The Effects of CSR on Tourist Loyalty Toward Rural Hospitality Enterprises and the Moderating Effects of Religiosity: CSR and Tourist Loyalty

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ABSTRACT

Corporate social responsibility (CSR) plays an important role in hospitality industry due to its effects on tourist loyalty. This article seeks to develop and empirically test a comprehensive framework to examine the indirect influence of CSR dimensions on tourist loyalty through the mediation of satisfaction and trust as well as the moderating effects of religiosity. Using SEM to analyse the data collected from a sample of 2600 tourists, the results indicate that CSR has indirect influence on tourist loyalty through tourist satisfaction and trust. This study confirms that satisfaction and trust partially or fully mediate the effect of the four CSR dimensions on tourist loyalty. This outcome indicates that CSR create tourist trust and satisfaction, which in turn, builds tourist loyalty. Furthermore, religiosity plays an important role in understanding tourist loyalty and behaviour toward rural hospitality enterprises. The findings offer important implications for tourism and hospitality companies and are likely to stimulate further research in the area of rural hospitality.

KEYWORDS

Corporate Social Responsibility, KSA, Loyalty, Religiosity, Rural Hospitality Industry, Satisfaction, Trust

INTRODUCTION

Rural tourism makes considerable contributions on the development of rural areas (Meccheri & Pelloni, 2006; Fotiadis, Yeh, & Huan, 2016; Lee & Jan, 2019), for instance, infrastructure improvement and the conservation of the natural environment (Cánoves, et al., 2004). Rural hospitality enterprises are the firms in rural areas that serve consumers seeking contact with a rural way of life and local culture. Rural hospitality enterprises arrange activities that involve contact with traditional and nature ways of life, for instance, traditional cooking and horseback riding (Kastenholz, et al., 2012; Polo-Peña, et al., 2012; Njoya & Seetaram, 2018).

There is a consensus in marketing literature that firms benefit greatly from the creation of consumer loyalty (Dick & Basu, 1994; Qiu, et al., 2015). Loyal consumers can return and spread positive word-of-mouth. Retaining existing consumer is more economical than acquiring new one (Reichheld & Sasser, 1990). Marketers of hospitality firms pointed out that it is not easy for businesses to remain alive just by attracting new consumers as competition is so fierce (Yooa & Baib, 2013). In hospitality context, Shoemaker and Lewis (1999) pointed out that consumer loyalty is the future of hospitality firms. Consequently, practitioners and academic have to seek ways to create consumer loyalty.
Prior studies attempted to identify the antecedents of consumer loyalty such as satisfaction (Wu, 2011; Orel & Kara, 2014; Lee, et al., 2009; Meesala & Paul, 2018), trust (Martínez, et al., 2013; Iglesias et al., 2018) and perceived value (Soledad Janita & Javier Miranda, 2013; Lin & Wang, 2006). Studies continue to give substantial interest to these social exchange factors in order to understand the service dynamics (Harris & Goode, 2004). However, little attention has paid to the integration of these factors into holistic framework (He, et al., 2012). To date the little attention has paid to the association between CSR, satisfaction, trust and consumer loyalty and has not yet incorporated them into a holistic framework.

Furthermore, considerable researchers begin to incorporate CSR into loyalty model. In this sense, a positive significant association between CSR and consumer loyalty has been demonstrated by He and Li, (2011) and Khan and Fatma (2019). According to these researchers, corporate social responsibility directly creates more consumer loyalty, without incorporating of mediating factors.

The current study suggests that the impact of CSR on consumer loyalty is explained better by incorporating in the model the important roles of social exchange factors such as satisfaction and trust. Although numerous studies have linked CSR to consumer responses, the association between CSR and consumer loyalty is under research (Marin et al., 2009; La & Choi, 2019). Indeed, little studies have provided a holistic framework in order to investigate and understand the relationship between corporate social responsibility and consumer loyalty (Mason et al., 2006). To the best of our knowledge, prior studies in the rural hospitality industry did not incorporate consumer loyalty into a more holistic model by incorporating the mediating roles of satisfaction and trust as well as the moderating effects of religiosity. Therefore, our study distinguishes itself by extending previous studies on the effects of corporate social responsibility dimensions on consumer loyalty by including the mediation roles of social exchange variables along the path from corporate social responsibility to consumer loyalty as well as the moderating effects of religiosity.

2. BACKGROUND, THEORETICAL DEVELOPMENT, AND RESEARCH HYPOTHESES

2.1. Consumer Loyalty and Its Antecedents

In hospitality industry, considerable studies have been conducted in order to identify factors that influence tourist loyalty as it is believed that tourist loyalty leads to profitability (So, et al., 2013; Tanford, et al., 2012; Pesonen, Komppula, & Murphy, 2019), but there is no study that investigated the antecedents of tourist loyalty presented here into a single study. To the best of our knowledge, prior empirical studies in the rural hospitality did not examine the influence of CSR dimensions on consumer loyalty through incorporating the mediation effects of social exchange variables e.g. satisfaction and trust. Furthermore, the moderating effects of religiosity on the link between consumer satisfaction, trust and loyalty has not been examined yet.

Numerous debates existed in the prior studies on the dimensionality and definition of loyalty. Oliver (1997, p. 392) defines loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts have the potential to cause switching behaviour”. Specifically, a general approach to analyse consumer loyalty is to distinguish between consumer’s attitudinal loyalty and behavioural loyalty (Han, et al., 2011). The behavioural loyalty is defined as repeated transactions by consumer. This repurchase can be because of scarcity of alternatives or satisfaction. The attitudinal component conceptualizes consumer loyalty as a function of a psychological process (Jacoby & Chestnut, 1978). Hospitality researchers agree that measuring both behavioural and attitudinal components is important to evaluate consumer loyalty (Han, et al., 2011). Therefore, the current study conceptualizes consumer loyalty by combining both the behavioural and the attitudinal perspective.
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