Abstract: In this study, we developed a theoretical framework in which corporate social responsibility, corporate ability, customer trust and satisfaction, and corporate reputation by considering the influence of transparency as a moderator. The proposed hypotheses were empirically tested using data collected from 487 U.S. consumers via structural equation modeling. The results indicated that perceived corporate social responsibility and corporate ability significantly affected overall customer satisfaction and trust. In turn, customer trust and satisfaction have positive effects on perceptions about corporate reputation. Lastly, this study found that transparency as a significant moderator. This research will contribute to the development of a robust and comprehensive theoretical model that integrates existing frameworks and concepts within the hotel industry.

Keywords: corporate social responsibility (CSR); corporate ability; corporate reputation; transparency; consumer trust; customer satisfaction

1. Introduction

Building up favorable corporate reputation is a critical marketing task for the sustainability of any business. Wang et al. [1] argue that corporate reputation plays a critical role in service markets since the evaluation of service quality may ambiguous and incomplete during pre-purchase. Likewise, a strong and positive corporate reputation enables hotel companies to seize a sustainable competitive edge in markets in which product differentiation is challenging [2]. Despite there are some confounding thoughts on the role of corporate reputation in the consumer behavior models (i.e., whether it is antecedents or consequences), a majority of studies confirm that corporate reputation is an outcome of corporate marketing activities [3,4]. In the context of hospitality industry, the corporate reputation is also understood as the consequences of customers’ perceptions and attitudes [5]. The literature suggests salient antecedents on the corporate reputation such as corporate social responsibility (CSR), corporate ability (CA), customer satisfaction (CS), and customer trust (CT).

In recent years, companies have benefited from engaging in CSR activities, which increases favorable consumer responses and helps them establish good reputations in the long term [4]. Consumers prefer socially responsible companies and value their associations with firms of good standing [6]. Company executives have employed CSR initiatives as a specific marketing tool to garner favorable long-term relationships with customers [7]. As marketers seek new ways to build relationships with consumers, CSR initiatives could be a key method for attracting and retaining customers while enhancing corporate image [8].

In related veins, CA has been recognized as a strategic variable for attaining more efficient and effective in business operations that will be reflected in corporate reputation [9]. CA comes in the form how customers perceive service quality. The related concept of service quality provision, defined
by Bitner et al. [10] as “customers’ overall impression of the relative inferiority/superiority of the organization and its services,” is more personally relevant than CSR for consumers [11]. It also refers to a company’s expertise in producing and delivering it output, such as the ability to improve the quality of an existing product (or service) and the ability to generate new product (or service) innovations. Studies have found that corporate ability has significant effects on customers’ post-consumption behavior, such as levels of satisfaction and corporate reputation.

Researchers have extended corporate reputation related research models by investigating the condition in which CA and CSR influence consumer responses [12]. Contradictory findings in previous research indicate the need to examine the interaction among these elements in greater depth [13]. Other researchers [14,15] have proposed moderating variables that influence these relationships. Along with these esteemed researchers, it is to extend Brown and Dacin’s [12] study by investigating CSR and CA and their relationship to corporate reputation by considering the influence of transparency as a moderator.

Transparency is one of the basic conditions for forming positive relationships between consumers and companies. Transparency is defined as “openness of CSR information disclosure including both good and bad” [16]. The transparent actions of companies can influence not only the relationship between corporations and their consumers but also the consumers’ responses [17]. Transparency plays a significant role as a moderator between various attitudinal variables in consumer research [18]. However, there is less attention pays its moderating role between CA, CSA, satisfaction and trust within the hotel context [19].

Previous studies have mainly focused on CSR and CA from the firms’ and customers’ perspectives. However, CSR and CA on customer trust and satisfaction in the hospitality literature is nevertheless incomplete [20]. The effects of CSR and corporate ability on CR have yet to be adequately addressed within the hotel context. Despite its importance, its moderating impact of transparency between CSR and CA on trust and satisfaction has been scarcely examined in the hospitality context. Filling these existing research gaps, the purpose of this study was (1) to develop a more complete understanding of the link between perceived CSR and corporate ability on perceived corporate reputation by considering customer trust and satisfaction within the hotel context; (2) to test the moderating effect of transparency on the relationship between CSR, CA, customer trust and satisfaction.

2. Literature Review

2.1. CSR Practices in the Hotel Industry

CSR is an essential aspect of the hospitality industry. Industries are likely to deliver significant economic, social, cultural, and environmental effects [21]. The hotel industry has an impact on the environmental and social activities [22]. CSR initiatives have been implemented at Fairmont Hotels and Resorts, Ramada International Hotels and Resorts, Meliá Hotels International, Marriott International, NH Hotels and Novotel Hotels [23].

Concomitant with the socially responsible marketing trends, along with an increase CSR implementation, the hotel industry is experiencing an expansion of coverage of these practices. In other words, hotel executives have agreed to engage in sustainability initiatives and are intent on communicating their efforts to customers. Companies disclose these voluntary CSR activities in annual reports and on company websites to present the company as socially responsible. In the hotel industry, marketers have focused on CSR as a major part of their advertising campaigns.

2.2. Corporate Social Responsibility and Corporate Ability

CSR and CA are important concepts in corporate associations. Corporate associations refers to all the information about a company that is available to consumers. Berens and van Riel [24] define corporate associations as “a heterogeneous set of perceptions, which may be related to a wide variety of aspects of a company”. Brown and Dacin [12] also refers to “corporate associations include perceptions,
inferences and beliefs about a company; an individual’s general knowledge of the firm; information on the company’s prior actions; and the individual’s overall and specific evaluation of the firm and its perceived attributes.” Brown and Dacin [12] identifies two basic categories of corporate associations: (1) CA, and (2) CSR. It is important to differentiate between CSR and CA because they may exert different influences on consumer responses to products/companies/brands [12]. Berens et al. [24] has investigated the conditions under which a good CSR record can compensate for relatively poor CA, and vice versa. Based on previous literature, this research developed the argument that both CSR and CA can help companies enhance their competitive position with consumers.

2.3. Trust and Satisfaction

Trust and satisfaction are important mediating variables between CSR, CA and CR. Two variables contribute to explaining a customer’s “perceptions of how well this association fulfills his or her expectations, predictions, goals, and desires” [25]. They inspire hospitality companies to attract and maintain customers through the formation of long-term associations with customers. The consumer-company relationship should be based on trust, which is a consumer’s belief that a company will act in the best interests of its customers and keep its promises. Establishing a sense of trust between consumers and a company significantly contributes to positive outcomes. For this reason, being considered a trustworthy company by consumers is more critical than ever; therefore, company executives should be focusing on what it takes to build such trust with consumers. In addition, customer satisfaction as an appraisal by a customer that a product provides a high level of consumption-related fulfillment. Company executives are interested in customer satisfaction because it can predict repeat patronage or help to attract new customers.

2.4. Corporate Reputation

CR is a major strategic resource for creating a positive image and a competitive advantage for a company [26]. Maintaining a good reputation is vital for every hotel because a negative standing would likely lead to undesirable outcomes such as dwindling occupancy rates and low repeat patronage [27]. Hospitality firms can benefit from a good corporate reputation because this can cause customers to evaluate the firms more favorably [28]. A strong CR provides a company signal and encourage outcomes that benefit the company [29]. In addition, when faced with a lack of information, consumers rely on CR to judge the company’s product or service. Relevant studies have been investigated into the antecedents of CR because it is the end of result of consumers’ accumulation of perceptions in terms of their demands and expectations with the products and services [30].

2.5. Impact of CSR on Customer Satisfaction and Trust

Galbreath and Shum [31] found a significant and positive relationship between CSR and customer satisfaction. In other words, customers are likely to be more satisfied with products and services provided by socially responsible companies. In addition, relevant studies of CSR and consumer trust have shown that the former is a key indicator of consumer trust. Therefore, this study hypothesized:

**Hypothesis 1.** Corporate social responsibility has a significant and positive effect on overall customer satisfaction.

**Hypothesis 2.** Corporate social responsibility has a significant and positive effect on overall customer trust.

2.6. Impact of CA on Customer Satisfaction and Trust

Corporate ability influence behavioral outcomes in many ways, whether directly or as mediated by overall corporate evaluation [12]. To enhance corporate reputation, companies focus on customer orientation and design in order to provide better quality products and services that will satisfy
customers [32]. Previous research found that corporate ability directly affects customer satisfaction [33]. This, high quality products and services will satisfy consumers. Favorable consumer perceptions of corporate ability can help companies to reduce perceived risks and can help customers to form a positive assessment of a company and establish a sense of trust [34]. Accordingly, the study proposes the following hypotheses:

**Hypothesis 3.** Corporate ability has a significant and positive effect on overall customer satisfaction.

**Hypothesis 4.** Corporate ability has a significant and positive effect on overall customer trust.

### 2.7. Impact of Satisfaction and Trust on Corporate Reputation

Corporate reputation and customer satisfaction are strongly correlated and the latter has a positive impact on corporate reputation [32]. Customers form overall evaluations toward objects (e.g., companies) based on their relevant knowledge or beliefs [4]. Corporate reputation has been found to be positively related to trust [35]. CSR practices to enhance corporate reputation are fully mediated by consumer trust [4]. Thus, this study hypothesized:

**Hypothesis 5.** Customer satisfaction has a significant and positive effect on perception about corporate reputation.

**Hypothesis 6.** Consumer trust has a significant and positive effect on perception about corporate reputation.

### 2.8. The Moderating Effect of Transparency

As the rise of skepticism toward the roles of companies in society, they need to make greater efforts to convincing customers that their social and environmental activities and involvements is genuine. Corporate transparency is associated with information disclosure of standardized documents, such as corporate social reports, that are related to a company’s business activities [36]. The concept of transparency is related to customers’ perceptions of the organizations as open and fair in their information sharing activities and the need for customers to lessen the risk of ambiguity associated with a business’s service offerings. Consumers expect companies to engage in CSR activities, and they expect to receive detailed information about these endeavors. For service companies to be viewed as transparent by customers, they need to provide accessible and easily understood comprehensive information about its services and products.

Transparency is an essential factor for forming strong bonds between the organization and the public as well as CSR communication because it is fundamental to establishing trust between the parties. Transparency is imperative for increasing the degree of trust [37]. Transparency moderates the relationship between CSR activities and consumer responses, making it stronger when awareness is high versus low. The more knowledge available to consumers about the company’s CSR strategies that consumers have, the less likely they are to be skeptical about CSR activities [38]. Transparent disclosure of CSR initiatives increases the level of trust in the company. It results in reducing consumers’ skepticism toward the company’s CSR activities [16].

Customers complain of high levels of uncertainty toward service companies have demanded greater transparency. It is critical in a service context due to the characteristics of service, such as intangibility and inseparability. Within the service context, transparency has can be perceived as the willingness of companies to offer company (including products and services) related information to their customers [39]. This aspect plays an important role in reducing consumers’ uncertainty about service/product quality [40]. If company had a high level of perceived ability, its transparency would also be the more credible [40]. Perceived higher levels of transparency is associated with greater confidence in the company’s sustainability [41]. Based on the discussion above, it is proposed:
Hypothesis 7a. **Transparency will moderate the direct effect of CSR on customer satisfaction.**

Hypothesis 7b. **Transparency will moderate the direct effect of CSR on customer trust.**

Hypothesis 7c. **Transparency will moderate the direct effect of CA on customer satisfaction.**

Hypothesis 7d. **Transparency will moderate the direct effect of CA on customer trust.**

The model that presents the relationships among CSR, CA, trust and satisfaction, and transparency on corporate reputation in the hotel context. These relationships were formulated based on an extensive review of the existing literature described earlier. Figure 1 illustrates the conceptual model and a total of seven research hypotheses.

![Figure 1. Proposed conceptual model. CSR = corporate social responsibility; CA = corporate ability; CS = customer satisfaction; CT = customer trust; CR = corporate reputation. Two identical models for high and low transparency groups are proposed.](image)

3. Methodology

3.1. Measurements and Questionnaire Development

All validated measurement items used in this study were adopted from previous studies. The adopted measures were developed to the context of the current study. All items were measured by a 5-point Likert-type scale, ranging from (1) “strongly disagree” to (5) “strongly agree.” Perceived CSR was measured with five items adapted from previous studies [12,14,42,43] (e.g., “This hotel seems to make an effort to create new jobs.”). CSR was operationalized as the degree of their perception of the company’s activities supporting a social cause. This research adapted three corporate ability items from [12,44] (e.g., “This hotel offers high quality products and services.”). Perception of CA was operationalized as their perception of company’s ability to manage its products or services. Transparency items were measured with five items drawn from [43,45–47] to assess consumer perceptions on transparency [43,45–47]. This includes questions such as, “It is easy to obtain sufficient information about this hotel’s activities.”
This research measured consumer satisfaction using three items developed by relevant studies [48,49], including “As a whole, I am satisfied with this hotel.” Consumer trust was measured using five items from a scale developed by Martínez and del Bosque [50], Morgan and Hunt [51], and Sirdeshmukh et al. [52], which included questions such as, “The services of this hotel give me a sense of security.” This research measured customer perception of overall CR with three items adapted from relevant studies [53,54] (e.g., “This hotel is highly-regarded.”). Demographic questions to identify the respondent’s gender, ethnic background, age, level of education, and annual income were included.

Before the main study, this research pre-tested the survey questionnaires on hospitality faculty members and graduate students. Minor corrections (e.g., comprehensibility, readability, wording, ambiguity, etc.) were made during this process. Based on their feedback, the initial questionnaire was altered slightly before we gave the survey to respondents. Measurement items used in this study are summarized in Appendix A. We used previously validated constructs to reduce item ambiguity and the possibility of biased responses. We assured participants of the confidentiality of the questionnaire, which minimizes social desirability bias. Incentivizing the survey respondents is to pay attention to the item [55]. It gave researchers the option of eliminating potentially spurious data [55].

3.2. Data Collection and Sampling

In order to collect the data, this research employ a sample of consumers from the United States using Amazon Mechanical Turk (MTurk) as the sampling frame. MTurk is one of representative sampling frameworks of U.S. consumer demographics [56]. Furthermore, it produces a more diverse sample than what is attained in standard online sample [57]. They received a $0.50 credit to their MTurk account to participate in the survey. Respondents had previously stayed at hotels were eligible for survey participation. Respondents were given the link to the survey. They were provided an introduction and explanation of the study’s goals. In order to ensure the study would be open exclusively to U.S. residents. People with IP addresses in the U.S. were allowed to participate in this survey. We received 487 usable complete questionnaires after removing responses with incomplete data [58].

4. Results

4.1. Samples

Among the survey respondents, there were slightly more males (50.9%) than females (49.1%). Approximately 48.3% of the participants were between 25 and 34 years-old; 25.1% of the participants were between 35 and 44 years of age. The majority was Caucasian (79.7%), followed by Asian (7.0%) and African American (6.4%). Nearly 17.0% reported an annual household income of between US $30,000 and US $39,999. Regarding education levels, approximately 42.9% of respondents had some college education or an associates (two-year) degree. Table 1 shows the sample characteristics.

| Demographic Characteristics | Descriptive | Percentage |
|-----------------------------|-------------|------------|
| Gender                      | Female      | 49.1       |
|                             | Male        | 50.9       |
| Age a<sup>1</sup>            | 18–24       | 7.8        |
|                             | 25–34       | 48.3       |
|                             | 35–44       | 25.1       |
|                             | 45–54       | 10.7       |
|                             | 55–64       | 5.7        |
|                             | Over 65     | 2.5        |

Table 1. Demographic profile of respondents (n = 487).
Table 1. Cont.

| Demographic Characteristics | Descriptive | Percentage |
|----------------------------|-------------|------------|
| Final education level      |             |            |
| High school or less        |             | 12.5       |
| Some college or associate (2 year) degree |     | 42.9       |
| Baccalaureate (4 year) degree |          | 36.6       |
| Graduate studies/post-graduate studies | | 8.0        |
| Ethnicity                  |             |            |
| Caucasian                  |             | 79.7       |
| Asian                      |             | 7.0        |
| African American           |             | 6.4        |
| Hispanic/Latino American   |             | 3.3        |
| American Indian/Native American |       | 0.8        |
| Pacific Islander           |             | 0.2        |
| Other                      |             | 2.7        |
| Annual household income b (2015) |       |            |
| $0–19,999                  |             | 16.6       |
| $20,000–29,999             |             | 12.7       |
| $30,000–39,999             |             | 16.2       |
| $40,000–49,999             |             | 9.9        |
| $50,000–59,999             |             | 13.3       |
| $60,000–69,999             |             | 10.3       |
| $70,000–79,999             |             | 6.6        |
| $80,000–89,999             |             | 4.3        |
| $90,000–99,999             |             | 2.7        |
| Over $100,000              |             | 7.4        |

4.2. Measurement Model

This study employed the two-step process recommended by Anderson and Gerbing [59]. Before testing the proposed structural model, confirmatory factor analysis (CFA) with maximum likelihood estimation method was conducted to evaluate the measurement quality. Subsequently, structural equation modeling (SEM) was utilized to evaluate the validity of structural model, to test the hypothesized relationships.

Findings from this test confirmed that the measurement structure of the proposed theoretical framework was an acceptable fit for the data ($\chi^2 = 1262.91$, df = 237, $p < 0.001$, RMSEA = 0.08, CFI = 0.891, NFI = 0.900, TLI = 0.892). Table 2 provides the specific variables used in this research, including their standardized factor loadings. Factor loadings for the indicators for each variable were all found to be significant ($p < 0.01$). As shown in Table 2, the value of the average variance extracted (AVE) for all constructs exceeded the 0.50 threshold, indicating the presence of convergent validity [60]. The composite reliabilities of all of the constructs were greater than 0.70, and ranged from 0.726 to 0.991, suggesting that all constructs had acceptable internal consistency, because they exceeded the minimum threshold of 0.60 [61]. This research used Cronbach’s alpha to check the reliability of the measurement items. These values for all of the constructs, which ranged from 0.81 to 0.93, were higher than the acceptable level of 0.7 [62]. Multi-items used to measure each study variable were internally consistent. This research tested discriminant validity by comparing the AVE values to the squared correlations of the two constructs of interest [60]. As shown in Table 3, the AVE values for each construct were higher than for all of the squared correlations between the constructs. In terms of convergent validity, as shown in Table 2, the standardized item loadings ranged from 0.54 to 0.95. All $t$ statistics were significant at the $p < 0.01$ level. Furthermore, all AVE scores were greater than 0.50, which suggests adequate convergent validity for all the constructs investigated in the current study.
Table 2. Confirmatory factor analysis: items and loadings.

| Constructs          | Standardized Factor Loadings | Cronbach’s α | CR   | AVE  |
|---------------------|------------------------------|---------------|------|------|
| CSR                 | 0.544                        | 0.825         | 0.898| 0.643|
|                     | 0.635                        |               |      |      |
|                     | 0.847                        |               |      |      |
|                     | 0.837                        |               |      |      |
|                     | 0.662                        |               |      |      |
| Corporate ability   | 0.812                        | 0.814         | 0.810| 0.756|
|                     | 0.808                        |               |      |      |
|                     | 0.716                        |               |      |      |
| Corporate reputation| 0.849                        | 0.893         | 0.897| 0.882|
|                     | 0.878                        |               |      |      |
|                     | 0.846                        |               |      |      |
| Customer satisfaction| 0.863                      | 0.930         | 0.991| 0.917|
|                     | 0.900                        |               |      |      |
|                     | 0.958                        |               |      |      |
| Customer trust      | 0.743                        | 0.879         | 0.795| 0.749|
|                     | 0.820                        |               |      |      |
|                     | 0.730                        |               |      |      |
|                     | 0.745                        |               |      |      |
|                     | 0.807                        |               |      |      |
| Transparency        | 0.709                        | 0.853         | 0.726| 0.661|
|                     | 0.729                        |               |      |      |
|                     | 0.753                        |               |      |      |
|                     | 0.729                        |               |      |      |
|                     | 0.780                        |               |      |      |

Fit indices: $\chi^2 = 1262.907, df = 237, p < 0.001$, RMSEA = 0.08, CFI = 0.891, NFI = 0.900, TLI = 0.892; CSR = corporate social responsibility; $^a$ CR (critical ratio = $t$-value) is the absolute value; $^b$ Composite construct reliability (CCR) = $(\Sigma$standardized loadings)$^2/(\Sigma$standardized loadings)$^2 + \Sigma \epsilon_j$; $^c$ Average variance extracted = $\Sigma$standardized loadings$^2/\Sigma$standardized loadings$^2 + \Sigma \epsilon_j$, where $\epsilon_j$ is the measurement error.

Table 3. Construct intercorrelations.

|          | 1  | 2  | 3  | 4  | 5  | 6  |
|----------|----|----|----|----|----|----|
| 1. CSR   | 1  |    |    |    |    |    |
| 2. CA    | 0.662 | 1  |    |    |    |    |
| 3. Transparency | 0.719 | 0.537 | 1  |    |    |    |
| 4. Customer satisfaction | 0.615 | 0.613 | 0.540 | 1  |    |    |
| 5. Customer trust | 0.736 | 0.691 | 0.676 | 0.739 | 1  |    |
| 6. CR    | 0.588 | 0.692 | 0.507 | 0.63 | 0.686 | 1  |

CSR = corporate social responsibility; CA = corporate ability; CR = corporate reputation. All coefficients were significant at $p < 0.05$.

4.3. Structural Model Evaluation and Hypotheses Testing

After confirming the adequacy of the measurement structure, we evaluated the proposed conceptual model with the constructs via SEM with a maximum likelihood estimation approach. We then conducted structural equation modeling to empirically examine the proposed hypotheses and evaluate the proposed conceptual model. Findings from this evaluation confirmed an appropriate fitness level of the proposed theoretical model to the data ($\chi^2/df = 4.604$, RMSEA = 0.06, CFI = 0.92, IFI = 0.92, TLI = 0.90). RMSEA is recommended less frequently than 0.08 [14]. The squared multiple correlation (SMC; $R^2$) statistics of the structural equations for customer satisfaction, trust and CR were 0.589 (58.9%), 0.853 (85.3%), and 0.657 (65.7%) respectively.

Both Figure 2 and Table 4 shows the hypothesis testing results. Our findings demonstrated the appropriate fit of the model to the data. Then, this research evaluated the hypothesized relationships among study variables. The six proposed hypotheses were statistically supported at $p < 0.001$. The
findings supported Hypotheses 1 and 2 ($\beta = 0.318$, $t = 4.235$, $p = 0.001$; $\beta = 0.505$, $t = 7.017$, $p = 0.001$, respectively); thus, CSR was found to positively influence consumer satisfaction and trust. In addition, we found that corporate ability significantly influenced customer satisfaction and trust ($\beta = 0.494$, $t = 4.287$, $p = 0.001$; $\beta = 0.473$, $t = 7.356$, $p = 0.001$, respectively). Thus, Hypotheses 3 and 4 were supported. Consumer satisfaction and trust had positive impacts on corporate reputation ($\beta = 0.219$, $t = 4.287$, $p = 0.001$; $\beta = 0.640$, $t = 10.643$, $p = 0.001$, respectively). This result supported Hypotheses 5 and 6. Therefore, based on the findings it should be noted that CSR is still is important strategies, but it is not the most dominant criterion in consumer responses: corporate ability still remains the most important predictor of customer trust and satisfaction on corporate reputation. Consistent with previous research [12], corporate abilities have a greater impact on consumers’ corporate evaluation than the CSR activities.

![Figure 2](image-url)  
**Figure 2.** Estimate of the structural model. CSR = corporate social responsibility; CA = corporate ability; CS = customer satisfaction; CT = customer trust; CR = corporate reputation; Standardized coefficients are reported.

| Hypothesized Paths | Standardized Path Coefficients | t-Values | Results |
|--------------------|-------------------------------|----------|---------|
| H1 CSR $\rightarrow$ customer satisfaction | 0.318 | 4.235 *** | Supported |
| H2 CSR $\rightarrow$ customer trust | 0.505 | 7.017 *** | Supported |
| H3 CA $\rightarrow$ customer satisfaction | 0.494 | 6.568 *** | Supported |
| H4 CA $\rightarrow$ customer trust | 0.473 | 7.356 *** | Supported |
| H5 Customer satisfaction $\rightarrow$ CR | 0.219 | 4.287 *** | Supported |
| H6 Customer trust $\rightarrow$ CR | 0.640 | 10.643 *** | Supported |
| $R^2$ (customer satisfaction) | 0.589 | | |
| $R^2$ (customer trust) | 0.853 | | |

Table 4. Structural model evaluation indices and hypothesis test outcomes.

Goodness-of-fit statistics for the structural model: $\chi^2/df = 4.604$, RMSEA = 0.06, CFI = 0.92, IFI = 0.92, TLI = 0.90); *** $p < 0.001$; CSR = corporate social responsibility; CA = corporate ability; CR = corporate reputation.

4.4. Moderating Effect of Transparency

Multiple group analyses were conducted to test the moderating effects of transparency on the relationships among the constructs. Respondents were split into two groups based on the median value (4.0): group with low transparency ($n= 215$) and group with high transparency ($n= 272$). Next, to evaluate the differential effects of transparency across the low and high transparency groups, the chi-square difference test between the unconstrained model and the constrained model was examined with regard to the difference in degrees of freedom [58].
The results for the moderating effects of transparency are summarized in Table 5. The result indicated that the influences of CSR, CA, trust, satisfaction, and CR significantly differed across the two transparency groups. Statistical tests demonstrated that the moderating function of transparency existed in: (a) the relationship between CSR, satisfaction and trust and (b) the relationship between CA, satisfaction, and trust. This moderation test confirmed the notion that participants respond differently depending on transparency, thus supporting Hypotheses 7a–d. The paths from CSR ($\Delta \chi^2(1) = 5.6, p < 0.05$) to trust and satisfaction ($\Delta \chi^2(1) = 8.4, p < 0.05$) significantly differed across transparency condition groups. The relationship between CA and trust ($\Delta \chi^2(1) = 10.4, p < 0.05$) was found to be significantly different across high and low groups. The impact of CA ($\Delta \chi^2(1) = 12.7, p < 0.05$) on satisfaction was significantly different across the high and low groups. Therefore, it was statistically possible to assert that CSR and CA is more effective inducing satisfaction and it is more effective enhancing perceived trust in the high transparency group than low group.

| Paths                          | Standardized Coefficients | $\Delta \chi^2 (\Delta df = 1)$ |
|-------------------------------|---------------------------|----------------------------------|
|                              | Low Transparency ($n = 215$) | High Transparency ($n = 272$)    |
| H7a CSR $\rightarrow$ customer satisfaction | −0.171                    | 0.394                            | 8.4 *                          |
| H7b CSR $\rightarrow$ customer trust     | 0.069                     | 0.545                            | 5.6 *                          |
| H7c CA $\rightarrow$ customer satisfaction | 0.355                    | 0.904                            | 12.7 *                         |
| H7d CA $\rightarrow$ customer trust     | 0.406                     | 0.872                            | 10.4 *                         |

CSR = corporate social responsibility; CA = corporate ability; * $p < 0.0$.

5. Discussion

Corporate reputation contributes to the company’s sustainable competitive advantages as a strategic resource [25]. The aim of this study was to build on and extend previous examinations of these interrelationships (the link between CSR and CA on corporate reputation) by considering the moderating effect of transparency in the proposed theoretical framework. The present research attempts to fill the gap in the literature regarding. Thus, as this research develops and tests existing frameworks and concepts within the hotel industry, it makes theoretical contributions to hospitality literature.

5.1. Theoretical Implications

From a theoretical perspective, within the hospitality literature, this study makes a contribution to the field by extending the link between CSR, CA, and corporate reputation via satisfaction and trust on corporate reputation. Little is known about the way CSR and corporate ability perceptions integrate CR. Satisfaction and trust are central concepts in the study of consumer behavior that have been largely overlooked in analysis of the role of both corporate ability and corporate social responsibility [13]. The relationship between CSR and customer satisfaction and trust is not always positive. There are also contradictory findings in the service industry in general [15]. Thus, the findings of this study may be helpful in explaining some of the inconsistent findings. In addition, since perceived corporate ability has been shown to significantly influence customer satisfaction and trust, managers should consider increasing their firm’s commitment to corporate ability.

Corporate reputation related research has received ever-greater attention in recent years. In addition, relevant studies [63] have highlighted that little is known about the theoretical structures that underlie the cause-and-effect relationships between CSR and CR within the hospitality context. Results on how CSR and CR impact important consequences variables have been mixed [64]. The causal relationship between corporate reputation and trust and satisfaction remains unclear. Thus, this research extends these previous reports with the addition of how CR contributes to relationship marketing in the business-to-customer setting within the hotel context.
Finally, this study will contribute to the existing literatures through suggesting the moderating role of transparency in understanding the relationship among these constructs. Although some studies report a positive consumer response towards companies engaged in CSR activities, others have found that consumers are not interested in socially responsible practices [32]. Prior studies indicate the moderators for the impact of CSR practices [65]. CSR can influence customer response through several means [15]. However, extant studies neglect relevant moderator variables in these relationships [45]. Based on the notion, this study assumed that consumers’ response in the interrelationship among CSR, CA, trust, and satisfaction would vary depending on their perceived transparency level.

5.2. Practical Implications

The present study makes practical implications for the hotel industry. Our findings provide insights into how CSR initiatives may play a crucial role in improving customer-company relationships. Our results imply that companies should view CSR initiatives from a relationship marketing perspective, by determining how they establish trust. In terms of perceived CSR, companies utilize certificates or labels to gain the public’s trust to improve the perceived trustworthiness of their CSR initiative.

Building intimate relationships with customers is crucial for creating CR. In order to enhance this vital concept, industries must focus on customer orientation and provide better quality products that will satisfy consumers [12]. In service industries, well-trained service providers with favorable attitudes and a high level of expertise play an important role in enhancing the image of the service related company. From such services, customer gain more insight into the character of the company.

Our findings suggest that efforts by the company to employ CSR and CA as a short-term differentiation tool. This finding also suggests that CSR and CA can provide a long-term competitive advantage to service companies that want to build a strong relationship with their customers.

Corporate reputation has been considered one of the most important intangible assets of a company. It influences how stakeholders behave toward the company. Positive reputations are difficult to establish and easy to lose. Providing clear positive links between CSR, CA, and CR, this study contributes understanding of CR and corporate associations. In addition, the reputation of hotels is related to the level of customer satisfaction and trust. The implementation of a customer-centric approach to hotel management, which necessarily implies a relationship strategy, is relevant as a competitive means, because it helps build customers’ favorable responses toward reputation by meeting their needs.

Companies that provide high quality information on their websites are viewed as being more trustworthy by the customers. Previous research has demonstrated that individuals are uncertain about how companies should best communicate their CSR initiatives [66]. CSR reports that deal with issues of public policy must address the need for bridging the credibility gap between corporate actions and public perceptions [67]. Based on our findings, this research proposes that, companies should attempt to prevent customer skepticism by highlighting the transparency of the company within CSR communications, thereby enhancing the credibility of their CSR strategies [68].

5.3. Limitations and Suggestions for Future Research

This research is not without limitations that may create opportunities for future work. Since our findings cannot be generalized to other fields, studies could test this model with larger random samples or samples from various hospitality settings, with other stakeholders (e.g., employees, local communities and government, etc.). Some scholars may still argue the representativeness of the samples collected from Mechanical Turk. Future studies could replicate it in other regions and among other cultures. While this research primarily used a quantitative approach to achieve the study objectives, incorporating a qualitative or a field survey approach into the proposed framework, may help future studies to develop a more comprehensive theoretical framework. Due to the fact that all data were self-reported and collected single-source data at one point in time, common method bias
could be an issue. Future researchers should adopt a temporal separation procedure to lessen the risk of common method bias [69]. Future researches could consider a longitudinal design due to the cross-sectional design of this research.

As this research measured perceived corporate ability using three-items adapted from previous studies, it may not clear exactly how this construct should be conceptualized. Future studies could employ a three-dimensional model to study transparency (i.e., disclosure, clarity, and accuracy). Expanding and deepening our proposed model by incorporating more predictors (e.g., different antecedents of CR) or potential moderators might be useful for future studies (e.g., the impact of national culture, psychographic and socio-demographic constructs, and the type of CSR activities). Incorporating such variables into the analysis could extend the explanatory power of the findings. This study did not include control variables, such as demographic variables, although they often play an important moderating role in explicating consumer behavior. Finally, future studies could employ various conceptual frameworks.

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Appendix A

Table A1. Measurement items for study constructs.

| Construct                        | Measurement Items                                                                 |
|----------------------------------|-----------------------------------------------------------------------------------|
| Corporate social responsibility  | This hotel seems to make an effort to create new jobs.                             |
|                                  | This hotel seems to make an effort to create new jobs.                             |
|                                  | This hotel seems to be environmentally responsible.                                |
|                                  | This hotel looks like a good company to work for.                                 |
|                                  | This hotel seems to treat its people well.                                         |
| Corporate ability                | This hotel offers high quality products and services.                              |
|                                  | This hotel is a strong, reliable company.                                          |
|                                  | This hotel develops innovative services.                                           |
| Corporate reputation             | This hotel is highly-regarded.                                                    |
|                                  | This hotel is very successful.                                                    |
|                                  | This hotel is well-established.                                                   |
| Customer satisfaction            | As a whole, I am satisfied with this hotel.                                       |
|                                  | I am satisfied with the overall service that the hotel provided to me.            |
|                                  | I am satisfied with my overall experience with this hotel.                        |
| Customer trust                   | The services of this hotel make me feel a sense of security.                      |
|                                  | I trust on the quality of this hotel company.                                     |
|                                  | Hiring services of this hotel is a quality assurance.                             |
|                                  | This hotel is interested in its customers.                                        |
|                                  | This hotel is honest with its customers.                                          |
| Transparency                     | Information about this hotel’s activities is easily.                              |
|                                  | It is easy to obtain sufficient information about this hotel’s activities.        |
|                                  | This hotel would be honest and sincere in addressing their activities.            |
|                                  | I can rely on this hotel to solve the problem of the issues (e.g., environmental and societal issues, etc.). |
|                                  | This hotel would make any effort to improve the issues (e.g., environmental and societal issues, etc.). |

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