



# The Effects of CSR in Corporate Reputation and Customer Satisfaction in Hospitality Industry in Ionian Islands



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# Theoretical Background

## Ionian Islands

- The Ionian Islands is a group of islands in Greece and specifically in the Ionian Sea.
- They are traditionally called the Heptanese ("Seven Islands"), but the group includes many smaller islands as well as the seven principal ones (Corfu, Paxoi, Lefkas, Ithaka, Kefalonia, Zante and Kythera).
- The region is a popular tourist destination worldwide.
- The regional Gross Domestic Product for 2010 was 4,029 million euros.
- The GDP per capita for the same year was 18,440 euros per capita which was lower than the national median of 20,481.
- However, the GDP per capita of Kefalonia and Zante, 23,275 and 24,616 respectively, were much higher than the national figure.



## Corporate Social Responsibility

- Organizations all over the world are driving into the road of Corporate Social Responsibility (CSR) activities by the global social and economic circumstances.
- Adopting CSR practices means that the organization behaves as a responsible citizen.
- As a result, the CSR activities have a highly important impact to the profits and to the overall value of an organization.
- Recent research has shown the effects of CSR to consumers' behaviour.
- However, the qualitative studies have not provided the mechanism behind the change of the actions of the customers.

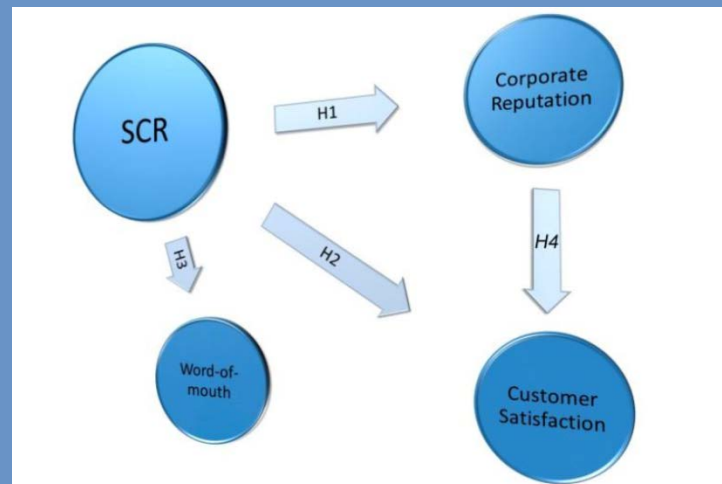
# Aim, The model and Hypotheses

## Aim

- The aim of this study is to fill the gap in Ionian Islands tourist economy by examining the impact of CSR practices on consumers' behaviour and perspective.

## The conceptual framework and Hypotheses

- H1: CSR has a positive effect to the corporate reputation.
- H2: CSR has a positive effect to customer satisfaction.
- H3: CSR has a positive effect to word-of-mouth.
- H4: Corporate Reputation has a positive effect to customer satisfaction.



# Material And Methods

## Participants

- 583 participants
- 4 and 5 stars hotel located in Corfu, Paxoi, Lefkas, Ithaka, Kefalonia, Zante and Kythera

## Questionnaire

- The questionnaire consisted of 5 units.
- The first was about the CSR practices of the hotel and at what level the guests thought the hotel concerned CSR activities. There were 4 questions in this unit.
- The second unit of the questionnaire explored the corporate reputation of the hotel. In this section, there were 3 questions.
- The third unit refers to customer satisfaction and it was also constructed by 3 questions.
- The fourth section concerned the word-of-mouth of the hotel. There were 3 questions, too.
- The fifth and last unit included the demographics, especially the age and the gender.

The questionnaire introduced both in English and Greek language.

## Procedure

Seven hundred questioners have been distributed to the receptions of 4 and 5 stars hotels located in Corfu, Paxoi, Lefkas, Ithaka, Kefalonia, Zante and Kythera at the end of June 2019.

By the end of August 2019, 583 questionnaires completely filled had been collected.

## Data processing and statistical analyses

- Descriptive statistics and inferential statistics.

Descriptive statistics	Inferential statistics
Means	Correlations
Standard Deviations	Confirmatory Factor Analysis (CFA)
Percentages	

- All data processing and analyses performed using SPSS v26.0.
- Furthermore IBM SPSS Amos v.26.0 has been used for the Confirmatory Factor Analysis.

# Results and Conclusion

- The fit indices of the structural model suggest that the overall fit of the model is acceptable ( $\chi^2/df = 2.44$ ,  $RMR = .03$ ,  $RMSEA = .06$ ,  $GFI = .92$ ,  $AGFI = .90$ ,  $NFI = .95$ ,  $RFI = .94$ ,  $IFI = .97$ ,  $TLI = .96$ ,  $CFI = .97$ ).
- CSR affected positively :
  - corporate reputation ( $\beta = .63$ ,  $p < .001$ ), H1 Accepted
  - customer satisfaction ( $\beta = .35$ ,  $p < .001$ ), H2 Accepted
  - word-of-mouth ( $\beta = .56$ ,  $p < .001$ ), H3 Accepted
- The effects of perceived reputation on customer satisfaction ( $\beta = .56$ ,  $p < .001$ ) were also significant, supporting H4.

## Concluding

- The results have shown that CSR has a positive effect to the corporate reputation.
- We can also assume from the results that CSR practices help a hotel organization to build and maintain a strong relationship with its guests, since the customer satisfaction scores high levels.
- In addition, hotel brands which score low in CSR index, present weak corporate reputation and thus, low customer satisfaction and word-of-mouth dynamic.
- All organizations try to find innovative and efficient ways to increase customer satisfaction and commitment.
- This research shows that CSR practices could be one of these ways.
- The disclosure and publication of CSR practices is the first and more important step to build and maintain high customer satisfaction scores.