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# Effects of Social Responsibility Activities of Franchise Chain Hotels on Customer Value and SNS Citizenship Behavior

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# Abstract

**Purpose -** This study empirically analyzes the effects of social responsibility activities (legal, charitable, environmental, ethical) of franchised chain hotels on customer value and SNS citizenship behavior. Furthermore, this study examines mediating role of customer value on SNS citizenship behavior.

**Design, data, and methodology** – A survey was conducted on customers residing in Korea who had visited the franchised chain hotels in Seoul, Gyeonggi, and other regions, over a period of three months (from October 1, 2016 to December 31, 2016). There were a total of 426 valid samples, and the hypotheses were tested through hierarchical analysis.

Results – First, among the social responsibility activities of franchised chain hotels, all four factors of legal, charitable, environmental, and ethical responsibilities had a statistically significant positive effect on customer value. Second, among the social responsibility activities of franchised chain hotels, all four factors had a statistically significant positive effect on SNS citizenship behavior. Third, customer value had a statistically significant positive effect on SNS citizenship behavior.

**Conclusions** – Since social responsibility activities are utilized as a means of direct marketing, for creating and selling images of products and services of franchised chain hotels, it is necessary to become a fixed form of corporate culture.

Keywords: Franchised chain Hotel, Social Responsibility Activities, Customer Value, SNS Citizenship Behavior

JEL Classifications: L20, M10, M14,

### 1. Introduction

In the traditional form of a corporation, profit acquired by selling products and services is spent on sales and administrative expenses and distributing the leftovers to

\* First Author, Director of Research, Golden CATs, 33, Baekjegobun-ro 42-gil, Songpa-gu, Seoul, Korea, Tel: ※ 개인정보 표시제한 E-mail: kshy4u@naver.com shareholders. The purpose of this corporate existence is profit creation. Although the primary purpose of a corporation is to generate profit, as we enter contemporary society, corporations are striving for continuous existence, maintenance, and development. In order to coexist with society members, they pursue various social responsibilities for social contribution activities such as legal, charitable, environmental, and ethical responsibilities (Collier & Esteban, 2007).

Fundamentally, CSR (corporate social responsibility) indicates the voluntary act of a corporation benefitting public by considering the economic, environmental, and social conditions of the country as the corporation develops (Matten & Moon, 2005). It is aimed at expanding corporate profit while creating positive social effects through direct and indirect influences of corporate social contribution activities, such as the enhancement of positive

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brand awareness (Lai et al., 2010). These social responsibilities address growing social inequalities, and it is essential that companies participate more actively in social contribution activities for symbiotic development (Campbell, 2007). Therefore, companies with high social responsibility are also those attracting attention in the era of "Capitalism 4.0" (Kaletsky, 2011).

As a representative of the service sector in recent years, the hotel management industry has been accruing social responsibility as a factor critical enough to determine its success or failure and that has furthermore become the means of cultivating competitiveness (Holcomb, Upchurch & Okumus, 2007). In fact, there is a variety of important factors that a hotel company can compete with, such as quality, price, and flexibility (Oh, 2003). However, in the era of globalization, social responsibility has emerged as a key indicator for competitiveness among companies, in addition to the important factors mentioned above. A hotel is a company that contributes to society before pursuing profit, and their service to customers is their social responsibility. Therefore, they need to focus on identifying and serving the consumers' needs so that the values perceived by the consumers can effectively be extracted (Holcomb et al., 2007). More socially responsible hotel companies can induce higher customer loyalty (Lee & Heo, 2009). Conclusively, consumers are increasingly placing more weight on social responsibility when selecting between hotels' products and services. This emphasizes the need for hotel businesses to consider social responsibility in order to sustain profit creation.

The social responsibility of a corporation plays an important role in deriving consumers' citizenship behavior. Among the consumers' behaviors, citizenship behavior is important because it can create greater value than what a company can offer, through direct customer involvement (Kang, Kim & Hyun, 2016). Recently, as the importance of value creation by customers has increased and information technology centering on the Internet has developed, the speed and range of individual customers' information has been expanded in lively exchanges of opinions among customers. In other words, as the impact of citizenship behavior through social networking services (SNS) has increased, so have corporations' interest in citizenship behavior. Attracting attention has become an important part of their competitiveness (Kang, Cho & Jung, 2014).

However, most studies on the social responsibility activities of hotel corporations to date have only identified the effects of social responsibility activities on economic performance (e.g., Lee & Park, 2009) or only the effect of social responsibility activities on hotel trust and satisfaction (e.g., Martínez & Bosque, 2013). More specifically, the

existing studies have limitations in that they could not empirically reveal which elements of social responsibility activities of hotel corporations can enhance positive values as perceived by the consumers and induce the citizenship behavior that is highlighted in this study. In other words, for the ethical and efficient management of hotel corporations, it is necessary to investigate the specific influencing factors related to the social responsibility activities of hotel corporations that include intangible services from the consumer point of view. Particularly, there have been no studies that empirically analyze the relationship between social responsibility activities, the customer-perceived values (customer value), and SNS citizenship behavior by targeting franchised chain hotels.

Therefore, this study has the following purpose: to empirically test the effects of social responsibility activities (legal, charitable, environmental, and ethical responsibilities) of franchised chain hotels on the customer value and SNS citizenship behavior of the consumers, as perceived by the customers who have used the corresponding franchised chain hotels. Furthermore, this study tested the effects of customer value on SNS citizenship behavior. The research questions are as follows.

First, what are the effects of franchised chain hotels' social responsibility activities on customer value and SNS citizenship behavior?

Second, among the franchised chain hotels' social responsibility activities, which factor had the greatest effect on customer value and SNS citizenship behavior?

### 2. Theoretical Background

### 2.1. Franchised Chain Hotels

Franchise refers to the sales of affiliation rights and gift certificates. A franchise is a system where a parent company permits individuals or smaller companies to use their rights or privileges in certain places (Ko, 2000). Franchises in the retail industry have become prevalent since the 1930s. Franchises were introduced in hotel companies, such as motels and motor hotels, in the 1950s. This form will allow use of highly reputed hotel brands and implementation of construction and operation technology, for which the user will pay fees over the contract period. The fees include the introduction of construction technology, the opening preparation, the commission management, and use of the joint reservation system (Alon, Ni & Wang, 2012).

Advantages of a franchised chain hotel include the use

of trademarks and joint reservation systems of famous hotels, maintaining international competitiveness, joint advertising and promotional effects, construction technology and opening preparation services if necessary, and easy funding. However, there are disadvantages such as the limitation of own management rights, the expense of franchise fees, and the possibility of legal disputes related to contract conditions (Cunill & Forteza, 2010).

The representative corporation of franchised chain hotels are as follows: Congress Motor Inns, Holiday Inn, Ramada Inns, Howard Johnson Motor Lodges, and Sheraton Corporation (Cho, 2004).

### 2.2. Social Responsibility Activity

Corporate social responsibility (CSR) is an advanced corporate management activity that is in harmony with the four factors of legal, ethical, environmental, and charitable responsibilities. This is outside of the preexisting management activities in which corporations emphasize only the economic advantages. Instead, CSR is a combination of responsibility management in a passive sense that emphasizes legal and ethical responsibility, and responsibility management in an active sense that can contribute to the environment and social redistribution (Collier & Esteban, 2007). Corporate social responsibility is a more advanced concept than existing management aimed only at profit-seeking, and it is distinguished from ethical management or charity events. Above all, having a respected corporate management adheres to the meaning of social responsibility in the sense that it satisfies other stakeholders rather than only focusing on the activities related to corporate survival (Han, 2011).

Based on this, corporate social responsibility activities can have the following characteristics. First, corporate social responsibility activities are defined as a series of processes that lead a company to develop a positive impression based on societal desires. Second, corporate social responsibility activities can be defined multi-dimensional in terms of having passive and active aspects (Mohr, Webb & Harris, 2001); the two faces of profits and ethics are considered from the corporate perspective (Cohen, 2001). Third, corporate social responsibility activities have diverse stakeholders that can be the receivers of such activities; and according to these stakeholders, the social responsibility activities of interest can vary (Van Herpen, Pennings & Meulenberg, 2003). Fourth, it is a form of impression associated with the corporation, which is perceived by the stakeholders through the corporation's social responsibility activities, and this is separate from corporate ability (Brown & Dacin, 1997). Fifth, social responsibility indicates corporate performances from the perspective of the corporation (Carroll, 1979); this is another indicator that can supplement the performances of corporations that are insufficient in only their financial performances (Chernev & Blair, 2015).

Reviewing the previous studies on corporate social responsibility activities, there have been papers analyzing CSR from the consumers' perspectives. Particularly, it has been found that corporations' social responsibility activities lead to positive attitude from the consumers toward the corporation, which consequently has a positive effect on the product of that company (Cho & Lee, 2015). Furthermore, social responsibility activities in the service industry have been identified as a leading factor for increasing loyalty, from such behaviors as corporate preference and intention to revisit (Jung & Yoon, 2008). In addition, the perception of social responsibility has a positive effect on the customer's service evaluation, and positive service evaluations lead to the enhancement of behavior intentions (Jung, Lee & Yoon, 2009).

In this way, corporate social responsibility activities have a positive effect on customer loyalty and serve as an important factor for enhancing customer behavior intentions. From many previous studies, it can be concluded that social responsibility activities of franchised chain hotels, which comprise the core of this research, can be regarded as a leading factor for enhancing perceived customer value and SNS citizenship behavior.

#### 2.3. Customer Value

Customer value represents the competitiveness of the company; it is a reference for predicting consumer behaviors and is being studied in many different fields (Yi, 2014). Customer value is the customer's assessment of their perceived difference between the benefits received and the cost they invested as well as the overall assessment of product utility, quality, and benefits based on the customer's aforementioned perceptions (Min & Kim, 2014). It is the most essential element in the evaluation of the consumer's service and is an essential element of the ongoing relationship with the customer (Woodruff, 1997).

The creation of customer value is the most basic concept for the profit generation of the corporation, and it is an important index for maintaining competitive advantage and increasing the consumers' citizenship behavior (Kang et al., 2014; Kang et al., 2016). According to the customer value equation, which is the core concept of service profit chain in the previous studies by Sasser, Schlesinger, and Heskett (1997), the value perceived by the customer is determined by the outcome of the service that the customer is purchasing, the quality of the process

through which the service is delivered, and the price and acquisition cost that the customer sacrifices to obtain the service. Service outcome here not only includes tangible materials, but also intangible utility, mental changes, etc. as the result of receiving services. The process or outcome quality of the service affects customer value, leading to customer loyalty, demonstrated by actions such as sharing by word of mouth, revisits, and citizenship behavior (Eggert & Ulaga, 2002; Hartline & Jones, 1996; Kang et al., 2014; Kang et al., 2016; Oh, 1999).

### 2.4. SNS Citizenship Behavior

SNS citizenship behavior is a concept of organizational citizenship behavior in existing studies related to human resources and organization that is applied to SNS members (Jang, Lee & Kim, 2013). The concept of organizational citizenship behavior started with the intention to find organizational performances in the behaviors of organization members outside of work. This is a voluntary action outside of the required role in their organization, taken to increase the welfare of individuals, groups, and organizations (LePine, Erez & Johnson, 2002). Since organizational citizenship behavior acts as a driving force to grow the organization in the long run and positively affects the formation of relationships among organization members (Podsakoff, Ahearne & MacKenzie, 1997), many researchers have been applying the concept of organizational citizenship behavior in diverse fields of study.

Consumer citizenship behavior has become an important concept in marketing, as customers are becoming recognized as more than simple consumers but also as important organizational human resources and partial organization members (Yi & Gong, 2008). Furthermore, as the online community, which communicates and shares information in the virtual space of the Internet, is becoming more active, the concept of online community citizenship behavior has arose (Kang et al., 2007). The online community's citizenship behavior applies the concept of organizational citizenship behavior in the context of digital communities. Members' behavioral characteristics that manifest differently than those of the offline organizations were analyzed (Kang et al., 2007; Nonnecke, Andrews & Preece, 2006).

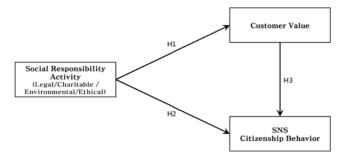
Therefore, this study defined SNS citizenship behavior as follows, based on the three theoretical concepts of organizational citizenship behavior, customer citizenship behavior, and online community citizenship behavior (Jang et al., 2013; Kang et al., 2007; Yi & Gong, 2008). The SNS citizenship behavior is a prosocial behavior that promotes a cooperative atmosphere by sharing on SNS

various information about the places and services that one frequently uses. Based on this definition, this study empirically analyzes the relationship between franchised chain hotels' social responsibility activity and customer value and the SNS citizenship behavior.

# 3. Research Method and Hypotheses

### 3.1. Research Model

Based on the theoretical concepts of the major variables and empirical study results, as discussed in the Theoretical Background section above, this study empirically analyzes the effects of franchise chain hotels' social responsibility activities on the customer value and SNS citizenship behavior. Therefore, this study constructed the research model as shown in <Figure 1>.



<Figure 1> Proposed Model

# 3.2. Research Hypotheses

### 3.2.1. Social Responsibility Activity and Customer Value

In previous studies related to social responsibility activities and customer values, Cheon (2014) concluded that the hotels' social responsibility activities have positive effects on service values as perceived by the consumers. Kim, Hwang, and Song (2014) reported that the social responsibility activities of the general corporations enhance the customer value. Furthermore, Kim and Kim (2016) found that social responsibility in food service corporations has a positive effect on the service values perceived by the consumers. Particularly, the service value was shown to have a mediating effect on the relationship between social responsibility and customer satisfaction. Based on these previous studies, the following hypotheses were set.

**Hypothesis 1.** The social responsibility activities of franchised chain hotels will have a positive effect on customer value.

Hypothesis 1-1. The legal responsibility will have a positive effect on the customer value.

Hypothesis 1-2. The charitable responsibility will have a positive effect on the customer value.

Hypothesis 1-3. The environmental responsibility will have a positive effect on the customer value.

Hypothesis 1-4. The ethical responsibility will have a positive effect on the customer value.

# 3.2.2. Social Responsibility Activity and SNS Citizenship Behavior

Both concepts of social responsibility and citizenship behavior are the discretionary acts of corporations and organizations (including individuals). Although direct compensation is not given in return for such acts, they are common and ultimately contribute to corporate effectiveness (Abdullah & Rashid, 2012). Based on these theoretical concepts, the study by Fu, Ye, and Law (2014) showed that social responsibility activities of Chinese hotels had statistically significant effects on organizational citizenship behavior among organization members. Particularly, organizational citizenship behavior is related to organizational identity and commitment, and it directly and indirectly shows mediating effects.

To support these study results, Chun et al. (2013) used financial performance data from a total of 3,821

employees at 130 corporations in Korea to test the mediating effects of organizational citizenship behavior in the relationship between corporations' ethical responsibility and financial performances. The results showed that in the relationship between corporate ethical responsibility and financial performances, organizational citizenship behavior had a direct and indirect mediating effect. In summary, it was found that social responsibility is an important core factor for enhancing citizenship behavior, which is a discretionary act of an organization (including individuals). In particular, it can be predicted that ethical responsibility will be utilized as a powerful competitive strategy for inducing an enhanced level of citizenship behavior among consumers. Based on these previous studies, the following hypotheses were set.

**Hypothesis 2.** The social responsibility activities of franchised chain hotels will have a positive effect on SNS citizenship behavior.

Hypothesis 2-1. The legal responsibility will have a positive effect on SNS citizenship behavior.

Hypothesis 2-2. The charitable responsibility will have a positive effect on SNS citizenship behavior.

Hypothesis 2-3. The environmental responsibility will have a positive effect on SNS citizenship behavior.

Hypothesis 2-4. The ethical responsibility will have a positive effect on SNS citizenship behavior.

<Table 1> Measures of Research Variables

Variable		Items
	Lamal	1. The overall level of compliance with the legal provisions at the hotel I frequently use
	Legal Responsibility	2. The overall level of identifying the unfair transactions at the hotel I frequently use
	responsibility	3. The overall level of accusations in Fair Trade Commission at the hotel I frequently use
	Charitable	1. The overall level of performance in community service activities at the hotel I frequently use
Ossist	Responsibility	2. The overall level of support for the activities in charitable relief at the hotel I frequently use
Social Responsibility	responsibility	3. The overall level of performance in the role of corporate citizenship at the hotel I frequently use
Activity	Environmental	1. The overall level of environment-related policies at the hotel I frequently use
/ touvity	Responsibility	2. The overall publication level of environmental report at the hotel I frequently use
	responsibility	3. The overall level of environmental protection and resource conservation efforts at the hotel I frequently use
	Ethical Responsibility	1. The overall level of proliferation in ethical management at the hotel I frequently use
		2. The overall level of external disclosure of the code of ethics at the hotel I frequently use
		3. The overall level of regularly supplementing the code of ethics at the hotel I frequently use
		1. The hotel I frequently use enhances my social status.
		2. The hotel I frequently use increases my self-esteem.
Custome	er Value	3. The hotel I frequently use has excellent quality for the price.
Custom	ei vaiue	4. The hotel I frequently use has appropriate prices for the services.
		5. The hotel I frequently use is favorable.
		6. The hotel I frequently use is attractive.
SNS Citizenship Behavior		1. I share and provide diverse information about the hotel I frequently use.
		2. I share good opinions about the hotel I frequently use.
		3. I always think about how to provide good information about the hotel I frequently use.
		4. I provide good information by extracting core contents about the hotel I frequently use.
		5. I always consider whether the information can be helpful to the hotel I frequently use.

### 3.2.3. Customer Value and SNS Citizenship Behavior

The customers perform citizenship behavior based on their perceived values. Corporations provide greater values to consumers by controlling the physical environment and sales behaviors of the employees that are delivering the services. The consumers that are satisfied with such services will continue their relationship with the corporation (Park & Yoo, 2017). As a result of this process, the consumers autonomously perform citizenship behaviors that are helpful for corporations, even though they are not rewarded.

Park and Yoo (2017) tested the effect of interactions between service employees and the physical environment on the consumers' citizenship behavior. It was found that when the service employees show a high degree of expertise and service performances, the consumers' service values increased. This was even found to have a positive effect on the consumers' citizenship behavior. As the consumers' values increased, the consumers' level of citizenship behavior was found to have increased. In summary, these study results are based on the social exchange theory. The consumers who perceive to have received high value respond by performing citizenship behavior, which serves as a net functional role that helps companies (Kelley, 1967). Based on these previous studies, the following hypothesis was set:

Hypothesis 3. The customer value will have a positive effect on SNS citizenship behavior.

# 3.3. Measures

First, social responsibility refers to activities that can benefit the local community and society, such as environmental management, ethical management, and social contribution, while simultaneously producing profit. The social responsibility activity was based on previous studies by Ban (2009), Öberseder et al. (2014), Park, Kim, and Lee (2010), Turker (2009). A total of twelve items were extracted that were revised and modified according to the purpose of this study: three legal responsibility items, three environmental responsibility items, and three ethical responsibility items. These twelve items were configured by using a Likert five-point scale (very low to very high).

Second, customer value indicates the advantages that the consumers receive from the services and the evaluation of the benefits that they receive in return for payment. The customer value was based on the previous studies by Sweeney and Soutar (2001), and a total of six items were revised and modified according to the purpose of this study. A Likert five-point scale (never to very likely) was used for the measurement.

Third, SNS citizenship behavior refers to prosocial behavior that promotes a cooperative atmosphere by providing and sharing various information with other people on SNS about the hotels that one frequently uses. The SNS citizenship behavior was based on the previous studies by Jang, Lee, and Kim (2013) and Kang et al. (2014), and a total of five items was revised and modified according to the purpose of this study. The five items were configured by using a Likert five-point scale (never to very likely). The specific details regarding the survey measurement items are as shown in <Table 1>.

### 3.4. Sampling

The subjects of this study are general customers (adult men and women) who have used the franchised chain hotel. The survey was conducted over a period of approximately three months, from October 1, 2016 to December 31, 2016. The specific method of data collection is as follows. General workers at various levels of society within the Seoul and Gyeonggi areas and those who are acquaintances of the researcher were contacted and requested for cooperation and participation in this study; then, an offline survey was conducted. For the subjects in the rest of the region, surveys were conducted in parallel with online surveys through research institutions. There was a total of 426 collected valid samples. With these data, this study developed the following demographic characteristics as shown in <Table 2>.

<a>Table 2> Demographic Characteristics of Respondents (N=426)</a>

Division	Item	Frequency	%
Gender	Male	198	46.5
Gerider	Female	228	53.5
	20s	92	21.6
Λ σ σ	30s	118	27.7
Age	40s	130	30.5
	50s	86	20.2
Marital Status	Single	212	49.8
Marital Status	Married	214	50.2
- · · · · ·	Below College Graduate	82	19.2
Education Level	College Graduate	292	68.5
	Above College Graduate	52	12.2
	300 (Below)	162	38.0
Monthly Income (in 10,000 won)	300-500 (Below)	120	28.2
	500 (Above)	144	33.8
	Stay	336	78.9
Purpose of Use	Food	28	6.6
	Others	62	14.5
	Seoul	148	34.7
Area of Residence	Gyeonggi	134	31.5
	Other Areas	144	33.8
Hotel Rating	General Hotel	192	45.1
I loter rating	Five-star Hotel	234	54.9

# 4. Empirical Analysis

### 4.1. Reliability and Validity Analysis

This study used Cronbach's Alpha to conduct a reliability analysis. For the validity analysis, the Varimax method was used to perform exploratory factor analysis. The reliability and validity analysis results are shown in <Table 3> and <Table 4>. In the result of the reliability analysis, Alpha coefficient was shown to be at least 0.791, which was high. In the result of the validity analysis, the factor loading for each factor was also shown to be at least 0.515, so the validity was found to be good.

<a href="#"><Table 3> Measurement Model by exploratory Factor Analysis (Social Responsibility Activity)</a>

Va	ıriable	Measurement Item	Factor Loading	Eigen Value	Alpha Coefficient	
		LR1	.797		.791	
	Legal Responsibility	LR2	.748	2.333		
	Responsibility	LR3	.779			
	Charitable Responsibility	CR1	.831		.851	
Social		CR2	.652	2.611		
Responsi-		CR3	.740			
bility	Environmental Responsibility	EnR1	.875		.842	
Activity		EnR2	.515	1.852		
		EnR3	.600			
	Ethical Responsibility	EtR1	.712			
		EtR2	.857	2.664	.879	
	1 Copor Gibility	EtR3	.819			

Note: cumulative dispersion explanatory power: 78.838%

**<Table 4>** Measurement Model by exploratory Factor Analysis (Customer Value and SNS Citizenship Behavior)

Variable	Measurement Item	Factor Loading	Eigen Value	Alpha Coefficient	
	CV1	.749			
	CV2	.815		.900	
Customer Value	CV3	.713	4.297		
Customer value	CV4	.659	4.291		
	CV5	.847			
	Cv6	.862			
	SNS1	.865		.946	
	SNS2	.852			
SNS Citizenship Behavior	SNS3	.891	3.930		
20.144101	SNS4	.867			
	SNS5	.889			

Note: cumulative dispersion explanatory power: 74.791%

### 4.2. Correlation Analysis

The correlation analysis is as shown in <Table 5>. First, the demographic characteristics (gender, age, marital status, education level, income, hotel rating) of the customers at franchised chain hotels were input as the control variable (dummified). The purpose of using a control variable is because it can have direct or indirect influence on the variables being studied. In the results of the correlation analysis, social responsibility activities (legal, charitable, environmental, and ethical), customer value, and SNS citizenship behavior were all shown to have significant levels of correlation with p=0.01.

<Table 5> Construct Intercorrelations, Mean, and Standard Deviation

	Variable	01	02	03	04	05	06	07	08	09	10	11	12
01	Gender	1	-	-	-	-	-	-	-	-	-	-	-
02	Age	.015	1	-	-	-	-	-	-	-	-	-	-
03	Marital Status	.363**	.408**	1	-	-	-	-	-	-	-	-	-
04	Education Level	.145**	172**	.062	1	-	-	-	-	-	-	-	-
05	Income	.118*	.408**	.361**	.062	1	-	-	-	-	-	-	-
06	Rating	.201**	.183**	.306**	035	.250**	1	-	-	-	-	-	-
07	Legal	017	176**	087**	023	034	.151**	1	-	-	-	-	-
08	Charitable	164**	072	206**	.006	.022	.071**	.607**	1	-	-	-	-
09	Environmental	225**	.010	229**	183**	.020	.175**	.517**	.709**	1	-	-	-
10	Ethical	144**	.097*	094	197**	.143**	.251**	.521**	.644**	.723**	1	-	-
11	Value	122*	.035	126**	082	.147**	.253**	.437**	.422**	.539**	.526**	1	-
12	Citizenship	067	136**	123*	129**	.005	.260**	.511**	.506**	.471**	.554**	.553**	1
	Mean	0.46	0.50	0.50	0.80	0.50	0.54	3.21	2.95	3.03	3.03	3.34	3.02
	SD	0.49	0.50	0.50	0.39	0.50	0.49	0.58	0.66	0.70	0.70	0.65	0.85

Note: \* p < 0.05, \*\* p < 0.01

Control Variables

(01) Gender: Female=0, Male=1

(02) Age: 40s and below=0, 40s and above=1

(03) Marital status: Single=0, Married=1

(04) Education level: Below college=0, College graduates and above=1

(05) Monthly Income: Below 4,000,000 won=0, 4,000,000 won and above=1

(06) Hotel rating: General=0, Five-star=1

## 4.3. Hypotheses Testing

In our analysis, we controlled for several demographic characteristics(gender, age, marital status, education level, income, and hotel rating) of the respondents using dummy variable. As shown in <Table 6> and <Table 7>. The hypotheses were tested using hierarchical regression analysis.

First, The result shows that among the franchised chain hotels' social responsibility activities, all four factors of legal, charitable, environmental, and ethical responsibilities have a statistically significant positive effect on the customer value.

Among them, ethical responsibility ( $\beta$ =.321) has the greatest effect on the customer value. Therefore, [Hypothesis 1-1], [Hypothesis 1-2], [Hypothesis 1-3] were supported.

Second, The result was that among the franchised chain hotels' social responsibility activities, all four factors of legal charitable responsibility. responsibility, environmental responsibility, and ethical responsibility have a statistically significant positive effect on the SNS citizenship behavior. Among them, ethical responsibility ( $\beta$ =.372) has the greatest effect on the customer value. Therefore, [Hypothesis 2-1], [Hypothesis 2-2], and [Hypothesis 2-3] were supported.

Third, The result shows that the customer value was shown to have a statistically significant positive effect on the SNS citizenship behavior. Therefore, [Hypothesis 3] was supported.

<a href="#"><Table 6> Hierarchical Regression Analysis Result of the Measurement Model (Social Responsibility Activity)</a>

	0		Carial Degracability Astricts CNC Citicanakia Daharian						
		esponsibility Act			Social Responsibility Activity → SNS Citizenship Behavior				
Variable	Mod	el I	Mod	el II	Mod	el I	Model Ⅱ		
	β	t	β	t	β	t	β	t	
Gender	111	-2.236*	040	936	070	-1.423	008	193	
Age	.003	.056	.010	.218	192	-3.563**	156	-3.403**	
Marital Status	244	-4.368**	118	-2.353*	135	-2.431*	038	800	
Education Level	045	963	.044	1.026	135	-2.891**	075	-1.813	
Income	.176	3.404**	.125	2.792**	.066	1.288	.004	.086	
Rating	.298	6.153**	.136	3.094**	.330	6.843**	.177	4.209	
Legal	-	-	.260	6.521**	-	-	.322	8.417**	
Charitable	-	-	.170	4.214**	-	-	.228	5.914**	
Environmental	-	-	.289	6.737**	-	-	.152	3.684**	
Ethical	-	-	.321	7.581**	-	-	.372	9.170**	
F value	12.202**		25.707**		12.493**		31.564**		
R value	.386		.618		.390		.657		
R <sup>2</sup> value	.149		.383		.152		.432		

Note: \* p < 0.05, \*\* p < 0.01

Control Variables

(01) Gender: Female=0, Male=1

(02) Age: 40s and below=0, 40s and above=1

(03) Marital status: Single=0, Married=1

- (04) Education level: Below college=0, College graduates and above=1
- (05) Monthly Income: Below 4,000,000 won=0, 4,000,000 won and above=1 (06) Hotel rating: General=0, Five-star=1

<a>Table 7> Hierarchical Regression Analysis Result of the Measurement Model (Customer Value)</a>

	Customer Value → SNS Citizenship Behavior							
Variable	Mod	el I	Model II					
	β	t	β	t				
Gender	070	-1.423	014	335				
Age	192	-3.563**	193	-4.159**				
Marital Status	135	-2.431*	012	249				
Education Level	135	-2.891**	113	-2.780**				
Income	.066	1.288	022	497				
Rating	.330	6.843**	.180	4.136**				
Legal	-	-	.505	11.997**				
F value	12.4	l93**	34.920**					
R value	.3	90	.607					
R <sup>2</sup> value	.152 .369							
111 # .005	44 0 0 4							

Note: \* p < 0.05, \*\* p < 0.01

Control Variables

- (01) Gender: Female=0, Male=1
- (02) Age: 40s and below=0, 40s and above=1
- (03) Marital status: Single=0, Married=1

- (04) Education level: Below college=0, College graduates and above=1
- (05) Monthly Income: Below 4,000,000 won=0, 4,000,000 won and above=1
- (06) Hotel rating: General=0, Five-star=1

### 5. Conclusion

This study empirically tests the effects of social responsibility activities (legal, charitable, environmental, ethical) of franchised chain hotels on customer value and SNS citizenship behavior. Furthermore, this study tests mediating role of of customer value on SNS citizenship behavior. The results and analysis of this study can be summarized as follows.

First, among the franchised chain hotels' social responsibility activities, all four factors of the legal, charitable, environmental, and ethical responsibilities have statistically significant positive effects on both the customer value and SNS citizenship behavior. Particularly, among the social responsibility activities, ethical responsibility had the greatest effect on customer value and SNS citizenship behavior. Such results support previous studies by Cheon (2014), Kim et al. (2014), Kim and Kim (2016) indicating that social responsibility activities have positive effects on customer value as perceived by consumers. Furthermore, this also supports previous studies by Chun et al. (2013) and Fu et al. (2014), in which the social responsibility activities were indicated to be important factors for enhancing citizenship behavior, which is a discretionary act.

A franchised chain hotel cannot survive isolated from society, and it can enhance its value by satisfying social purpose and desires. Unlike in the past, franchised chain hotels are becoming increasingly aware of their social responsibilities; now, hotel activity itself has become more difficult without regular social contributions. Therefore, to continue hotel management, the desires of society should be faithfully met and social responsibility carried out. Such social responsibility can provide a good image to customers and is linked to profit in the long term. The various social activities of a franchised chain hotel can be an important criterion for customers. From this perspective, it is speculated that the social responsibility activities of franchised chain hotels had a great impact on customer value and SNS citizenship behavior.

Among the social responsibility activities indicated in this study, ethical responsibility has the greatest effect on customer value and SNS citizenship behavior. It is most important that organization members share ethical values for the franchised chain hotels to construct ethical management. In other words, ethics have a close relationship with other legal, charitable, and environmental responsibilities. Therefore, to expand ethical responsibility, it is necessary to have an ethical management system that can share ethical responsibility with the members of the franchise organization.

Social responsibility activities can be a powerful competitive tool through social contributions, and in turn,

increase customer trust. This is a high-level management strategy that goes beyond simple social responsibility. Therefore, social responsibility activities should be used as a direct marketing tool for creating image and sales of franchised chain hotels' products and services and need to settled as a corporate culture.

Second, customer value has a statistically significant positive effect on SNS citizenship behavior. Such results support the previous study by Park and Yoo (2017), in which the authors reported that higher customer values could positively reinforce the customer citizenship behavior. Customers who perceived having received a high value would return the favor via corresponding citizenship behavior, which is a functional role benefitting the corporations. This result reflects social exchange theory (Kelley, 1967).

Franchised chain hotels need to establish social network channel selection and operational guidelines because customers are gradually going beyond consumption and becoming recognized as important human resources and partial organization members. Therefore, SNS citizenship behavior is becoming an important concept in the field of marketing. It is necessary for hotel managers to implement appropriate social media channel selection and operating systems that can derive consumers' perceived value, as well as the characteristics and goals of work, under the supervision of dedicated social media organizations. The social responsibility activities of the franchised chain hotels, as mentioned above, have been found to have a positive effect on customer value and SNS citizenship behavior. Therefore, the policies and operating guidelines on hotels' social responsibilities in the SNS space should also be widely included in promotional and operational activities. It suggests that a stepwise plan should be carried out so that communication and participation with customers regarding social responsibility in the SNS space can occur.

This study has some limitations and suggestions for futher studies. First, this study examined the relationship between customer value and SNS citizenship behavior by solely examining the social responsibility activities of franchised chain hotels. Therefore, there is a need for multi-dimensional analysis by selecting diverse preceding factors that enhance SNS citizenship behavior and customer value. Second, the domestic franchise industry is very diverse. Typically, leisure, dining, and sales franchise services exist. It is expected that the important factors and influences of social responsibility activities among the franchised services sector will become distinct from each other. Therefore, it will be necessary to empirically compare the influences of social responsibility activities for each type of franchised service as perceived by consumers.

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