

UNIVERSITY OF MACAU
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**THE IMPACT OF CSR PERFORMANCE ON
CUSTOMER BASED BRAND PREFERENCE IN
CHINESE HOTEL INDUSTRY**

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Abstract

The concept of corporate social responsibility (CSR) has popularized in western academic world for more than five decades, as a result, large numbers of CSR relevant researches emerged in literature (e.g., Carroll, 1999; Smith, 2003). Among these, one stream of studies addressed CSR's effects of influencing brand building outcomes (e.g., Hoeffler and Keller, 2002; Singh *et al.*, 2008). In business practices, corporations increasingly integrate CSR programs into their business strategies attempting to generate branding benefits. Despite of this notable trend in western academic researches and business operations, merely a few of studies investigated Chinese consumers' attitude and response towards CSR behaviors. Recently, Ramasamy and Yeung (2009) demonstrated that Chinese consumers show a higher level of support towards CSR compared to their western counterparts. Tian *et al.* (2011) reported that Chinese consumers respond positively to CSR information in their purchase intentions. Nevertheless, neither of these studies has assessed Chinese customer responses over what specific companies have actually performed in order to put their social obligations into practice. To further examine the linkage between CSR and branding outcome in Chinese context, this study aims to understand whether CSR performances could enhance customers' brand preference in Chinese hotel sector.

Specifically, the main purposes of this study are to demonstrate CSR's contribution to brand preference and to differentiate its impacts among various groups of customers. Customer evaluations on brand preference, CSR performance and brand quality of hotels are learned through a survey conducted in several cities in China by primarily using internet approach

along with face-to-face investigations. The writer has finally approached to 243 hotel customers. With data collected, correlation of CSR factors and brand preference were examined in the first stage. Next, CSR's relative contribution to brand preference was verified with the existence of perceived brand quality. Lastly, moderating effects of demographic characteristics on the strength of relation between CSR and brand preference were analyzed, where customer's age, gender and educational level were involved into research.

From the empirical results, the following conclusions were revealed: (1) Hotel CSR performances to environment, society and stakeholders individually produce positive effects on customers' brand preference. In Addition, among the three CSR factors, obligation to stakeholders (i.e., customers, employees and government) is the strongest predictor of brand preference. (2) Compared with brand quality, CSR's explanatory power on brand preference is much weaker. (3) CSR's effectiveness varies among different segments determined by customers' personal features. CSR practices are more likely to create significant and positive influences on brand preference of younger (18 – 32 years of age) or advanced educated consumers (college diploma or higher degrees holders). Besides, CSR's effect of enhancing brand preference for men is slightly heavier than that for women.

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