Do Good, Have Good: A Mechanism of Fostering Customer Pro-Environmental Behaviors

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Abstract: This paper aims to investigate the role of corporate social responsibility (CSR) in fostering customer’s pro-environmental behavior (PEBs) through customer engagement (CE). Data collected from the hotel customers were analyzed through structural equation modeling. The present research findings reveal the significant role of CSR activities in positively influencing customer PEBs. Moreover, the results also suggest the mediation of CE in the relationship between CSR and customer PEBs. The current research findings offer significant implications that can be employed in developing a result-oriented marketing strategy in CSR activities that contribute to environmental protection and sustainability.

Keywords: corporate social responsibility (CSR); customer pro-environmental behaviors (PEBs); customer engagement (CE)

1. Introduction

The hotel industry accounts for 1% of global emissions, which is expected to increase. To keep up with the United Nations’ Sustainable Development Goals, hotels must decrease their carbon emission by 66% by 2030. Thus, more and more hotels are moving toward socially responsible practices. To build a sustainable environment, the corporations and the customers should show responsibility toward the environment. How the perception of corporate social responsibility (CSR) practices by hotels impact the customer is not a significantly researched area, particularly in the Pakistani context, where the hotel industry makes up to 6.9% of the country’s GDP. Thus, to fill the research gap, in this study, we base the rationale of this study on Pope Francis’ quote, “Together with the social responsibility of businesses, there is also the social responsibility of consumers. Every person ought to have the awareness that purchasing is always a moral and not simply an economic act.” We believe that to build a sustainable environment, not only corporations but also the customers should show responsibility toward society; one such responsibility is pro-environmental behavior. The literature has suggested the significance of customers’ pro-environmental behaviors (PEBs) in reducing environmental footprint and improving life quality [1]. PEBs refer to the individuals’ focused actions that can lessen negative environmental impacts [2] by consuming environmentally friendly products and performing recycling activities [3]. Hence, customers are considered to be one of the crucial agents of societal change to push sustainable development [4]. The PEBs concept has started to get increased scholarly and managerial focus [5]: questions concerning the main factors which induce people to adopt PEBs increasingly occupied researchers’ interests. Corporate strategies also play a vital role in fostering the customer’s environmentally friendly behavior [6]: one such strategy is the...
corporations’ social responsibility (CSR). CSR is usually related to efforts to enhance or at least reduce environmental harms.

However, it is pertinent to note that the majority of the past studies have investigated the role of CSR at the macro-level [7–9], such as the influence of corporate social responsibility on environmental performance and firm’s sustainability while ignoring the impact of CSR at a microlevel such as customers’ attitude and behavior [10]. Accordingly, the relationship linking CSR with customer PEBs has received scant literary attention. In addition to few studies investigating the direct relationship between CSR and PEBs, the authors of [11] have notably suggested the role of potential mediators linking CSR with PEBs.

Hence, the present study intends to fill the literary gaps by first examining the CSR’s direct effects on customer PEBs and secondly investigating the indirect mechanism through which firms’ CSR activities can motivate customers to exhibit PEBs. Accordingly, current research intends to investigate the mediation effect of customer engagement (CE) in the CSR–PEBs link. Customer engagement refers to the level of a customer’s cognitive, emotional, and physical presence in their relationship with a service organization [12]. Firms can bring forth positive outcomes for the customer by developing strong customer relationships where such relationship strength can better be predicted by CE [13]. CE facilitates customers in adopting behaviors favorable for their service provider [14]. Notable scholars [15,16] suggested CE’s significance as a mediator, linking CSR with various customer behavioral outcomes.

The contribution of the current study is three-fold. First, this study’s findings enhance our understanding of customer-based behavior and attitudinal consequences of CSR, which have received little scholarly attention. Second, although this research presents initial insight into the CSR role in predicting customers’ PEBs, a comprehensive understanding of the mechanisms and processes through which CSR can influence such customer behaviors is lacking. Hence, the present research bridges this research gap by examining CE’s mediation in the relationship between CSR and customer PEBs. Finally, most studies focusing on the link between CSR and customer outcomes have been done in advanced and developed nations while ignoring developing or emerging countries [17]. Hence, there is a need to study the CSR concept and its influence on customer outcomes in emerging economies like Pakistan.

2. Literature Review and Hypothesis Formulation

2.1. Corporate Social Responsibility (CSR)

CSR is defined as the firms’ context-specific policies and actions being developed and executed by keeping in view stakeholders’ expectations and the triple bottom line of environmental, social, and economic performance [18–20]. The CSR concept is based on the belief that firms and deriving profits have a societal responsibility and, thus, are expected to show some discretionary (i.e., voluntary) activities that address societal needs. Moreover, according to Acar et al. [21], CSR is a business process used by organizations to integrate social, environmental, ethical, human rights, and consumer concerns into their business operations to value for shareholders and stakeholders. The value of all stakeholders, beyond investors, shareholders, and owners, is underlined by CSR. The organization must include all its target groups to uphold social, environmental, and economic values, as implementing CSR activities would be carried out according to the preferences of each relevant community [21,22]. With this strategy, hotels could meet the needs of shareholders and those of a wide range of groups that could influence or be impacted by the organization’s success [23].

CSR has started to receive significant focus in recent decades from multiple management perspectives [24], thus emerging as a significant management concept [25]. CSR has become an essential tool for developing a stable firm–customer relationship [26]. CSR is viewed as a strategic investment to develop, maintain, and enhance a firm’s reputa-


Hence, firms should consider society’s expectations while developing plans and strategies [28].

2.2. Customer Engagement (CE)

The current literature on CE offers various definitions. For instance, some researchers viewed customer engagement as a unidimensional behavior that goes beyond purchase, mere involvement, and participation [29]. In comparison, Brodie et al. [28] considered CE as a psychological mechanism that occurs in a focal service relationship due to interactive, co-creative consumer interactions with a focal agent/object (e.g., brand). Hollebeek [30] argued that CE is the level of the motivational, brand-related, and context-dependent state of mind of an individual customer—defined by one of the most detailed definitions in the literature, specific levels of cognitive, emotional, and behavioral activity in direct brand contact.

In this study, we conceptualized customer engagement as customers’ deep interest and commitment in developing and maintaining strong firm–customer relationships [31]. It is customers’ psychological states comprising behavioral, emotional, and cognitive dimensions [32], which happen because of the co-creative and interactive brand experiences and motivates customers to develop and uphold such close links with the firm they become endogenous to them [33]. Literature has suggested the significant role of CE in enhancing a variety of organizational and customer-related outcomes. For instance, CE positively influences customer satisfaction [34], customer loyalty [35], customer lifetime value [36], firm performance, and firm reputation [37], thus facilitating organization to attain sustainable competitive advantage [38,39].

2.3. Pro-Environmental Behaviors (PEBs)

There is a growing consciousness about environmental welfare among individuals, be it at the consumer level or organizational level [40,41]. Considering this, the notion of PEB has emerged. PEBs refer to individuals’ willingness to become engaged in pro-environmental activities [42,43] to reduce the environmental harm caused by individuals’ behavior and likely contribute to environmental welfare [3,44,45]. Although the conventional consumption pattern has long been studied in the literature [46], the notion of environmentally significant behavior is comparatively new [47,48]. For instance, PEB includes reducing all the activities and processes that can potentially harm the environment. Homburg and Stolberg [49] divided PEBs into four categories: environmental activism (for example, active participation in environmental organizations), public activism (for example, environmental petitioning), private environmental activism (for example, energy-saving and the procurement of recycled products), and organization behavior [44]. Likewise, Rice [50] identified three types of PEBs: the public sphere, the private sphere, and activists’ behavior. The current research focuses on the private sector of PEBs. Private pro-environmental behavior refers to voluntary behavior. For instance, in a hotel environment, the private sphere of environmental performance can include switching off lights whenever possible or reducing bath frequency.

2.4. Corporate Social Responsibility and Pro-Environmental Behavior

CSR initiatives have become a significant source of organizational competitive advantage because of their role in enhancing the brand and customer-related outcomes. Customers have exhibited positive attitudes and behaviors in response to firms’ genuine efforts to address societal responsibilities [51]. Customers more positively evaluate those firms who actively engage in doing something good for society [52]. These positive evaluations regarding the firm’s genuine CSR efforts motivate the customers to reciprocate through environment-friendly behaviors. For instance, customers experience positive emotions and behave pro-environmentally and pro-socially in response to firms’ CSR practices [53]. Moreover, customers exhibit positive behaviors in response to the firm’s “good”
citizen behaviors [54]. Hence, a firm’s active involvement in CSR programs provides a
means by which customers engage in PEBs.

Stakeholder theory can explain the existence of a relationship between CSR activities
and customers’ PEBs. Stakeholder theory argues that an organization is responsible and
liable toward its stakeholders [55]. When customers view and perceive their service
provider to be socially responsible, they tend to exhibit actions and behaviors required for
environmental protection and sustainability. When customers value societal concerns, they
are more likely to get involved in actions leading to a sustainable environment. Moreover,
an individual’s perceptions about their firm’s CSR strategy motivate them to engage in
PEBs [56]. Hence, based on stakeholder theory, it can be argued that perceived CSR
increases PEBs among customers. Accordingly, it can be hypothesized that:

Hypothesis 1 (H1). CSR practices positively influence customer PEBs.

2.4.1. Corporate Social Responsibility and Customer Engagement

CSR activities have been found to influence customer attitudinal and behavioral
outcomes significantly. For instance, Martínez and Bosque [57] found that customers value
the CSR initiatives taken by firms while enhancing their emotional attachment with such
firms. Moreover, they believe that their objectives match those of the firm involved in
CSR activities. Customers usually tend to associate themselves with socially responsible
firms, believing that their interests will not be exploited by CSR-oriented firms [57], while
considering their service provider and themselves as one entity [58,59]. Thus, customers
become engaged by developing feelings of oneness, affection, and trustworthiness in
response to firms’ CSR practices. In response to the firms’ CSR efforts, customers develop
feelings of pride [60,61], obliged to the firm by developing positive emotions of gratitude
while championing the CSR-oriented firm. Thus, customers have been found to cultivate
positive emotions toward socially responsible firms [62], where such positive emotions
have been suggested to cultivate and enhance CE [35].

Based on the social identity theory [63], individuals tend to identify and categorize
them with groups having similar characteristics. This theoretical perspective can also be
employed to explain customers’ efforts in identifying them with their firms [57]. Being
a CSR-oriented firm, the organizational reputation and image play a significant role in
signaling the firm identity [64]. The customers start identifying themselves with their
firm when a firm actively engages in societal welfare works [58] by developing feelings of
relatedness. This feeling instills an emotional ownership sense in customers, making them
psychologically engaged with the firm [14,65]. Customers have reliability confidence in
a socially benevolent company and feel safe in developing a relationship with it [8]. The
customers become more open to the company. Van Doorn [11] argues that if customers
consider the company to be more reliable, they are more likely to exhibit engagement
behavior. Bowden [1] describes CE as a psychological process and considers trust as a
crucial element of this engagement process. Thus, CSR creates an environment that is
suitable for strengthening relationships and engaging.

Hypothesis 2 (H2). CSR practices positively influence CE.

2.4.2. Customer Engagement and Pro-Environmental Behavior

The literature suggests that customer engagement has a positive effect on customer
loyalty and other customer behavior. Engaged customers tend to adopt any action that
may support the firm [15]. Such actions of the customer may go beyond loyalty, such as
voluntary citizenship behavior [66]. We believe that when customers are engaged and
committed toward those organizations that substantially contribute to social welfare, this
might encourage the customers to display pro-environmental behavior. The studies related
to service firms [67,68] have found that CE is a significant driver of customer attitudes and
behaviors. Highly engaged customers are expected to exhibit good and friendly behaviors
to the environment. For instance, customers have been found to display PEBs such as minimizing energy and resource consumption by switching off lights whenever possible or reducing the frequency of baths [69], reducing waste production, and using nontoxic substances [70] in the presence of high CE. Therefore, it can be stated that CE positively influences customer PEBs. Accordingly, it can be hypothesized that:

**Hypothesis 3 (H3).** CE positively influences customer PEBs.

### 2.4.3. The Mediating role of Customer Engagement

The literature has recommended CE’s importance as a mediator in linking customer perceptions with their attitudinal and behavioral outcomes [71,72]. CE refers to a psychological state that customers usually experience during their interaction with the firm [73]; the literature has suggested its mediating role in the services marketing domain [74]. Moreover, notable scholars [75] have suggested CE’s mediating role through their theoretical framework, stating that CE is induced by customers, firms, or situational factors; thus, it can influence customer behaviors like PEBs. Accordingly, the present research proposes the mediating role of CE in the CSR–PEBs linkage. Regardless of the empirical evidence linking CSR to CE, and in turn, to customer PEBs discussed above, very few studies have proposed and investigated the mediating role of CE in the relationship between CSR and customer PEBs. The customers exhibit favorable behaviors and attitudes toward firms in response to CSR initiatives [38]. The service firms that actively introduce and implement CSR activities can enhance CE, which in turn can motivate customers to exhibit PEBs. Accordingly, it can be hypothesized that:

**Hypothesis 4 (H4).** CE mediates the relationship between CSR and customer PEBs.

### 3. Methodology

#### 3.1. Participants and Procedure

To draw a representative sample, we followed Zia et al. [76]. The researchers conducted an exploratory study to select those hotels which actively perform CSR activities. This exploratory study includes considerable efforts by researchers in learning about CSR activities being carried out by their service providers and how such activities can be communicated to consumers. Three people from academia (CSR and marketing) and three experts belonging to the hotel sector also helped the researchers finalize the hotels to be included in the final sample. The official websites, CSR events, press releases in electronic media, and newspapers were investigated. Hence, following these criteria, the researchers considered a hotel’s eligibility for its inclusion in the research only if: (1) the hotel’s official website contains a separate webpage for CSR activities, (2) they actively transmit CSR-related news/press releases to print and electronic media, and (3) their annual reports contain information related to CSR and investment being made in this regard. Only eight hotels qualified and were included in the study.

Data were gathered from hotel customers in Pakistan. The researchers approached the management seeking permission for data collection. The researchers, after getting formal permission, asked the customers sitting in the hotel lobby. This mode facilitated the researchers in solving low-CSR-awareness problems as meeting customers during their stay might help them recall their service providers’ CSR activities. Only those hotels which were actively involved in performing CSR activities and issued CSR reports were selected.

#### 3.2. Measures

The study variables were measured by employing five-point Likert scales. The survey questionnaire comprised of four sections. The respondents’ demographic information was collected in the first section, while customer perception regarding CSR activities was captured in the second section. The customer engagement and PEBs were recorded in the
third and fourth sections, respectively. The questionnaire was pretested with marketing students of MBA to enhance its readability.

CSR was measured by employing a three-item scale developed by Eisingerich et al. [77]. The studies in the recent past [78] have also employed this scale to measure CSR. Sample items include “This hotel contributes to society in many ways.” CE was measured by employing a six-item scale used by Carvalho and Fernandes [79], initially developed by Dwivedi, [32]. The studies in the recent past [15] have also employed this scale to measure CE. Sample items include “I get absorbed when I interact with the hotel.” The researcher measured the PEBs by employing five items from studies conducted by Juva and Dolnicar [80] and Straughn and Roberts [81]. Prior studies also employed this scale to measure PEBs. Sample items include, “I persuade others to protect the natural environment”.

4. Data Analysis

The proposed theoretical framework in the present research was tested by employing PLS-SEM path modeling [82]. PLS-SEM is a nonparametric, multivariate approach used for path model estimation having latent variables [82,83]. The present research employed this technique because of several reasons. First, employing this approach helps the researcher estimate the relationships between constructs and their respective indicators [84]. Second, this technique is generally suitable when complex models are examined [85], particularly involving mediation [86]. Third, being a solid component-based approach, many prior marketing [87], management [88–92], and entrepreneurship [93–97] studies have employed this approach. PLS-SEM involves two stages. First, the measurement model is examined for reliability and validity [98], while researchers test hypotheses in the second stage (structural model) [99].

4.1. Measurement Model Evaluation

In the first stage of the PLS-SEM, the researcher evaluated the measurement model. The evaluation of the measurement model includes the assessment of factor loading (0.70 threshold value). Composite reliability (0.70 threshold value), average variance extracted (0.50 threshold value) and the discriminant validity (0.85 threshold value for HTMT). Table 1 shows that all the latent variables’ factor loadings were well above the threshold value of 0.70.

Next, we assessed the composite reliability (CR) and average variance extracted (AVE). CR is the internal consistency of the items in the scale. AVE is the measure of the amount of variance that is captured by a construct in relation to the amount of variance due to measurement error. Table 2 shows that the threshold values of CR and AVE are achieved, hence establishing the CR and AVE.

Table 1. Factor-loading values of the variables.

| Items | CSR    | CE     | PEB    |
|-------|--------|--------|--------|
| CE1   | 0.914  |        |        |
| CE2   | 0.923  |        |        |
| CE3   | 0.892  |        |        |
| CE4   | 0.909  |        |        |
| CE5   | 0.737  |        |        |
| CE6   | 0.871  |        |        |
| CSR1  | 0.958  | 0.705  |        |
| CSR2  | 0.922  | 0.775  |        |
| CSR3  | 0.934  | 0.790  |        |
| PEB1  |        | 0.787  |        |
| PEB2  |        | 0.825  |        |
| PEB3  |        |        |        |
| PEB4  |        |        |        |
| PEB5  |        |        |        |
Table 2. Composite reliability and average variance extracted.

| Construct | Cronbach’s Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|-----------|------------------|------------------------|----------------------------------|
| CSR       | 0.933            | 0.957                  | 0.881                            |
| CE        | 0.938            | 0.952                  | 0.768                            |
| PEB       | 0.828            | 0.874                  | 0.543                            |

The next step of measurement model evaluation is the analysis of discriminant validity (DV). Discriminant validity is a measurement used to assess the extent to which one construct is different from other constructs in the measurement model. According to Hair et al. [82], there are three approaches to analyze the DV, Fornell–Larcker criterion, and cross loading heterotrait–monotrait ratio (HTMT). Due to the shortcomings of the Fornell–Larcker criterion and cross loading, the HTMT criterion is suggested; therefore, following the suggestion of Henseler et al. [98], we used the HTMT ratio. The result in Table 3 shows that HTMT values are well below the suggested value of 0.85; hence, no issue of DV is found.

Table 3. Discriminant validity (HTMT Ratio).

| Construct | CSR | CE | PEB |
|-----------|-----|----|-----|
| CSR       |     |    |     |
| CE        | 0.299 |    |     |
| PEB       | 0.366 | 0.483 |     |

4.2. Structural Model Evaluation

After evaluating the measurement model, the present research examined the structural model by performing bootstrap on 5000 replicates to evaluate the significance of path coefficient significance [82]. The models’ predictive accuracy was determined through R2, which represents the variance percentage in dependent variables being explained by the independent variables [99]. Table 4 shows that the variance caused in PEB by CSR and CE is 24.8%.

Table 4. R Square values of the model.

| Construct                                    | R Square | R Square Adjusted |
|----------------------------------------------|----------|-------------------|
| Customer Engagement                          | 0.080    | 0.078             |
| Pro-environmental Behaviors                  | 0.242    | 0.238             |

Next, we assessed the significance of the path coefficients through the bootstrap function of SmartPLS. The results in Table 5 show that all the hypothesized relationships are supported.

Table 5. Hypothesis results by bootstrapping.

| Relationships | Original Sample | T Statistics | p Values |
|---------------|-----------------|--------------|----------|
| CSR → CE      | 0.283           | 5.293        | 0.000    |
| CSR → PEB     | 0.238           | 4.234        | 0.000    |
| CE→ PEB       | 0.369           | 7.691        | 0.000    |

4.3. Mediation Analysis

Following Hair et al.’s [99] suggestion, the present research employed the Smart PLS bootstrapping function to examine the indirect effect significance to confirm the mediation of CE in the relationship between CSR and customer PEBs. The values of the specific
indirect effect presented in Table 6 show that CE significantly mediates CSR’s impact on PEB. If both direct and indirect effects are significant while pointing in the same direction, then, complementary mediation exists [82]. Following this, the present research results suggested the existence of complementary mediation of CE in CSR–PEBs linkages.

Table 6. Mediation analysis.

| Path                  | Beta  | Confidence Interval | T Statistics | p Values |
|-----------------------|-------|---------------------|--------------|----------|
| CSR → CE → PEB        | 0.104 | 0.063               | 0.155        | 4.472    |

4.4. Results

The focus of the current study was to measure the role of CSR and CE in pro-environmental behavior. In the first hypothesis, we postulated a positive role of CSR activities in fostering customers’ pro-environmental behavior. Our analysis showed that CSR positively impacts PEB. Similarly, in the second hypothesis, we assumed a positive influence of CSR on CE; statistical findings endorsed this assertion. In the third hypothesis, we assumed that customer engagement would have a positive association with customer’s PEB; like our previous hypotheses, this postulation was also supported. Finally, based on the literature review, we argued that CE would mediate the CSR–PEB link; bootstrapping analysis conducted through SmartPLS showed that CE acts as an intervening factor between CSR–PEB links.

5. Discussion

In recent times, CSR has forced firms to consider it a mandatory requirement to achieve success in business rather than an optional tool. The present research advances CSR literature by empirically examining customer attitudinal and behavioral outcomes of CSR. To achieve this, the present study proposed a theoretical framework linking CSR with PEBs behavior through CE’s mediating role based on the social identity theory. The results of the present research supported the proposed study of hypotheses and relationships.

First, the current research findings validate the significant role of firms’ CSR activities in motivating customers to exhibit PEBs. Many prior studies in recent times [54] suggest that hotels can employ social activities as a valuable tool to enhance customer participation in such behaviors that are not harmful to the environment, thus moving toward environmental sustainability. Research has suggested that when firms make a genuine CSR investment, they put their sincere efforts into generating social benefits while avoiding actions that might negatively affect the environment and society. Their customers develop positive feelings and emotions toward them [100] and thereby behaving pro-socially. The customers have been found to reciprocate the firm’s genuine CSR efforts through PEBs. Hence, firms’ active involvement in CSR programs provides a means by which customers engage in PEBs [101].

Second, present research findings also confirm that firms’ active participation in performing CSR activities can make their customers get engaged with their service provider. Prior studies in recent times [15] have also reported similar findings by stating how organizations’ active involvement in CSR activities positively influences CE. CSR enhances firm–customer emotional bonding by developing positive customer feelings for the firm while considering their service provider as a reliable partner [53,61,62]. Moreover, such sincere CSR initiatives by firms also strengthen their emotional bonding with their customers, making the customer engaged with the services and products offered by the socially responsible firm. Third, the present research results suggested that CE positively influences customers’ PEBs. Highly engaged customers are expected to exhibit good and friendly behaviors to the environment [48].

Fourth, the present research empirical finding also confirms the mediating role of CE in CSR–PEBs linkage. Prior studies in recent times [54,102,103] also suggested the significance
of CSR activities in determining customer behaviors both directly and indirectly through some mediation mechanisms. According to social identity theory, customers like and favor firms that are actively involved in socially responsible activities and have a positive CSR reputation [58,61]. Likewise, customers tend to develop and maintain the relationship with professional, capable, and highly competent firms to satisfy the need for self-distinctiveness and self-enhancement [104]. Accordingly, present research findings suggest that service providers’ socially responsible behavior positively affects customers’ PEBs through the mediating role of CE. CSR enhances customer identification with the firm, where such customers become highly engaged with firms and become more concerned regarding various societal and environmental issues by exhibiting environmentally friendly behaviors and actions. Thus, firms’ CSR practices and initiatives can enhance CE, which in turn motivate them to exhibit PEBs.

5.1. Theoretical Contribution

The current study offers valuable theoretical contributions. First, the present research adds to the existing body of knowledge on sustainable environment literature by emphasizing PEBs [105]. Moreover, PEBs have been primarily studied in advanced and developed economies, with very little research attention being given to developing and emerging economies like Pakistan [48]. Second, the findings support our theoretical arguments derived from stakeholder theory [35] and social identity theory [106]. Hence, the present research provides support to these theories. Third, despite the use of CSR as an effective marketing tool in motivating customers to exhibit positive attitudes and behaviors, less scholarly attention has been paid to studying CSR effects on customer outcomes [107]. Hence, the present study contributes to CSR literature by examining CSR effects on CE and customer PEBs. Fourth, this research also makes a theoretical contribution by identifying the mediation effect of CE in CSR and customer PEBs relationship. Prior literature has mainly investigated the direct link between CSR and PEBs, but studies linking CSR and customer PEBs through some mediating mechanisms are scarce as few studies have investigated psychological mechanisms through which CSR can predict customer PEBs.

5.2. Managerial Implications

The current research findings offer significant managerial implications. First, the top management should make a severe effort of integrating CSR into the organizational strategy so that customers of hotels can be motivated to exhibit PEBs. Service firms in general and hotels should design and implement customer-oriented CSR initiatives that should enhance CE and encourage them to display environmentally friendly behaviors and help the service provider achieve sustainability. CSR strategy should be further translated into actions oriented toward sustainable societal growth, which customers can observe [102]. Moreover, managers should try to attain customers’ attention toward their CSR plans by actively communicating their commitment to achieving CSR goals. In this regard, prior studies like Ki and Kim [108] and Murphy [109] suggested the use of annual statements in explicitly clarifying and promoting ethical standards. Service providers can benefit by making ethical statements accessible to the customers so that they can learn information regarding firms plans and objectives for CSR activities. Firms’ active engagement in CSR activities enhances their image and becomes a strategic marketing tool for managing customer relationships. Thus, policymakers should invest in CSR practices by assigning more resources to promote engagement and PEBs among customers.

6. Limitations and Future Directions

Although the present study offered key theoretical and managerial implications, there are still a few areas that need future consideration. First, this research collected data from the customers of hotels, and hence to enhance the external validity of the study findings, the studies in the future should examine the proposed relationships in other service contexts. Second, the current study has been conducted only in one emerging economy, i.e., Pakistan.
Thus, testing and analyzing present study frameworks in other nations or regions such as Europe and countries like, e.g., Austria, Germany, and Italy with significant cultural differences can offer fruitful findings. This is because customers belonging to different cultural backgrounds vary in their response to socially responsible brands. Third, the present research examined CE as a mediator linking CSR and customer PEB behavior. However, future studies might investigate the mediating role of customer environmental consciousness in this regard. Finally, the current research did not incorporate customer-level boundary conditions which may influence the CSR–PEB behavior relationship. Customer context or characteristics like demographics and cultural orientation may potentially moderate the relationship between CSR and customer outcomes [110]. Hence, future studies incorporating individual context or characteristics can enhance our understanding regarding boundary conditions.

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