may have with the products	0,762			
CT5	Understanding customers when problems occur	0,829			
UD	*Usage Decision*				
UD1	Economical factors	0,767	*0,841*	*0,893*	*0,676*
UD2	Demand factors	0,777			
UD3	Social factors	0,886			

Code	Variables	Outer loadings	Cronbach's Alpha	CR	AVE
UD4	Cultural factors	0,853			

Source: Analysis results, 2023

The scales in Table 1 are used in the study model because they have factor loading coefficients larger than 0.4, which demonstrates their dependability. The scales exhibit internally consistent reliability with composite reliability and Cronbach's Alpha values both above 0.7 (Hair et al., 2017). The scales reached a convergence value when the average extracted variance value is larger than 0.5 (Hair et al., 2017). According to Henseler et al. (2012), the study makes use of data on the rate of HTMT to assess the discriminant value of the scale. The scales' discriminating values may be shown by the fact that all of the HTMT ratios in Table 2 are less than 0.9.

Table 2. Results of discriminant validity

	BE	CSR	CT	UD
BE	0,853			
CSR	0,849	0,790		
CT	0,741	0,774	0,797	
UD	0,806	0,784	0,795	0,822

Source: Analysis results, 2023

The study used a Bootstrapping sample size of N=5,000 to evaluate the structural model (Henseler et al., 2012). The offered hypotheses are deemed statistically significant at a 95% level of confidence with p = 5%. According to Table 3's findings, there is a link between brand trust and loyalty and both have a 95% confidence level with a p-value of 0.000 and 0.002, respectively. This demonstrates the theoretical applicability of the principles in the study model. The findings of the PLS-SEM analysis's theoretical model estimation demonstrate that the hypotheses H1, H2a, H2b, H3a, and H3b are accepted with 95% confidence (Table 3).

Table 3. Hypothesis test results

Hypothesis		Original sample (O)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
H1	*CSR -> UD*	0,313	0,040	7,802	0,000
H2a	*CSR -> BE*	0,853	0,014	61,607	0,000
H2b	*BE -> UD*	0,518	0,035	14,912	0,000
H3a	*CSR -> CT*	0,790	0,020	38,771	0,000
H3b	*CT -> UD*	0,164	0,032	5,158	0,000

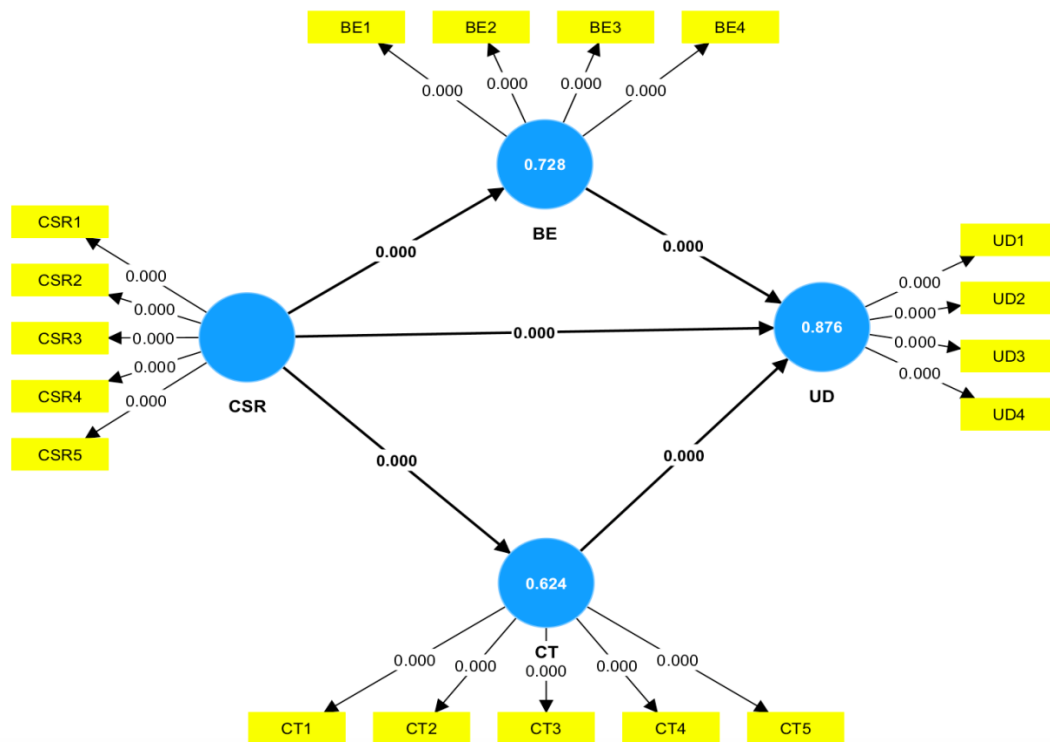*Source: Analysis results, 2023*

Figure 2. Results of PLS-SEM

Source: Analysis results, 2023

According to Table 4 findings, the dependent variables brand equity, customer trust, and usage decisions each have modified R2 values of 27.3, 37,7, and 12,5%, respectively. The robustness of the model is explained more thoroughly by R2 values that are greater. It can be difficult to determine how much R2 is acceptable because it relies on the model's complexity and the study situation. R2 = 0.2 is regarded as strong in the realm of consumer behavior research, according to Hair et al. (2011). The Q2 value provided by Geisser (1974) was another hypothesis put forth by the researchers. When the dependent variable's Q2 value in the structural model is larger than 0, it shows that the research model is predictive of the dependent variable. There is a predictive link between the model and the dependent variables, as shown in Table 4 where the results of the blindfolding operation for the Q2 values of the variables are all larger than 0.

Table 4. Coefficients R2 and Q2 of the dependent variable

Variables	R2	R2 adjust	Q2
BE	0,728	0,727	0,725
CT	0,624	0,623	0,620
UD	0,876	0,875	0,779

Source: Analysis results, 2023

5. CONCLUSION

Based on the findings of the PLS-SEM analysis, it can be concluded that:

First, CSR (which includes four components: social responsibility for the environment, social responsibility for consumers, social responsibility for employees, and social responsibility for the community) has a direct influence on consumer behavior such as purchase intention, loyalty, and electronic word of mouth.

Second, CSR influences customer behavior such as purchase intention, loyalty, and online word-of-mouth by improving the company's reputation and consumer confidence in the brand. In other words, CSR influences

customer behavior indirectly by influencing the intermediate variables of brand trust and corporate reputation.

Tourists have shown a greater interest in the implementation of CSR by businesses, particularly when it comes to aspects of social responsibility for the environment, social responsibility for consumers, social responsibility for employees, and social responsibility for the community. The research results have contributed to the justification for CSR that influences consumption behavior directly and indirectly.

The best approach to establish a brand's reputation among consumers is via a commitment to human values since the "Feeling of human responsibility" is the factor that has the greatest impact on the "Feeling of social responsibility" and "Brand trust." Businesses need to have strong communication campaigns on this topic in addition to initiatives exhibiting social responsibility to inform clients about corporate social responsibility initiatives. Customers will feel, remember, like, and have confidence in your things if you do it that way.

Research that solely examines the relationship between social responsibility and brand trust falls short since brand value is influenced by a wide range of additional characteristics that require further investigation. To further evaluate the hypothesis, the study only went as far as regression analysis. When analyzing the linear structural model, the model will produce more accurate findings, and to improve the accuracy of the predicted parameters, the sample size must be increased.

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