

Corporate Social Responsibility (CSR) in the Luxury Sector: The Role of Moral Foundations

ABSTRACT

The academic literature on whether consumers respond positively towards corporate social responsibility (hereafter CSR) initiatives in the luxury sector is limited and contradictory. Our research contributes to this on-going debate by exploring the role of CSR moral foundations. By differentiating individualizing moral foundations (e.g. justice) from binding moral foundations (e.g. loyalty), our three experiments jointly suggest consumers respond more positive towards CSR guided by binding (vs. individualizing) foundations. Our results further suggest perceptions of intrinsic CSR motives mediate the impact of CSR moral foundations on consumer attitude. However, this mediation is moderated by the nature of tourism destination, more evident in a nature-based (vs. urban) destination. Taken together, our research suggests the luxury sector needs to focus on binding foundations rather than individualizing foundations to create a win-win situation.

Keywords: Luxury, Experience, Corporate Social Responsibility (CSR); Experimental Studies; Moral Foundations

INTRODUCTION

The global luxury industry has experienced remarkable growth during the past few decades. Despite of the current coronavirus pandemic and a drop in global internal tourism revenue by 51%, this industry is estimated to generate US\$388 billion revenues in 2025 and recover rapidly to reach to 2019 levels by 2023 (Statista, 2020; 2021). In particular, the luxury hospitality sector is expected to lead the industry recovery after the COVID-19 pandemic (Bain, 2020). Given its economic significance, our research mainly focuses on the luxury hospitality sector to complement the luxury goods sector that dominates current literature (e.g., Amatulli, De Angelis, Pino, & Guido, 2020; Sipila et al., 2021).

Pantano and Stylos (2020) find consumers have increasingly wanted their luxury consumption to be ethical and sustainable by placing high importance on the environmental impact on their choices. As a result, engaging in corporate social responsibility (hereafter CSR) initiatives is a key feature of the luxury hospitality sector. For example, before COVID-19, luxury hotels such as Four Seasons and Marriot have committed to reduce their carbon emissions and increased their donations to various social causes (Euromonitor, 2020). During COVID-19, Four Seasons and Hilton are providing rooms to medical professionals and homeless people free of charge to show solidarity with local communities (Jan & Johnson, 2020). The question is: will engaging CSR initiatives make consumers respond positively towards the luxury hospitality sector?

The academic literature on this issue is limited and contradictory (see Appendix for a table summarizing extant literature on this issue). Such inconclusive results mirror the theoretical debate about whether the concept of luxury is compatible with the concept of CSR (cf. Kapferer, 2010; Torelli, Monga, & Kaitati, 2012). Based on Schwartz (1992) value

framework, Torelli et al. (2012) argue that luxury consumption is associated with self-enhancement values. It conflicts with the self-transcendent nature of CSR (Torelli et al., 2012). Thus, luxury and CSR are incompatible concepts due to value incongruence. But Kapferer (2010) argues luxury and CSR are compatible because both concepts reflect rarity. Luxury products are rare and enduring. This can reduce the negative impact on environment (Kapferer, 2010). Supporting this, previous studies find when luxury products are enduring, CSR initiatives increase consumer evaluations (Janssen, Vanhamme, Lindgreen, & Lefebvre, 2014). But whether these results can be generalized to the luxury hospitality sector is questionable because hospitality services are intangible (Yang & Mattila, 2017).

We argue whether engaging CSR is a boon or bane for the luxury hospitality sector depends on the moral foundations (key moral values) underlying different CSR activities. A key limitation of extant literature is that it assumes the self-transcendent nature of CSR can only be guided by the moral values of justice and fairness (Carroll, 1991; Donaldson and Preston, 1995). But the preoccupation of justice and fairness may provide a narrow view of the moral values guiding different CSR activities. In moral psychology, Graham and colleagues propose the moral foundations theory to broaden the moral values of fairness and justice (see Graham et al., 2013 for a review). The key argument of this theory is that there are two broad moral foundations that guide people's moral judgements: individualizing foundations and binding foundations. While individualizing foundations focus on individuals' welfare such as fairness and justice, binding foundations concern group welfare such as loyalty and respect (Graham et al., 2013).

Thus, the main purpose of this research is to underpin the impact of different CSR moral foundations on consumers' response to CSR engagement in the luxury hospitality sector. In particular, we argue CSR activities guided by binding (vs. individualizing) foundations lead to more favorable attitudes. This is because individualizing foundations focusing on fairness and

equality conflict with the self-enhancement nature of luxury consumption emphasizing on superiority and exclusiveness (Athwal, Wells, Carrigan, & Henninger, 2019; Goenka & Thomas, 2019). This creates value incongruence (Torelli et al., 2012). But binding foundations focusing on group loyalty and respect are not necessarily in conflict with the self-enhancement nature of luxury consumption (Graham et al., 2013). Instead, they are congruent with the key function of luxury consumption to signal social identity and group membership, leading to more favorable attitudes (Goenka & Thomas, 2019). Extant literature suggests consumers' reactions to CSR are driven by their inferences about whether a firm's CSR engagement is motivated by a genuine intention to enhance social welfare---intrinsic motives (Peloza & Shang, 2011). Thus, we further argue the impact of CSR moral foundations on consumer attitude is mediated by perceptions of intrinsic CSR motives. In other words, due to value incongruence, CSR initiatives guided by individualizing (vs. binding) foundations are less likely to be consistent with consumers' expectations towards the luxury hospitality sector, triggering suspicion (Fiske & Taylor, 1991). This makes consumers less likely to infer intrinsic motives towards CSR activities guided by individualizing (vs. binding) foundations, leading to less favorable attitudes. Finally, we predict the mediation role of intrinsic CSR motives is more evident in a nature-based (vs. urban) destination. This is because Line and Hanks (2016) suggest the wastefulness associated with luxury consumption is less compatible with a nature-based (vs. urban) destination, because a nature-based destination tends to have well-preserved ecosystems (Line & Costen, 2017). This makes consumers in a nature-based (vs. urban) destination more likely to question the intrinsic motive of CSR activities guided by individualizing foundations, leading to less favorable attitudes.

Our three experiments provide convergent evidence to our framework. This can extend extant literature on several fronts: first, by demonstrating CSR activities guided by binding moral foundations lead to favorable attitudes, our research offers a novel approach to mitigate the

value incongruence between the concepts of luxury and CSR. Our research also provides further support to the limited studies suggesting CSR can bring benefits to the luxury sector (Amatulli, De Angelis, & Stoppani, 2021; Amatulli et al., 2020). Second, whether engaging CSR in the luxury sector leads to perceptions of intrinsic motives remains unclear (cf. Amatulli et al., 2021; Sipila et al., 2021). By focusing on CSR moral foundations, our research offers a novel way to reconcile these contradictory results. Third, by focusing on the moderation role of tourism destinations, our research extends extant literature on CSR motive by demonstrating when it matters in consumer judgment and when it does not. Finally, our research extends existing CSR literature by suggesting scholars need to go beyond fairness/justice to see how CSR activities can be guided by other moral values. This can provide a more complete understanding of the moral nature of CSR.

CONCEPTUAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

Consumer Reactions to CSR in the Luxury Sector

A key theme in marketing (for a review see Pelozo & Shang, 2011) and hospitality research (for a review see Rhou & Singal, 2020) focuses on consumers' judgements of and reactions towards CSR. In general, these studies demonstrate that CSR initiatives can bring various benefits such as increased product evaluations (Chernev & Blair, 2015), strengthened identification (Baskentli, Sen, Du, & Bhattacharya, 2019) and enhanced brand passion (Gul Gilal, Paul, Gul Gilal, & Gul Gilal, 2021). But when companies are involved in corporate social irresponsibility, consumers express negative moral emotions (e.g., anger and contempt)

(Romani, Grappi, & Bagozzi, 2013). This can be further strengthened by consumers' social cognitions such as their moral identities (Xie & Bagozzi, 2019).

However, whether consumers respond positively towards CSR initiatives in the luxury sector remains unclear. On the one side, research suggests CSR initiatives in the luxury sector reduce consumer attitudes (Janssen, Vanhamme, & Leblanc, 2017) and customer loyalty (Sipila et al., 2021). Relating to the luxury hospitality sector, CSR initiatives increase consumers' hesitation to visit luxury hotels (Peng & Chen, 2019) because they think environmentally friendly initiatives reduce the comfort of luxury experiences (Barber & Deale, 2014). On the other side, research suggests CSR initiatives in the luxury sector increase consumers' willingness to book a room (Amatulli et al., 2021) because they have high expectations towards the luxury sector's social responsibilities (Amatulli et al., 2020).

These inconclusive results mirror the theoretical debate about whether the concepts of luxury and CSR are compatible (cf. Kapferer, 2010; Torelli et al., 2012). Although scholars have not reached an agreement on the definition of luxury, in general they agree consumers purchase luxury brands mainly for their conspicuousness and prestige values (Wieddmann, Hennigs, & Siebels, 2009). This is robust across different cultures (Hennigs et al., 2012) and also evident on young people (Eastman, Shin, & Ruhland, 2020). Kim (2015) further suggests luxury experiential consumption is mainly driven by consumers' desire for exclusivity. As a result, Torelli et al. (2012) argue luxury reflects self-enhancement values that conflict with the self-transcendent values associated with CSR. Thus, engaging CSR initiative in the luxury sector creates value incongruence, leading to negative outcomes (Torelli et al., 2012). In contrast, Kapferer (2010) argues luxury and CSR are compatible because both concepts reflect rarity. Luxury products are rare and enduring due to extravagant materials and efforts used to produce them. This, in turn, can reduce the negative impact on environment (Kapferer, 2010). Other researchers address the theoretical debate by differentiating different types of CSR. But

the results are, again, contradictory (Amatulli, De Angelis, Korschun, & Romani, 2018; Sipila et al., 2021). While Amatulli et al. (2018) argue external CSR is more effective than internal CSR, Sipila et al. (2021) find the opposite. These mixed results are perhaps because they ignore the different moral foundations underlying different CSR initiatives. The next section discusses this in detail.

The moral foundations of CSR

Since CSR initiatives reflect a firm's voluntary activities to accommodate stakeholders' welfare beyond the law, and thus they are inherently moral acts (Carroll, 1991). However, the extant literature assumes CSR initiatives need to be guided by the moral values of justice and fairness. For example, Carroll (1991) suggests CSR ethical norms need to reflect what stakeholders consider as fair and just. Based on the modern theory of property and distributive justice, Donaldson and Preston (1995) argue stakeholder management is fundamentally normative by treating each group of stakeholders fairly and equally.

But the preoccupation of justice and fairness may provide a narrow view of moral values. In moral psychology, the moral foundation theory differentiates individualizing moral foundations from binding moral foundations, with different foundations reflecting different moral values (Graham et al., 2013). The individualizing foundations concern an individual's welfare and wellbeing. These include prohibitions against harm (harm/care) and predispositions towards reciprocal altruism (fairness/reciprocity) (Graham et al., 2011). Graham et al. (2011) argue the key functions of these two moral foundations are protecting individuals from being harmed, oppressed, or treated unfairly by others. In contrast, the binding foundations concern group welfare. These include commitment to social groups (in-

group/loyalty), respect for those higher in the hierarchy (authority/respect) and spiritual or physical contagions that must be avoided (purity/sanctity) (Graham et al., 2011). The key functions of these three foundations focus on “limiting individual autonomy and self-expression to bind people into emergent social entities such as families, clans, and nations” (Graham & Haidt, 2010, p. 144).

Based on the moral foundation theory, we argue in the luxury hospitality sector, CSR guided by binding foundations leads to more favorable attitudes than CSR guided by individualizing foundations. This is because the self-enhancement nature of luxury consumption is to signal superiority and exclusiveness via wastefulness and extravagance (Goenka & Thomas, 2019; Kim, 2015). This violates social norms of modesty and fairness. Thus, when CSR activities are guided by individualizing foundations, they conflict with the self-enhancement nature of luxury consumption, creating value incongruence (Torelli et al., 2012). In contrast, when CSR activities are guided by binding foundations focusing on group loyalty and deference to authority (Graham et al., 2013), they are not necessarily in conflict with the self-enhancement nature of luxury consumption. Instead, they are congruent with the key function of luxury consumption to signal social identity, group value and group membership. As a result, it can lead to more favorable attitudes (Goenka & Thomas, 2019). Taken together, we predict, in the context of the luxury hospitality sector, CSR activities guided by binding foundations lead to more favorable attitudes than CSR activities guided by individualizing foundations. Put formally:

H1 (direct effect): CSR activities guided by binding foundations lead to more favorable attitudes than CSR activities guided by individualizing foundations.

The mediating role of perceived intrinsic CSR motives

Previous studies have repeatedly demonstrated consumers' reactions to a firm's CSR engagement depends on their inferences about its CSR motive (e.g., Amatulli et al., 2021; Sipila et al., 2021; Yoon, Giirhan-Canli, & Schwarz, 2006). This is because with a plethora of CSR claims, consumers' inference about why a company engages CSR is a pivotal driver of their responses (see Sen, Du, & Bhattacharya, 2016 for a review). In general, these studies differentiate extrinsic motives from intrinsic motives. Extrinsic motives reflect perceptions that a firm's CSR engagement is motivated by self-interests such as impression management (Yoon et al., 2006). In contrast, intrinsic motives reflect perceptions that a firm's CSR engagement is motivated by benevolence and a genuine intention to enhance social welfare (Du, Bhattacharya, & Sen, 2007). These studies further suggest an inference of intrinsic motives (vs. extrinsic motives) can increase purchase intentions (Amatulli et al., 2021; Du et al., 2007), customer loyalty (Sipila et al., 2021) and product evaluations (Chernev & Blair, 2015). It also facilitates service recovery (Bolton & Mattila, 2015) and reduces perceptions of corporate hypocrisy (Chen, Hang, Pavelin, & Porter, 2020).

However, in the luxury sector, whether engaging CSR leads to perceptions of intrinsic motives remains unclear (cf. Amatulli et al., 2021; Sipila et al., 2021). Sipila et al. (2020) found consumers attributed extrinsic motives to CSR engagement in the luxury sector. In contrast, Amatulli et al. (2021) reported that engaging CSR led to perceptions of intrinsic motives (they call it 'perceived integrity'). We argue whether consumers infer intrinsic motives depends on the moral foundations guiding CSR engagement. In particular, we argue in the luxury hospitality sector consumers are less likely to infer intrinsic motives for CSR activities guided by individualizing (vs. binding) foundations. This is because the associative

network theory (Fiske & Taylor, 1991) suggests information that is inconsistent with consumer-held expectations and knowledge tends to trigger suspicion. As discussed above, individualizing foundations focusing on fairness and equality are in direct conflict with the self-enhancement nature of luxury consumption (Athwal et al., 2019; Goenka & Thomas, 2019). As a result, CSR initiatives guided by individualizing (vs. binding) foundations are less likely to be consistent with consumers' expectations towards luxury hospitality (Fiske & Taylor, 1991). This, in turn, makes consumers less likely to infer intrinsic motives towards CSR activities guided by individualizing (vs. binding) foundations.

Since consumers respond positively towards CSR activities with intrinsic (vs. extrinsic) motives (Amatulli et al., 2021), and thus they show less favorable attitudes towards CSR activities guided by individualizing (vs. binding) foundations because they are less likely to infer intrinsic motives towards the former. In other words, we predict perceptions of intrinsic motives mediate the impact of CSR moral foundations on consumer attitude. Supporting this, Kim and Choi (2018) demonstrate consumers' perceptions of intrinsic motives mediate the effect of CSR engagement on their attitudes towards different brands (Kim & Choi, 2018).

Thus, we propose the following hypothesis:

H2 (mediation): Perceptions of intrinsic motives mediate the impact of CSR moral foundations on consumer attitudes.

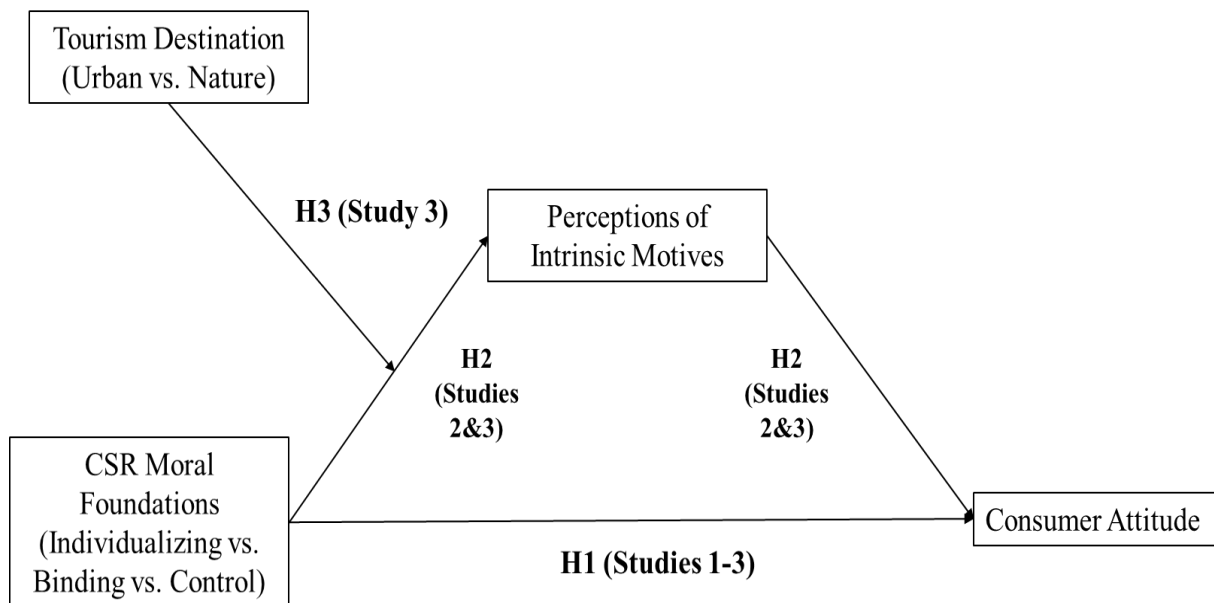
The moderating role of destination

Tourism destinations can be categorized as an urban destination or a nature-based destination (Edwards, Griffin, & Hayllar, 2008; Line & Hanks, 2016). An urban destination can be defined as a destination that is in a well-developed area with more man-made attributes such as well-developed shopping facilities (Edwards et al., 2008). In contrast, a nature-based destination refers to a destination that is in a relatively underdeveloped nature area with more nature-based attributes such as attractive scenery and access to wildlife (Line & Hanks, 2016). Based on this literature, we argue the mediating role of CSR motive is more evident in a nature-based destination than an urban destination. This is because Line and Hanks (2016) suggest the wastefulness associated with luxury consumption is less compatible with a nature-based (vs. urban) destination, because a nature-based destination tends to have well-preserved ecosystems (Line & Costen, 2017). Supporting this, Line and Hanks (2016) find green hotels are considered more favorably in a nature-based (vs. urban) destination, as tourists tend to link sustainability and conservation with a nature-based destination (Line & Costen, 2017). Since sustainability and conservation imply consuming less (Line & Hanks, 2016), and thus the conflict between self-enhancement values associated with luxury hotels and individualizing foundations become more evident in a nature-based destination. This makes consumers in a nature-based (vs. urban) destination more likely to question the intrinsic motive of CSR activities guided by individualizing foundations, leading to less favorable attitudes. Thus,

H3 (moderated mediation): Tourism destination moderates the mediating role of intrinsic CSR motives (H2) such that the mediation is more evident when the destination is in a nature-based (vs. urban) area.

Figure 1 below summarizes our conceptual framework.

Fig. 1. Conceptual framework



OVERVIEW OF STUDIES

We did three studies to test our framework above. Study 1 provides initial evidence to our framework by testing the impact of CSR moral foundations on consumer attitude (H1).

Building on Study 1, Study 2 tests perceptions of intrinsic motive as the mediator of the impact of CSR moral foundations (H1 and H2). Finally, Study 3 tests the whole framework by exploring the moderating role of tourism destination (H1 to H3).

STUDY 1

The main purpose of Study 1 is to provide initial evidence to our framework by demonstrating the direct effect of CSR moral foundations on consumer attitudes. During the current COVID-19 pandemic, the luxury hospitality sector has made voluntary contributions (e.g. providing free accommodations) to help local communities withstand and recover from the crisis (Jan & Johnson, 2020). Thus, our experimental materials focus on community support during COVID-19 to increase ecological validity, with different experimental conditions differing on the moral foundations underlying community support.

Sample

We recruited 450 American participants who had visited luxury hotels before via one of the biggest online panels -- Amazon Mechanical Turk (MTurk). We use MTurk because it has been widely used by experimental studies in marketing and tourism research (Viglia & Dolnicar, 2020). We limited our MTurk participants to those living in the USA, because the USA is the biggest luxury travel market with a value of nearly 263 billion U.S. dollars (Statista, 2020). However, 19 participants failed our attention-check questions (hotel name and location), leaving an effective sample size of 431 (171 females, 260 males).

Design and procedures

The experiment was a one-factor (CSR moral foundations: binding vs. individualizing vs. control) between-subject design. Consumer attitude towards the focal luxury hotel was collected as the dependent variable. We first asked participants whether they had visited

luxury hotels before. Only those participants who did could proceed to take part in the experiment. All participants were provided with a description and pictures of the luxury hotel described below. We then gathered their perceptions on the luxuriousness of the hotel as a manipulation check. After that, we randomly assigned participants to one of the experimental conditions. Participants in the binding and individualizing conditions received a description of the focal hotel's CSR consistent with their conditions (described below). Participants in the control group did not receive any CSR information. This was followed by manipulation check questions, questions on their attitudes towards the luxury hotel. Then all participants were thanked and debriefed.

Manipulation

In a recent review, Athwal et al. (2019) point out that although current literature lacks a clear definition of luxury, in general it agrees that luxury “is synonymous with superior quality, uniqueness and going beyond need; it is uncompromisingly extravagant in terms of effort and material” (p. 405). Thus, we created a fictitious luxury hotel in Paris characterized by extravagance and exclusiveness. For example, participants were told the hotel was “designed by famous architect Jean-Paul Viguier located in the richest area in Paris. It's rare and luxurious marbles have been exclusively used by royal families across Europe. Its water bottles are made to look like the king and queen in chess pieces topped with golden crowns associated with royalty”. We did not use a real luxury hotel as our experimental stimulus to control participants' pre-existing knowledge of and attitudes toward existing luxury hotels.

In the two CSR conditions, participants were further told that the focal hotel has donated rooms to homeless people since the outbreak of coronavirus pandemic. But different CSR conditions differ on the moral foundations underlying this action. In the binding condition, the

hotel emphasized providing accommodations to homeless people “*is to show loyalty to the community we serve*”. In the individualizing condition, providing accommodations to homeless people “*is to ensure everyone has a fair chance to cope with COVID-19*”. The rest of experimental materials are identical across conditions.

Measures

Manipulation checks. In order to see whether participants considered the focal hotel as a luxury hotel, we used the brand luxury index (BLI) (Vigneron & Johnson, 2004) to gather their perceptions of the hotel’s conspicuousness ($\alpha = .88$), uniqueness ($\alpha = .89$) and quality ($\alpha = .78$) on a 7-point Likert scale (1 = Not at all, 7 =Very much).

For participants in the binding and individualizing conditions, we asked them to rate whether the hotel’s CSR reflected the following moral foundations: fairness, justice, loyalty and purity on a 9-point Likert scale (1 = Not at all, 9 = Very much). These items were adapted from Napier and Lugini (2013). The first two items reflected individualizing foundations ($\alpha = .85$), whereas the latter two captured binding foundations ($\alpha = .87$).

Dependent variable and controls. Consumer attitude was collected via asking participants to rate the hotel on the following three items: good, favorable and appealing on a 7-point Likert scale (1 = Not at all, 7 =Very much, $\alpha = .94$). These items were adapted from Janssen et al. (2017). We also collected participants’ demographic information such as age, income, job status and education background.

Results

Descriptive statistics and manipulation. Overall, 64.8% sample's annual income was between \$20000 and \$60000, with 95.8% of them employed for wages or self-employed. 86.6% participants had university degrees or above.

A one-sample t-test revealed participants rated the hotel's conspicuousness ($M = 6$, $SD = 1.12$; $t(430) = 36.98$, $p < .001$), uniqueness ($M = 5.77$, $SD = 1.22$; $t(430) = 30.18$, $p < .001$) and quality ($M = 5.04$, $SD = 1.16$; $t(430) = 36.37$, $p < .001$) significantly higher than the mid-point of the scale. Thus, participant considered the focal hotel as a luxury hotel.

An independent t-test revealed that the individualizing condition had higher individualizing foundations than the binding condition (Individualizing: $M = 7.49$, $SD = 1.72$; Binding: $M = 6.97$, $SD = 2.04$; $t(292) = 2.31$, $p < .05$). In contrast, the binding condition had higher binding foundations than the individualizing condition (Individualizing: $M = 7.17$, $SD = 2.12$; Binding: $M = 7.76$, $SD = 1.53$; $t(292) = -2.74$, $p < .01$). Taken together, these results suggested our moral foundations manipulation was successful.

CSR moral foundations on consumer attitudes (Hypothesis 1). To test hypothesis 1, we did a univariate ANOVA with CSR moral foundations as the independent variable and consumer attitudes as the dependent variable. A Tukey post-hoc test revealed the binding condition ($M = 6.09$, $SD = 1.42$) led to more favorable attitudes than the individualizing condition ($M = 5.63$, $SD = 1.23$) and control ($M = 5.92$, $SD = 1.15$; $F(2, 430) = 4.71$, $p < .01$, $\eta^2 = 0.02$), supporting H1.

Study 1 discussion

Study 1 provides initial evidence to our framework. It demonstrates that CSR activities guided by binding foundations lead to more favorable attitudes than CSR activities guided by

individualizing foundations. But what remains unclear is the mechanism underlying this effect. Study 2 explores this in detail.

STUDY 2

Study 2 extends Study 1 on two fronts: first, to test the robustness of our framework, Study 2 manipulates CSR moral foundations via CSR domains as in Baskentli et al. (2019). Second, Study 2 measures consumers' perceptions of the focal luxury hotel's CSR motive to provide direct evidence of the underlying mechanism.

Sample

We recruited 480 participants via MTurk for Study 2. However, 30 participants failed our attention checking questions, leaving an effective sample size of 450 (161 females, 289 males, M age = 35.31, SD = 10.29).

Design, procedures and measures

The research design, procedures and measures were identical to Study 1 except the following changes: first, we created another fictitious luxury hotel and manipulated CSR moral foundations via CSR domains (described below). Second, we gathered participants' perceptions of focal hotel's CSR motives. This was done via a four-item scale used in Bolton and Mattila (2015). Sample items in the scale were "The focal hotel participants in CSR

because it genuinely cares about the well-being of others,” and “The focal hotel’s commitment to CSR is genuine. (1 = Strongly disagree, 7 = Strongly agree, $\alpha = .91$).

Manipulation

Based on Athwal et al. (2019), in Study 2 we created another fictitious luxury hotel characterized by extravagant living spaces, marble bathrooms and soaring views. For example, participants were told a typical room in the hotel had 1 king bed and 4 queen bunk beds, with an area of over 4000 square foot. It had private bowling lanes, game tables and a full bar.

We manipulated moral foundations via different CSR domains as in Baskentli et al. (2019). For example, the individualizing condition focused on human rights. In this condition, participants were told the focal hotel “explicitly prohibit the use of forced child labor, and regularly conducts independent hotel inspection to check compliance with our Human Rights Policy and Code of Vendor Conduct”. More importantly, participants were told the hotel dedicated to human rights because it wanted to “*treat everyone fairly and equally*”. The binding condition focused on community support. In this condition, participants were told the focal hotel “support programs at the high school and university levels that aim to increase the number and quality of curriculum offerings in science, technology, engineering and math (STEM), as well as providing funds for teachers to receive further professional development in these fields.” More importantly, participants were told the hotel dedicated to community support because it wanted to “*show loyalty and respect to local community welfare, including the collective wellbeing of children and small farmers*”.

Results

Descriptive statistics and manipulation check. Overall, our sample's average annual income was \$57518.57, with 96% of them employed for wages or self-employed. 66.44% participants had university degrees or above.

A one-sample t-test revealed participants rated the hotel's conspicuousness ($M = 6.19$, $SD = 1.21$; $t(449) = 39.6$, $p < .001$), uniqueness ($M = 5.54$, $SD = 1.43$; $t(449) = 23.49$, $p < .001$) and quality ($M = 5.89$, $SD = 1.26$; $t(449) = 32.76$, $p < .001$) significantly higher than the mid-point of the scale. Thus, participant considered the focal hotel as a luxury hotel.

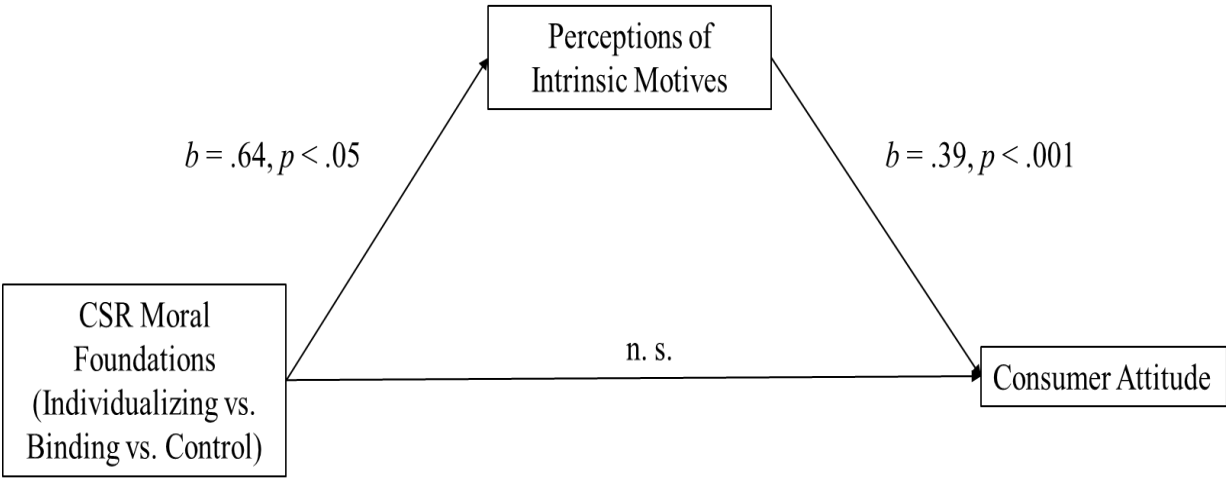
An independent t-test revealed that the individualizing condition had higher individualizing foundations than the binding condition (Individualizing: $M = 6.44$, $SD = 1.91$; Binding: $M = 5.96$, $SD = 1.93$; $t(319) = 2.21$, $p < .05$). In contrast, the binding condition had higher binding foundations than the individualizing condition (Individualizing: $M = 5.42$, $SD = 2.21$; Binding: $M = 6.08$, $SD = 1.87$; $t(319) = -2.92$, $p < .01$). Taken together, these results suggested our moral foundations manipulation was successful.

CSR moral foundations on consumer attitudes (Hypothesis 1). The assumption of homogeneity of variances was violated for consumer attitude. Thus, to test hypothesis 1, we did a univariate ANOVA with Games-Howell post-hoc test with CSR moral foundations as the independent variable and consumer attitude as the dependent variable. The results revealed binding foundations ($M = 5.23$, $SD = 1.51$) led to more favorable attitudes than individualizing foundations ($M = 4.83$, $SD = 1.84$) and control ($M = 4.78$, $SD = 1.77$; $F(2, 449) = 2.68$, $p = .07$, $\eta^2 = 0.01$), supporting H1.

Perceived intrinsic CSR motives mediating moral foundation on consumers' attitudes (Hypothesis 2). To test hypothesis 2, we used PROCESS macro Model 4 (with 5,000 resamples) with CSR moral foundations as the independent variable, intrinsic CSR motives as the mediator and consumer attitude as the dependent variable. We found intrinsic CSR

motives had a significant indirect effect on the impact of CSR moral foundations on consumer attitudes (coefficient = .2526, SE = .1294, 95% CI = .0091, .5143), support H2 (Figure 2).

Fig. 2. The mediation role of perceived intrinsic CSR motives (Study 2)



Study 2 discussion

The same as Study 1, Study 2 demonstrates that CSR activities guided by binding foundations lead to more favorable attitudes than CSR activities guided by individualizing foundations. Study 2 further suggests this effect is mediated by consumers' perceptions of intrinsic CSR motives. However, what remain unclear is whether this mediation differs across different destinations. Study 3 explores this in detail.

STUDY 3

Study 3 extends previous studies by testing the moderation role of tourism destination (nature-based vs. urban). The same as Studies 1 and 2, we predict binding foundations lead to more favorable attitudes than individualizing foundations. We further predict this is mediated by perceptions of intrinsic CSR motives. But tourism destination moderates this mediation, more evident in a nature-based (vs. urban) destination.

Sample

We recruited 960 participants via MTurk for Study 3. However, 60 participants failed our attention checking questions, leaving an effective sample size of 900 (388 females, 512 males, M age = 35.7, SD = 14.79).

Design, procedures and measures

The research design, procedures and measures were identical to Study 2 except the following two changes: first, Study 3 was a 2 (destination: urban vs. nature) * 3 (CSR moral foundations: binding vs. individualizing vs. control) between-subject design where participants were randomly allocated to one of the six conditions. Second, following Line and Hanks (2016), destination was manipulated via both pictures and descriptions. To check whether our destination manipulation was successful, participants were asked to rate the destination on shopping facilities, nightlife possibilities, access to a variety of bars/clubs, natural attractions, green greenery and relaxing atmosphere as a manipulation check. These items were adapted from Line and Hanks (2016), with the first three items reflecting typical

features of urban destinations whereas the latter three items capturing typical features of nature-based destinations.

Manipulation

In Study 3, we manipulated destination in the same way as Line and Hanks (2016). In other words, participants in the urban destination condition were told the focal luxury hotel was in the heart of London, one of the most cosmopolitan cities in the world. In contrast, participants in the nature-based destination condition were told the focal luxury hotel was in the heart of the Scottish Highlands, one of the top nature attractions in the U.K. We used pictures of each destination type to strengthen our manipulation. For example, participants in the urban destination condition were exposed to pictures of London skyscraper, shopping facilities (e.g. Harrods) and a variety of pubs and clubs in the city. In contrast, participants in the nature-based destination condition were exposed to pictures of mountains in Scottish Highlands, natural attractions (e.g. Lake Loch Ness) and vast green scenery.

Results

Descriptive statistics and manipulation. Overall, our sample's average annual income was \$55242.37, with 92.8% of them employed for wages or self-employed. 71.33% participants had university degrees or above.

A one-sample t-test revealed participants rated the hotel's conspicuousness ($M = 6.28$, $SD = 1.05$; $t(899) = 64.87$, $p < .001$), uniqueness ($M = 5.7$, $SD = 1.3$; $t(899) = 39.3$, $p < .001$) and quality ($M = 5.94$, $SD = 1.22$; $t(899) = 47.96$, $p < .001$) significantly higher than the mid-point of the scale. Thus, participant considered the focal hotel as a luxury hotel.

An independent t-test revealed that the individualizing condition had higher individualizing foundations than the binding condition (Individualizing: $M = 6.63$, $SD = 2.22$; Binding: $M = 5.85$, $SD = 2.79$; $t(599) = -4.21$, $p < .001$). In contrast, the binding condition had higher binding foundations than the individualizing condition (Individualizing: $M = 5.99$, $SD = 2.45$; Binding: $M = 6.54$, $SD = 2.27$; $t(339) = 2.87$, $p < .01$). Taken together, these results suggested our moral foundations manipulation was successful.

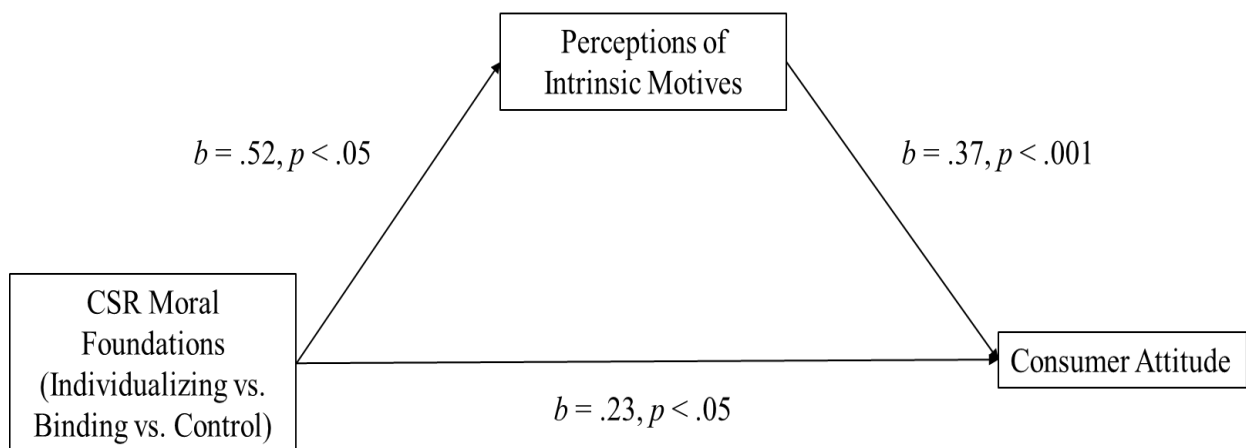
An independent t-test revealed that participants considered our urban destination condition had better shopping facilities (urban: $M = 5.25$, $SD = 1.73$; nature: $M = 4.79$, $SD = 1.91$; $t(898) = 3.83$, $p < .001$), better nightlife possibilities (urban: $M = 5.11$, $SD = 1.8$; nature: $M = 4.71$, $SD = 1.91$; $t(898) = 3.23$, $p < .01$) and better access to a variety of bars/clubs (urban: $M = 5.22$, $SD = 1.71$; nature: $M = 4.85$, $SD = 1.87$; $t(898) = 3.08$, $p < .01$). In contrast, participants considered our nature-based destination condition had better natural attractions (urban: $M = 5.38$, $SD = 1.67$; nature: $M = 5.67$, $SD = 1.59$; $t(898) = -2.65$, $p < .01$) and more greenery (urban: $M = 5.27$, $SD = 1.87$; nature: $M = 5.68$, $SD = 1.67$; $t(898) = -3.49$, $p < .01$). But, unexpectedly, different destinations did not differ on relaxing atmosphere ($p = .40$). Taken together, these results suggested our destination manipulation was successful.

CSR moral foundations on consumer attitudes (Hypothesis 1). To test hypothesis 1, we did a univariate ANOVA with CSR moral foundations as the independent variable and consumer attitude as the dependent variable. A Tukey post-hoc test revealed the binding condition ($M = 5.07$, $SD = 1.74$) led to more favorable attitudes than the individualizing condition ($M = 4.64$, $SD = 1.94$) and control ($M = 4.84$, $SD = 1.91$; $F(2, 897) = 4.04$, $p < .05$; $\eta^2 = 0.01$), supporting H1.

Perceived intrinsic CSR motives mediating CSR moral foundations on consumer attitudes (Hypothesis 2). To test hypothesis 2, we used PROCESS macro Model 4 (with 5,000

resamples) with CSR moral foundations as the independent variable, perceptions of intrinsic CSR motives as the mediator and consumer attitude as the dependent variable. We found perceptions of intrinsic CSR motives had a significant indirect effect on the impact of CSR moral foundations on consumer attitude (coefficient = .1845, $SE = .0954$, 95% $CI = .0046, .3806$), supporting H2 (Figure 3).

Fig. 3. The mediation role of perceived intrinsic motives (Study 3)



Moderated mediation (Hypothesis 3). To test hypothesis 3, we used PROCESS macro Model 7 (with 5,000 resamples) with CSR moral foundations as the independent variable, intrinsic CSR motives as the mediator, consumer attitude as the dependent variable and destination as the moderator. We found binding foundations did not lead to more favorable consumer attitudes through perceptions of intrinsic motives for a hotel located in an urban destination (coefficient = .0072, $SE = .0066$, 95% $CI = -.0033, .0266$). In contrast, we found when the hotel was in a nature-based destination, binding foundations led to more favorable consumer attitudes through perceptions of intrinsic motives (coefficient = .0271, $SE = .0148$, 95% CI

= .0011, .0594). We calculated the index of moderated mediation, it was significant (coefficient = .0198, $SE = .0129$, 95% $CI = .0007, .0499$), providing support to H3.

Study 3 discussion

Consistent with Studies 1 and 2, Study 3 suggests that CSR activities guided by binding foundations lead to more favorable attitudes than CSR activities guided by individualizing foundations. This is mediated by perceptions of intrinsic CSR motives. More importantly, Study 3 demonstrates this mediation depends on destination, more evident in a nature-based destination than an urban destination.

CONCLUSIONS

This research contributes to the on-going debate on whether consumers respond positively towards CSR engagement in the luxury hospitality sector by exploring the role of CSR moral foundations. Our three studies jointly demonstrate that CSR activities guided by binding foundations lead to more favorable attitudes than CSR activities guided by individualizing foundations and control (without CSR). This effect is mediated by perceived intrinsic CSR motives. Study 3 further suggests the mediation of intrinsic CSR motives is more evident when the destination is in a nature-based (vs. urban) area.

Theoretical Implications

These results can extend extant literature on several fronts: first, consumers have increasingly wanted their luxury consumption to be ethical and sustainable (Pantano & Stylos, 2020). To respond to this growing demand, the luxury sector has actively engaged in CSR. But previous

studies provide inconclusive and even contradictory results on whether consumers respond positively towards CSR initiatives in the luxury sector (and the luxury hospitality sector in particular) (e.g., Amatulli et al., 2020; 2021; Sipila et al., 2021). The predominate view in this literature is that engaging CSR brings various negative outcomes such as less favorable attitudes (e.g., Janssen et al., 2017) and reduced customer loyalty (e.g., Sipila et al., 2021). These results support Torelli et al. (2012)' argument that the self-enhancement values associated with luxury consumption are in conflict with the self-transcendent nature of CSR, leading to value incongruence. But a key limitation of this literature is that it assumes the self-transcendent nature of CSR is only guided by individualizing moral foundations such as equality and justice (Carroll, 1991; Donaldson & Preston, 1995). Guided by the moral foundation theory (Graham et al., 2013), we argue CSR activities can also be guided by binding moral foundations such as loyalty and respect (see also Baskentli et al., 2019; Goenka & Thomas, 2019). This is very important because our three experiments have repeatedly demonstrated consumers have favorable attitudes when CSR activities are guided by binding moral foundations. Thus, our research offers a novel approach to mitigate the value incongruence between the concepts of luxury and CSR. Our research also provides further support to the limited studies suggesting CSR can bring benefits to the luxury sector (Amatulli et al., 2020; 2021). This can further encourage managers in the luxury sector to engage CSR to meet consumers' demands.

Second, in the luxury sector, whether engaging CSR leads to perceptions of intrinsic motives remains unclear (cf. Amatulli et al., 2021; Sipila et al., 2021). While Sipila et al. (2021) found consumers attributed extrinsic motives to CSR engagement in the luxury sector, Amatulli et al. (2021) reported the opposite. Our research argues consumers are more likely to infer intrinsic motives for CSR activities guided by binding (vs. individualizing) foundations. Thus, the existing inconclusive results are perhaps because they focus on different CSR moral

foundations. Therefore, our research offers a novel way to reconcile contradictory results in extant literature. Our results also suggest perceptions of intrinsic motives mediate the impact of CSR moral foundations on consumer attitudes. Thus, our research not only documents the impact of CSR moral foundations but also reveals its underlying mechanisms. Third, by focusing on tourism destinations, our results suggest the mediation of intrinsic CSR motives is only evident in a nature-based destination but not in an urban destination. Thus, our research extends extant literature on CSR motives by demonstrating when it matters in consumer judgments and when it does not.

Our research also extends existing CSR literature on two fronts: first, although CSR is a multi-layer and multi-dimensional concept (Rhou & Singal, 2020), the extant literature in general assumes CSR initiatives can only be guided by the moral values of justice and fairness (Carroll, 1991, Donaldson & Preston, 1995). By focusing on the binding moral foundations, our research argues the preoccupation of justice and fairness may provide a narrow view of moral values. Future research needs to go beyond individualizing moral foundations to examine the impact of CSR activities guided by the moral value of loyalty, respect and purity. Second, recently scholars have begun to underpin the impact of different types of CSR but with inconclusive results (cf. Amatulli et al., 2018; Sipila et al., 2021). Our research suggests the impact of the same type of CSR (e.g. community support) may vary depending on its moral foundations. Thus, scholars need to take relevant moral foundations into consideration when exploring the impact of different types of CSR.

Practical Implications

In terms of practical implications, the luxury hospitality sector has demonstrated a strong commitment to CSR initiatives during the past few decades. Our research suggests this sector needs to focus on binding foundations such as loyalty and respect to benefit from CSR

engagement. For example, when focusing on environmental protection, managers can emphasize such commitment is to show respect to nature and preserve the purity of our environment (Six Senses, 2021). When focusing on enhancing employees' wellbeing, managers can emphasize this is to show respect to each other's contribution and importance (Four Seasons, 2021). During the current COVID-19 pandemic, luxury hotels are providing rooms to medical professionals and homeless people free of charge to show solidarity with local communities (Jan & Johnson, 2020). In order to benefit from CSR, our research suggests managers can emphasize such action is to show loyalty to the community they serve.

Limitations and Future Research

Although our research has important theoretical and practical implications, it has the following limitations: first, our research only focuses on the luxury sector. However, non-luxury consumption is not necessarily associated with self-enhancement values. Thus, the value incongruence proposed by Torelli et al. (2012) does not apply to non-luxury consumption. Therefore, whether our results can be generalized to a non-luxury context awaits future research.

Second, we acknowledge that more men than women took part in our studies. However, Pérez and Rodríguez del Bosque (2013) found gender did not have any impact on consumers' perceptions of CSR. But we still encourage future research to explore how gender and other demographic features (e.g. age) may influence consumers' reactions to CSR and corporate social irresponsibility in the luxury sector.

Third, Carroll (1991) argues CSR is a multi-domain concept ranging from consumer safety to employee wellbeing. Since customer service in the hospitality sector is delivered by employees, and thus CSR initiatives can direct at employees to enhance their wellbeing. Our research mainly focuses on consumers' reactions to CSR, and thus it provides few insights on

this issue. But a key finding in extant CSR and employee literature is that CSR initiatives make employees feel their job is significant (Kim et al., 2018) and increase their self-esteem (Luu, 2021). But whether these results can be generalized to the luxury hospitality sector awaits future research.

Fourth, our research mainly focuses on consumer attitudes. Thus, whether our results can be generalized to behavioral outcomes awaits future research. Fifth, although our three studies provide convergent evidence to our framework, they only test our framework in a more controlled setting. Thus, using field experiments, researchers can test the robustness of our framework in a more natural setting. Finally, Torelli et al. (2012) suggest CSR activities with individualizing foundations lead to negative outcomes. However, the results of our studies suggest they are no significant difference to control. Future research is needed to provide some insights on this discrepancy.

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Appendix: A Literature Review on CSR in the Luxury Sector

Source	Empirical Setting	Research Method	Key Findings
Achabou and Dekhili (2013)	Fashion	Experiment	Sustainability is not a key factor for consumers to decide whether to purchase luxury brands. Using recycled materials leads to negative attitudes and reduces luxury brand value.
Ahn and Pearce (2013)	Hospitality	Case study	Through two case studies of hotels, it demonstrates green design and luxurious design can co-exist.
Aliyev, Wagner and Seuring (2019)	Automobiles	Survey	Quality, hedonism and extended self have positive effects on intention to buy a luxury (vs. green) car. Conspicuousness and uniqueness have no impact on luxury and green cars' purchase intentions.
Amatulli, De Angelis, Donato (2019)	Fashion	Experiment	A hedonic (vs. Unitarian) message is more effective to increase brand luxuriousness perception. This is more evident when consumers have low-level of conspicuous consumption orientation and for products carrying lowly prominent logos.
Amatulli, De Angelis, Korschun and Romani (2018)	Fashion and retailing	Experiment	External CSR is more effective than internal CSR to influence consumers' willing to purchase via their perceptions of brand luxuriousness. This is moderated by consumers' status and conspicuous consumption.
Amatulli, De Angelis, Pino and Guido (2020)	Fashion	Experiment	Consumers experience a higher sense of guilt and stronger intentions to spread negative word-of-mouth when they purchase unsustainable luxury (vs. mass-market) products.
Amatulli, De Angelis, and Stoppani (2021)	Hospitality	Experiment	Marketing communications focusing on sustainability increase consumers' willingness to book a room. This is mediated by consumers' perceptions about the hotel's integrity.
Arrigo (2018)	Fashion	Interview	Luxury flagship stores can demonstrate economic, social and environmental sustainability values, providing customers with an exclusive brand experience and social sustainability commitment.

Source	Empirical Setting	Research Method	Key Findings
Barber and Deale (2014)	Hospitality	Survey	Highly mindful consumers are more supportive for hotels' environmental and social initiatives.
Chang, Jang, Lee and Nam (2019)	Fashion	Experiment	The incompatibility between CSR and luxury brands is more evident among low power consumers due to processing disfluency.
De Angelis, Adiguzel and Amatulli (2017)	Fashion	Experiment	A design similar to luxury brands' existing non-green products can better promote new green products . This is moderated by luxury brand knowledge and product ephemerality.
Dekhili, Achabou and Alharbi (2019)	Fashion	Experiment	CSR information negatively influences the quality of luxury products. But this effect is moderated by scarcity and CSR image, with both of them weakening this effect. These results are more evident among consumers in a developing country.
Diallo et al. (2020)	Fashion	Survey	CSR actions negatively influence consumers' willingness to pay a premium price (WTPP) for luxury brands. Functional and symbolic values mediate CSR actions on WTPP. Functional value exerts a stronger effect on WTPP in Tunisia than France.
Han, Seo and Ko (2017)	Fashion	Focus group and interview	Consumers' limited knowledge and awareness of sustainable luxury fashion products contribute to their negative attitudes towards them.
Janssen, Vanhamme and Leblanc (2017)	Fashion	Experiment	Brand conspicuousness decreases consumers' CSR belief, which, in turn, reduces their brand attitudes. Consumers' self-identities moderate brand conspicuousness on perceived self-congruity with responsible luxury brands.
Janssen, Vanhamme, Lindgreen and Lefebvre (2014)	Fashion	Experiment	Ephemerality moderates the effect of scarcity on the perceived fit between luxury brands and CSR. This is more evident when scarce products are enduring. In addition, perceived fit mediates the joint effect of scarcity and ephemerality on consumers' attitudes.

Source	Empirical Setting	Research Method	Key Findings
Kapferer and Michaut (2015)	General	Survey	Only minority of consumers consider sustainability is important for purchase luxury brands. But overall they do expect luxury brands to demonstrate sustainability. The conflict is less evident when luxury brands are of exceptional quality, but more evident when luxury brands are rare or expensive.
Moraes et al. (2017)	Fashion	Interview	Meanings, understandings and intelligibility of social phenomena jointly shape consumers' consumption of ethical luxury jewellery.
Panigyrakis, Panopoulos and Koronaki (2019)	Fashion	Survey	Corporate identity positively influences consumers' perceptions of CSR practices. This is mediated by brand attitudes.
Parguel, Delecolle and Chaabane (2020)	Fashion	Experiment	Ephemerality negatively mediates and scarcity positively mediates fashionization on luxury brands' CSR images.
Park, Torelli, Monga and John (2019)	Fashion	Experiment	The incompatibility between CSR and luxury brands can be mitigated via value instantiation. This is particularly evident among those core luxury consumers who are self-enhancement driven.
Peng and Chen (2019)	Hospitality	Survey	Luxury hotels' environmentally friendly initiatives increase consumer hesitation due to perceived functional and hedonic risks.
Pinto, Herter, Gonvalves and Sayin (2019)	General	Experiment	Luxury brands tend to be associated with sophistication. In contrast, CSR brands tend to be associated with sincere brand personality. Thus, luxury brands are perceived as less ethical than CSR brands. This is moderated by consumers' identity goals (personal vs. social) and CSR activities focus (consumers vs. society).
Sipila et al. (2021)	General	Experiment	CSR engagement has a negative impact on financial performance, customer loyalty, and perceived CSR motives. But luxury companies can mitigate these negative outcomes by engaging in employee-focused CSR and framing brands as sustainable.
Torelli, Monga and Kaikati (2012)	General	Experiment	CSR information decreases brand evaluations for self-enhancement brands via disfluency. But this effect disappears when the information value of disfluency is undermined.
Wong & Dhanesh 2017	General	Content analysis	Two main discursive strategies—coexistence and convergence are combined to mitigate the tension between CSR and luxury.