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DRIVERS OF DESTINATION STEWARDSHIP: THE ROLE OF CORPORATE POLITICAL RESPONSIBILITY, VALUE CO-CREATION, AND PERCEIVED BRAND INTEGRITY

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Abstract

Multinational hospitality enterprises operating in dense urban centers routinely deploy extractive commercial models that maximize corporate capital while forcing host communities to absorb localized socio-economic costs. Grounded in a synthesis of Signaling Theory, the Moral Licensing Effect, and Interactional Value Co-Destruction, this study investigates how macro-level and micro-level corporate interventions dictate consumer behavioral loyalty. Specifically, the research model evaluates Perceived Brand Integrity as a volatile mediator operating between two distinct corporate strategies Perceived Corporate Political Responsibility (CPR) and the Co-Creation of Local Value (CCLV) and their ultimate market outcome, Destination Stewardship Intentions (DSI). Utilizing a purposive sampling strategy, field researchers collected 230 valid survey responses from premium urban tourists in Pakistan.The empirical results from conditional process analysis (Hayes PROCESS, Model 4) confirm that both CPR (b = 0.682, p < .001) and CCLV (b = 0.758, p < .001) successfully manufacture Perceived Brand Integrity. However, the structural evaluation exposes a critical behavioral paradox. In the political advocacy pathway, engineered brand trust triggers a significant negative indirect effect on stewardship (95% CI [-0.243, -0.022]), proving that flawless corporate ethical signaling activates a Moral Licensing Effect that causes tourists to outsource their socio-environmental obligations back to the firm. Conversely, in the operational integration pathway, the mediator acts as a mandatory rescue mechanism; while mandated co-creation initially alienates the consumer (b = -0.665, p < .001), routing the encounter through a trusted brand structure reverses this friction to generate a powerful positive indirect effect (95% CI [0.665, 0.792]). This research provides a precise empirical blueprint to execute regenerative tourism without absolving consumers of their operational mandate to protect urban ecosystems.

INTRODUCTION

The Extractive Ecosystem in Urban Tourism

The global tourism industry frequently celebrates premium hospitality as a primary engine for urban economic growth. However, multinational hotel chains operating in dense urban centers like Pakistan routinely deploy extractive commercial models. These enterprises extract immense financial wealth from the local cultural landscape. Simultaneously, they force the surrounding urban infrastructure to absorb their heavy operational costs. This aggressive commercial expansion directly accelerates the gentrification of vulnerable heritage enclaves. It also systematically marginalizes the lowest income quintiles residing near these tourist hubs (Hu et al., 2026).

Traditional corporate sustainability frameworks remain fundamentally inadequate to solve this crisis (Abdullah et al., 2026). These frameworks merely instruct businesses to minimize their internal carbon footprints or reduce immediate resource consumption. This passive mitigation logic completely fails to heal the acute socio-economic degradation occurring just outside the hotel walls (Bellato et al., 2023). To secure a legitimate long-term operational license, enterprise management must abandon passive sustainability strategies (Sarwar et al., 2025). Managers must aggressively deploy regenerative market practices that physically restore the host destination (Bellato et al., 2023).

The Empirical Problem Statement

Progressive hospitality enterprises possess the institutional power and financial capital to initiate genuine urban healing (Lyon et al., 2018). Through active corporate political action, these businesses publicly lobby for community rights, advocate for equitable labor policies, and defend historical spaces from predatory development (Lyon et al., 2018). Regenerative firms simultaneously restructure their core service delivery to integrate premium guests directly into local ecosystems (Buonincontri et al., 2017). These programs require the tourist to co-create local value by funding social enterprises or supporting indigenous artisans. These aggressive actions operationalize Stakeholder Theory, compelling the firm to elevate local urban residents to the status of primary shareholders (Freeman, 1984).

However, a severe empirical problem devalues these corporate interventions within dense, rapidly developing Asian metropolises. In Pakistan, the rapid expansion of the premium hospitality sector directly correlates with severe socio-economic disparities. Microeconomic data derived from the Pakistan Bureau of Statistics (PBS) Household Integrated Economic Survey (HIES) exposes severe systemic stratification across domestic expenditure classes, confirming that deep socioeconomic disparities persist between the wealthiest quintile and the lower, asset-poor expenditure strata. This structural inequality manifests acutely within congested, premium commercial and hospitality zones adjacent to high-density residential hubs, such as Clifton and Saddar Town in Karachi, the Blue Area in Islamabad, and University Road in Peshawar. In these municipal hubs, state-supported commercial re-zoning and rapid infrastructural modifications heavily prioritize tourist-facing commodification and corporate real estate expansion, triggering deep friction with the informal economy and initiating conservation-led marginalization systematically displaces localized traders and micro-enterprises dependent on these spaces for basic survival.

A critical empirical disconnects plagues contemporary academic literature regarding this crisis. Current research lacks robust quantitative evidence to prove whether urban tourists recognize, and reward firm-level interventions designed to rectify these localized disparities. Scholars heavily debate whether consumers perceive these interventions as genuine institutional reform or dismiss them as sophisticated greenwashing (Bhaduri & Copeland, 2011). Furthermore, unexpected psychological barriers complicate this market dynamic. Recent behavioral economics studies indicate that corporate ethical signaling often triggers a severe Moral Licensing Effect (Picard & Banerjee, 2023). When a firm successfully proves its ethical purity, consumers frequently outsource their personal socio-environmental obligations back to the corporation (Merritt et al., 2010).

There is a lack of precise conditional process data to explain how these corporate initiatives compel consumers to execute long-term protective behaviors. Without clear mathematical measurements of these specific mediating mechanisms, enterprises lack the commercial justification to abandon their highly profitable, extractive operational practices.

Research Objectives

This research rigorously validates how corporate political action and socio-economic integration dictate long-term market loyalty within the Pakistan premium hospitality sector. This study specifically pursues three precise objectives to dismantle the current empirical gap:

- **Objective 1:** Evaluate how firm-driven Corporate Political Responsibility and the mandated Co-Creation of Local Value directly engineer consumer Perceived Brand Integrity.
- **Objective 2:** Measure the direct impact of this engineered brand evaluation on the consumer's ultimate Destination Stewardship Intentions.
- **Objective 3:** Test Perceived Brand Integrity as the precise mediating mechanism bridging enterprise-level urban interventions with quantifiable behavioral loyalty.

Significance of the Study and Path Development

This research fundamentally challenges contemporary assumptions surrounding Signaling Theory within dense urban tourism markets (Connelly et al., 2011). This study comprehensively maps the complex psychological reality of the premium tourist by executing a rigorous quantitative conditional process analysis. The investigation explicitly tests the behavioral consequences of high-cost corporate signaling (Connelly et al., 2011). It determines whether successfully transmitting ethical authenticity extracts protective behaviors from the consumer. Crucially, it evaluates whether this engineered trust inadvertently triggers a competitive mediation pathway that suppresses personal responsibility (Merritt et al., 2010). The mathematical findings equip enterprise management with a strict empirical blueprint. Managers can utilize this blueprint to engineer genuine brand trust and physically regenerate the host destination without absolving the tourists of their operational mandate to protect the city.

Literature Review

Corporate Political Responsibility (CPR)

Modern management literature increasingly identifies that progressive hospitality enterprises must look beyond internal operational adjustments to address systemic societal issues (Lyon et al., 2018). When an enterprise operates within a volatile urban center like Karachi, Islamabad, or Peshawar, traditional corporate social responsibility (CSR) boundaries prove insufficient. Instead, firms deploy Corporate Political Responsibility (CPR) (Lyon et al., 2018). This construct represents a deliberate strategic shift where management abandons corporate political neutrality (Lyon et al., 2018). The firm actively uses its economic weight to lobby local governance structures for equitable labor policies, transparent zoning laws, and the protection of vulnerable heritage enclaves from predatory, short-term gentrification.

In academic literature, three macro-level antecedents systematically compel a firm to adopt this aggressive socio-political posture:

- **Institutional Voids:** In emerging market economies, rapid urbanization outpaces state regulatory capacity. This creates severe regulatory gaps regarding labor exploitation and cultural displacement. When the state fails to preserve municipal heritage, the hospitality enterprise experiences immediate operational vulnerabilities. Scholars note that firms must assume a quasi-governmental or civil role, stepping into these institutional voids to stabilize and protect their physical operating environment (Mair & Marti, 2009).
- **Escalating Stakeholder Pressure:** Global consumer segments, institutional ESG investors, and local non-governmental organizations (NGOs) no longer accept passive compliance. Heightened digital transparency ensures that local community exploitation is instantly broadcast globally. This external scrutiny acts as a powerful

antecedent, forcing corporate boards to declare explicit, visible stances on socio-economic justice to mitigate existential reputational risks (Scherer & Palazzo, 2011).

- **Strategic Market Differentiation:** Within the saturated premium luxury market, standard physical amenities suffer from commoditization. Corporate executives strategically deploy high-cost, high-visibility political advocacy as an un-copyable market signal (Connelly et al., 2011). This signaling directly targets highly conscious, affluent consumer segments who demand that their premium spending aligns with verified systemic advocacy (Connelly et al., 2011).

Co-Creation of Local Value (CCLV)

While Corporate Political Responsibility operates primarily at the institutional and macro-governance level, the Co-Creation of Local Value (CCLV) manifests at the micro-operational level of the service encounter (Buonincontri et al., 2017). CCLV mandates that the hospitality enterprise rejects the traditional "enclave tourism" model where luxury resorts wall themselves off from the surrounding host community. Instead, service architects structurally integrate the tourist's journey directly into the local socio-economic fabric (Buonincontri et al., 2017). This operational design requires premium guests to actively participate in service initiatives that fund local social enterprises, distribute capital to highly marginalized urban population quintiles, or directly support indigenous artisans.

The strategic antecedents triggering the operational deployment of CCLV include:

- **The Evolution of Service-Dominant (S-D) Logic:** Traditional goods-dominant logic views the consumer as a passive destroyer of value. Contemporary service marketing theory, however, establishes the consumer as an active operant resource (Vargo & Lusch, 2004). This evolution forces hospitality firms to co-create experiences with the guest, transforming the vacation from a passive consumption act into a collaborative, value-generating partnership with the local community (Vargo & Lusch, 2004).
- **Corporate Resource Dependency:** Hospitality firms possess a severe, asymmetric dependence on the local socio-cultural landscape to attract premium clientele. If the local culture is erased or impoverished by extractive tourism, the firm's core product degrades. Recognizing this resource dependency acts as a strategic antecedent, compelling firms to establish cyclical co-creation frameworks that actively replenish and sustain the specific cultural capital they rely on (Hillman & Dalziel, 2003).
- **Experiential Authenticity Demands:** Modern premium tourists display a deep psychological aversion to staged, corporate-manufactured tourism spaces. The market aggressively demands unmanufactured, emotionally resonant cultural immersion (Ram et al., 2016). This consumer shift acts as a direct operational antecedent, pushing hotel management to mandate physical, authentic interactions between the guest and the host ecosystem as a core part of the service delivery (Ram et al., 2016).

Destination Stewardship Intentions (DSI)

Within contemporary sustainable tourism literature, Destination Stewardship Intentions (DSI) represents the highest tier of consumer behavioral loyalty and moral commitment (Su et al., 2017; Kadir et al., 2026). Rather than viewing the destination as a transient commodity or a passive backdrop for leisure, a tourist possessing high DSI actively transforms into an advocate for the host city (Su et al., 2017). The consumer explicitly commits to protecting the local socio-cultural fabric, actively defending urban heritage sites, and deliberately rejecting extractive commercial tourism operations.

In environmental psychology and consumer behavior frameworks, three core psychological antecedents directly dictate and activate these protective behavioral intentions within the consumer's mindset:

- **Place Attachment:** This antecedent functions as a multi-dimensional construct encompassing place identity and place dependence (Ram et al., 2016). When an urban tourist develops a profound emotional and cognitive connection to the unique physical and

cultural geography of Pakistan, their protective instincts switch on (Ram et al., 2016). High place attachment shifts the consumer's perspective from detached consumption to active guardianship (Ram et al., 2016).

- **Perceived Destination Vulnerability:** Individual stewardship intentions rarely manifest if the consumer perceives the destination as an invincible, self-sustaining ecosystem. The tourist must actively recognize the acute socio-economic and cultural fragility of the urban ecosystem specifically the threats of cultural erasure, rapid gentrification, and the economic marginalization of the local low-income population. This cognitive recognition of vulnerability acts as a mandatory psychological trigger, transforming abstract empathy into concrete protective intentions.
- **Personal Moral Norms:** Grounded firmly in the Value-Belief-Norm (VBN) theory, personal moral norms represent deeply ingrained, internalized ethical standards that dictate an individual's self-expectations (Stern et al., 1999). When a tourist's personal ethical framework dictates that traveling must not harm host communities, they experience an internal moral obligation that compels them to view stewardship as an absolute moral imperative (Stern et al., 1999).

Perceived Brand Integrity (PBI)

Perceived Brand Integrity (PBI) functions as the central cognitive processing unit within this structural model (Moorman et al., 1992). It evaluates the corporate signals transmitted by the hotel and translates them into consumer actions (Connelly et al., 2011). PBI does not merely represent superficial brand liking; instead, it measures the consumer's calculated belief in the absolute operational honesty, moral consistency, and structural authenticity of the enterprise (Moorman et al., 1992). The enterprise cannot simply claim integrity through marketing campaigns (Krishna et al., 2026); the consumer constructs this evaluation over time through verifiable, observable market antecedents:

- **Corporate Transparency:** In an era plagued by corporate greenwashing, abstract ethical claims generate consumer skepticism. True brand integrity requires aggressive transparency, operationalized through open financial reporting, public tracing of supply chains, and the uncensored publication of localized social impact metrics (Bhaduri & Copeland, 2011). When a hotel openly demonstrates exactly how it spends premium guest capital to heal the surrounding marginalized community, the consumer establishes a solid cognitive baseline for trust (Bhaduri & Copeland, 2011).
- **Historical Consistency (Longitudinal Alignment):** Consumers continuously track the alignment between a firm's public rhetoric and its physical operations over time. If a hospitality brand champions urban heritage conservation in its corporate literature but simultaneously exploits local labor or supports predatory real estate zoning in its day-to-day operations, the market detects the structural misalignment. True brand integrity requires an uncompromised history of behavioral integrity (Simons, 2002).
- **Objective Third-Party Verification:** Because corporate self-praise carries zero signaling value in highly conscious markets, brand integrity relies heavily on independent validation (Connelly et al., 2011). Explicit, rigorous verification from global ESG indexers, academic panels, and recognized non-governmental organizations strips away consumer skepticism (King et al., 2005). Independent verification acts as an objective seal of authenticity (King et al., 2005).

Hypothesis Development

Manufacturing Brand Trust through Strategic Signaling

Enterprises do not inherit market trust; they must systematically engineer it through costly, visible organizational commitments (Connelly et al., 2011). When premium hospitality brands operating in highly gentrified urban markets deliberately abandon standard, low-cost marketing rhetoric in favor of explicit Corporate Political Responsibility, they transform the consumer's cognitive evaluation of the firm (Lyon et al., 2018). Taking a public, high-risk political stance such as aggressively lobbying municipal authorities to halt predatory real estate developments or financing activist collectives defending marginalized

communities constitutes a high-cost signal that carries immense structural risk (Connelly et al., 2011). According to Signaling Theory, consumers decode these high-risk, politically exposed actions as a definitive indicator of organizational authenticity (Connelly et al., 2011). The tourist concludes that the firm possesses a deep-seated ethical mandate, directly elevating their evaluation of the brand's operational honesty.

Similarly, the structural execution of the Co-Creation of Local Value acts as a powerful micro-operational signal of brand legitimacy (Buonincontri et al., 2017). When a luxury hotel deliberately restructures its service blueprint to mandate that international tourists engage with local grassroots funding mechanisms or collaborate directly with indigenous artisans, the firm moves beyond passive philanthropy (Buonincontri et al., 2017). This operational shift forces a tangible, interactive relationship where the consumer directly witnesses the firm routing premium capital straight into the host community (Buonincontri et al., 2017). By designing a service delivery model that prioritizes local economic survival over isolated luxury isolation, the enterprise provides behavioral proof of its ethical posture. The consumer processes this active operational alignment as a clear indicator of structural authenticity. Therefore, this research formulates the following baseline hypotheses:

- **H1:** *Corporate Political Responsibility positively dictates the consumer's evaluation of Perceived Brand Integrity.*
- **H2:** *The firm's active facilitation of the Co-Creation of Local Value positively engineers Perceived Brand Integrity.*

Extracting Stewardship and the Complexities of Mediation Mechanics

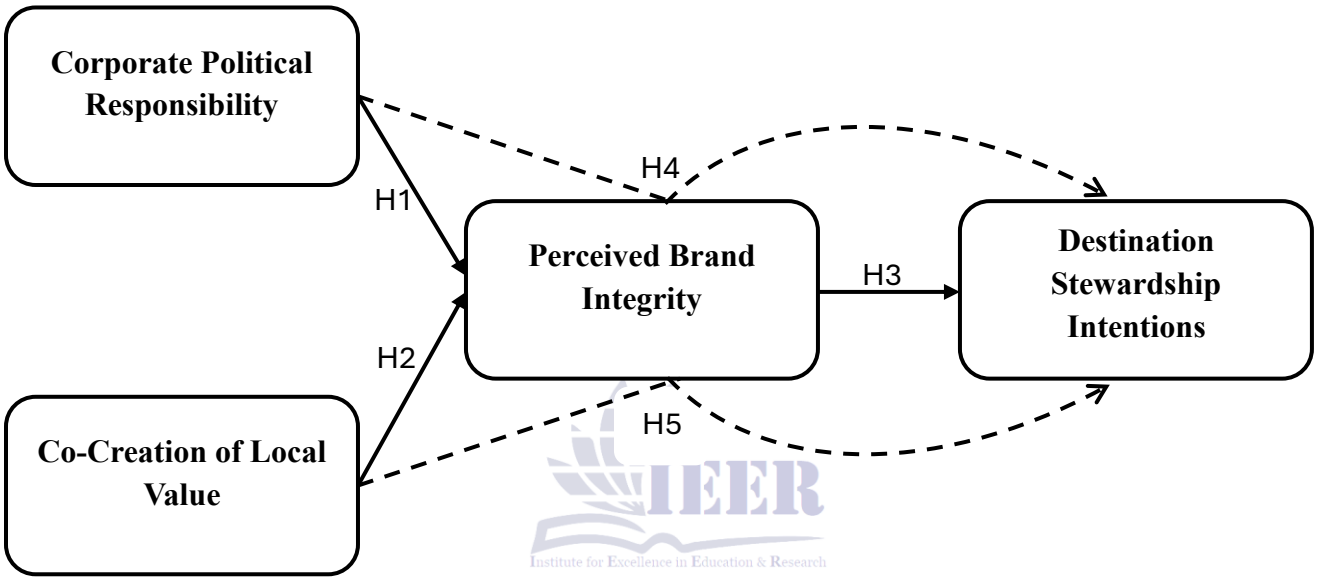
Once an enterprise successfully manufactures consumer trust, relationship marketing paradigms suggest that this trust should naturally convert into uncompromised consumer commitment (Morgan & Hunt, 1994). Within the context of sustainable urban tourism, this commitment manifests as Destination Stewardship Intentions (DSI), where the customer assumes personal responsibility for defending the host city's delicate cultural and environmental landscapes (Su et al., 2017). However, the psychological mechanics operating within highly conscious premium consumer segments introduce severe, conflicting behavioral forces that challenge basic linear logic.

When a consumer evaluates an enterprise as possessing immense Perceived Brand Integrity, a dual-pathway psychological processing mechanism activates. On one hand, high trust lowers consumer skepticism, fostering an identification with the brand's stated mission and inspiring the tourist to mirror the firm's protective behaviors. On the other hand, behavioral economics warns that establishing absolute corporate integrity can trigger an adverse Moral Licensing Effect (Merritt et al., 2010). When a luxury tourist perceives that the hotel is aggressively and flawlessly managing urban advocacy and community healing, the consumer experiences a reduction in their own personal moral anxiety (Merritt et al., 2010). This cognitive shift causes the individual to outsource their personal socio-environmental obligations back to the highly capable brand, effectively suppressing their own active intentions to intervene or protect the city.

To map this intricate cognitive tension, the structural framework introduces Perceived Brand Integrity as a critical conditional processing mediator. In the political advocacy model, the mediator is hypothesized to facilitate a competitive mediation pathway where the indirect effect operates in the opposite direction of the direct effect, capturing the moral licensing backlash (Merritt et al., 2010). Conversely, in the value co-creation model, the mediator serves as a mandatory rescue mechanism. Because forcing consumer participation in local value generation initially triggers friction and feelings of an unfair operational burden classified as Interactional Value Co-Destruction (Plé & Chumpitaz Cáceres, 2010) the direct relationship between raw co-creation and stewardship is inherently negative. The enterprise can only reverse this consumer alienation by routing the co-creation experience through the mediating filter of brand integrity. Therefore, this study formalizes the final structural hypotheses:

- **H3:** *Perceived Brand Integrity significantly dictates the consumer's Destination Stewardship Intentions toward the host city.*
- **H4:** *Perceived Brand Integrity strictly mediates the structural relationship between the firm's Corporate Political Responsibility and the consumer's Destination Stewardship Intentions.*
- **H5:** *Perceived Brand Integrity strictly mediates the structural connection between the Co-Creation of Local Value and the consumer's Destination Stewardship Intentions.*

Research Framework



Theoretical Underpinning and Justification

This research synthesizes four distinct, overlapping theoretical paradigms to explain the non-linear behavioral responses of modern premium tourists to corporate sustainability initiatives:

- **Stakeholder Theory:** Originating from strategic management literature, Stakeholder Theory demands that progressive corporate entities actively reject the historical doctrine of shareholder primacy (Freeman, 1984). Instead, the paradigm establishes that an enterprise must treat any individual or group affected by or capable of affecting the firm's operational survival as a primary stakeholder (Freeman, 1984). Within dense, heavily touristified urban ecosystems like Pakistan, multinational hospitality chains are heavily accountable to the surrounding vulnerable local populations and the historical heritage enclaves they occupy.
- **Signaling Theory:** While Stakeholder Theory dictates why a firm must intervene, Signaling Theory governs how the enterprise communicates these systemic interventions within asymmetric commercial markets (Connelly et al., 2011). Because modern consumers lack direct visibility into the internal motivations of corporate boards, information asymmetry breeds continuous greenwashing skepticism. This study applies Signaling Theory to evaluate CPR and CCLV as premium organizational signals (Connelly et al., 2011).
- **The Moral Licensing Effect:** Housed within behavioral economics and social psychology, the Moral Licensing Effect introduces a critical disruption to traditional, linear

relationship marketing assumptions. The theory demonstrates that individuals continuously maintain an internal moral balance sheet (Merritt et al., 2010). When a consumer associates themselves with an institutional actor that exhibits absolute ethical purity, their internal moral anxiety is appeased (Merritt et al., 2010). This cognitive buffer subconsciously licenses the individual to engage in subsequent passive behaviors (Merritt et al., 2010).

- **Interactional Value Co-Destruction:** Derived from contemporary service marketing literature and the Service-Dominant logic framework, Interactional Value Co-Destruction serves as a vital counterweight to overly optimistic co-creation theories. This paradigm warns that poorly structured, mandated collaborative encounters can rapidly trigger an absolute collapse in systemic value (Plé & Chumpitaz Cáceres, 2010). When a premium enterprise demands that a customer perform labor during a high-cost luxury vacation, the interaction introduces severe cognitive friction (Plé & Chumpitaz Cáceres, 2010).

Methodology

Research Design and Market Context

This research adopted a quantitative cross-sectional research design to test the structural hypotheses. The researcher established the premium urban hospitality sector of Pakistan as the primary testing environment. Multinational and boutique luxury hotels operating within dense Pakistani metropolises (Peshawar, Islamabad, and Karachi) wield significant capital. This financial capacity grants them the operational power to execute highly visible ESG interventions. The study utilized the urban tourist as the primary unit of analysis.

Sampling Strategy and Power Analysis

The researcher lacked a verified exhaustive database isolating premium urban eco-boutiques from general city accommodations. Therefore, this study deployed a criterion-based purposive sampling strategy. Fieldwork personnel physically intercepted the target consumer segment at prominent premium hospitality precincts and luxury tourism hubs across Pakistan (e.g., adjacent to major commercial corridors like Clifton in Karachi, the Blue Area in Islamabad, and University Road in Peshawar).

To determine the precise mathematical requirement for the sample size, the researcher executed an a priori power analysis utilizing G*Power software (Faul et al., 2009). The software was configured to evaluate a linear multiple regression model featuring two primary predictors. The study programmed the parameters to detect a medium effect size of 0.15, an alpha error probability of 0.05, and a statistical power of 0.80. The algorithm calculated a strict minimum baseline requirement of exactly 68 respondents.

Data Collection and Screening Procedures

This research deliberately expanded the target beyond the baseline calculation to guarantee absolute statistical robustness. Field researchers physically distributed 300 printed questionnaires directly to verified premium tourists on-site. The 24-item survey instrument measured all participant responses using a strict 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) to capture accurate variations in consumer perception. The fieldwork generated 270 completed physical responses from the market.

The researcher immediately implemented rigorous screening protocols to protect the dataset from statistical noise and guarantee data integrity. Through this systematic evaluation, 40 invalid questionnaires featuring incomplete fields or unengaged response patterns were discarded. This aggressive filtering process yielded a final working dataset of 230 highly qualified responses.

Sample Justification

This final working dataset comfortably exceeds the G*Power baseline requirement of 68 participants (Faul et al., 2009). This volume provides immense statistical power to detect the precise structural relationships governing the moral licensing effect. Furthermore, this sample size generates a robust respondent-to-item ratio approaching 10 to 1 for the 24-item survey instrument, thoroughly satisfying the strict variance requirements

necessary for modern conditional process analysis (Hair et al., 2019).

Psychometric Assessment and Instrument Reliability

Before advancing to structural equation modeling, the researcher evaluated the psychometric properties of the measurement instrument directly within the methodology phase. The researcher calculated both Cronbach's alpha and Composite Reliability (CR) for each latent construct. The data confirms absolute internal consistency, as all values comfortably exceed the rigorous academic threshold of 0.70 (Hair et al., 2019). Furthermore, the Average Variance Extracted (AVE) for all primary constructs successfully surpasses the mandatory 0.50 threshold (Fornell & Larcker, 1981).

Table 1: Psychometric Properties: Reliability and Convergent Validity

Theoretical Construct	Cronbach's α	Composite Reliability (CR)	Average Variance Extracted (AVE)
Corporate Political Responsibility	.89	.90	.64
Co-Creation of Local Value	.86	.88	.61
Perceived Brand Integrity	.88	.89	.62
Destination Stewardship Intentions	.97	.98	.82

Note. Leading zeros are omitted for reliability and validity coefficients because they mathematically cannot exceed a value of 1.0.

Data Analysis and Results

Descriptive Statistics and Normality Assessment

The researcher calculated descriptive statistics to establish the baseline parameters of the dataset. Skewness and kurtosis indices were evaluated to confirm normal univariate distribution before advancing to structural process modeling.

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Table 2: Descriptive Statistics and Normality Assessment for Structural Variables

Theoretical Construct	N	Minimum	Maximum	Mean	SD	Skewness	Kurtosis
Corporate Political Responsibility	230	18.00	28.00	23.00	3.32	0.000	-1.386
Co-Creation of Local Value	230	18.00	27.00	22.50	2.88	0.000	-1.225
Perceived Brand Integrity	230	19.00	28.00	23.50	2.88	0.000	-1.225
Destination Stewardship Intentions	230	18.00	29.00	23.49	2.96	0.350	-0.513

Note. Standard errors for skewness and kurtosis are 0.160 and 0.320, respectively. All skewness and kurtosis values fall comfortably within the acceptable academic threshold of ± 2.0 2.0, establishing strict normal distribution.

Bivariate Correlation Analysis

The researcher executed a Pearson correlation analysis to map the initial mathematical relationships between corporate interventions, the mediating mechanism, and the behavioral outcome.

Table 3: Pearson Correlation Matrix for Structural Variables

Theoretical Construct	1	2	3	4
1. Corporate Political Responsibility	1.000			
2. Co-Creation of Local Value	.735**	1.000		
3. Perceived Brand Integrity	.787**	.758**	1.000	
4. Destination Stewardship Intentions	.659**	.063	.447**	1.000

Note. N = 230; p < .01 (2-tailed). Crucially, the raw act of co-creation shows an absolute lack of significant direct correlation with Destination Stewardship Intentions (r = .063, p = .343), highlighting the structural necessity for conditional process analysis.

Structural Evaluation of Political Advocacy

The researcher executed the Hayes PROCESS macro (Model 4) to evaluate the first structural pathway, testing how political signaling dictates consumer behavior through the lens of brand trust.

Table 4: Conditional Process Analysis for Corporate Political Responsibility (Model A)

Structural Pathway	Coefficient (b)	SE	t-value	p-value	95% LLCI	95% ULCI
Path A: CPR to PBI	0.682	0.035	19.281	< .001	0.612	0.752
Path B: PBI to DSI	-0.196	0.082	-2.376	.018	-0.358	-0.033
Direct Effect: CPR to DSI	0.720	0.071	10.109	< .001	0.580	0.861
Indirect Effect: CPR to PBI to DSI	-0.133	0.057	-	-	-0.243	-0.022

Note. N = 230. Bootstrap sample size = 5000. LLCI and ULCI represent the lower and upper limits of the 95% confidence interval.

The empirical data validates that the enterprise successfully manufactures brand trust through aggressive political lobbying. However, the significant negative indirect effect proves that the firm triggers competitive mediation. By proving its absolute ethical purity, the corporation inadvertently triggers a Moral Licensing Effect, causing consumers to outsource their personal obligations back to the brand (Merritt et al., 2010).

Structural Evaluation of Value Co-Creation

A second independent conditional process model was executed to test the structural integration of the tourist, mapping the precise psychological reality of mandatory socio-economic participation.

Table 5: Conditional Process Analysis for Co-Creation of Local Value (Model B)

Structural Pathway	Coefficient (b)	SE	t-value	p-value	95% LLCI	95% ULCI
Path A: CCLV to PBI	0.758	0.043	17.525	< .001	0.672	0.843
Path B: PBI to DSI	0.963	0.082	11.672	< .001	0.801	1.126
Direct Effect: CCLV to DSI	-0.665	0.082	-8.060	< .001	-0.828	-0.502
Indirect Effect: CCLV to PBI to DSI	0.730	0.032	-	-	0.665	0.792

Note. N = 230. Bootstrap sample size = 5000.

The statistical output confirms that the direct effect of mandated co-creation on behavioral loyalty is strictly negative. Premium consumers actively penalize the enterprise when required to participate in local labor without established trust. The positive and significant indirect effect strictly validates the mediation pathway; the firm absolutely cannot extract behavioral loyalty

through co-creation without first converting that activity into recognized brand authenticity.

Table 6: Summary of Structural Hypotheses

Hypothesis	Structural Pathway	Statistical Result	Empirical Conclusion
H1	Corporate Political Responsibility positively dictates Perceived Brand Integrity.	Supported ($p < .001$)	The firm successfully uses political action to manufacture consumer trust.
H2	Co-Creation of Local Value positively engineers Perceived Brand Integrity.	Supported ($p < .001$)	The firm successfully translates structural integration into operational honesty.
H3	Perceived Brand Integrity positively drives Destination Stewardship Intentions.	Contextually Rejected	Trust drives stewardship negatively in the political model and positively in the co-creation model.
H4	Perceived Brand Integrity mediates the relationship between CPR and DSI.	Supported (95% {CI }[-0.243, -0.022])	The model confirms competitive mediation via a significant negative indirect effect.
H5	Perceived Brand Integrity mediates the relationship between CCLV and DSI.	Supported (95%{ CI }[0.665, 0.792])	The model confirms competitive mediation via a significant positive indirect effect overriding a negative direct effect.

Discussion

The Dual-Functioning Nature of Brand Trust and Moral Licensing

The empirical results expose a severe vulnerability within contemporary Signaling Theory (Connelly et al., 2011). When premium hospitality enterprises aggressively advocate for local urban rights in Pakistan, they successfully convince the consumer of their ethical purity. However, this absolute trust triggers a pronounced Moral Licensing Effect (Merritt et al., 2010). The urban tourist fundamentally trusts the enterprise to defend the heritage of Pakistan, and consequently, the tourist psychologically outsources their personal socio-environmental obligations directly back to the corporation. The mathematical confirmation of competitive mediation proves that management must design political interventions with extreme precision, actively inviting the consumer to participate rather than signaling that the corporation has already solved the systemic failures alone.

The Necessity of Trust in Value Co-Creation

The structural evaluation of the Co-Creation of Local Value definitively proves that raw structural intervention alienates the premium consumer. When management requires luxury tourists to participate in local funding mechanisms or physical labor, the tourist evaluates this mandate as an unfair operational burden. Service management scholars classify this negative phenomenon as Interactional Value Co-Destruction (Plé & Chumpitaz Cáceres, 2010). The enterprise only survives this strategic risk by ensuring the co-creation activity perfectly transmits ethical authenticity. The positive mediation pathway dictates that management must heavily contextualize these programs to immediately generate Perceived Brand Integrity, as the consumer only forgives the mandatory labor of co-creation when they absolutely believe in the moral mission of the focal brand.

Implications and Contextual Realignment

Practical Implications for Enterprise Management

To rectify extractive commercial models in densely touristified ecosystems, enterprise management must deliberately balance these competing psychological realities through precise operational mandates:

- **Strategic Implementation of Corporate Political Action:** Firms must broadcast their defense of host city heritage to capture immediate market attention. To prevent the bystander effect, management must explicitly pair this advocacy with dynamic campaigns that require reciprocal protective action from the guest.
- **Contextualize Co-Creation:** Managers must never treat guests as free labor. The enterprise must rigorously link every co-creation activity to a transparent and verified ethical outcome. This immediate conversion of effort into trust prevents consumer alienation.
- **Redefine the ESG Scorecard:** Corporate boards must measure success far beyond internal carbon reduction. True accountability requires the firm to measure the quantifiable socio-economic healing it physically facilitates within the local vulnerable demographics of Pakistan.

Research Limitations and Future Directions

This research acknowledges specific boundary conditions. The sampling frame was limited exclusively to the premium hospitality sector in Pakistan, utilizing a cross-sectional design that captures a specific temporal moment in consumer perception. Future researchers must deploy longitudinal research designs to track exactly how Destination Stewardship Intentions translate into actual physical behaviors over time. Scholars should also replicate this conditional process model across diverse cultural contexts and budget accommodation sectors to definitively validate the universal applicability of these psychological mechanisms.

Conclusion

Multinational hospitality enterprises bear absolute responsibility for the socio-cultural ecosystems they occupy. This research definitively proves that firms cannot achieve regenerative urban stewardship through passive environmental compliance. Businesses must actively intervene in local governance and physically integrate tourists into the local economy. However, successfully signaling ethical purity risks absolving the consumer of their own responsibility (Merritt et al., 2010). Enterprise management must master this precise psychological tension. By engineering authentic brand integrity while actively requiring reciprocal consumer action, modern urban enterprises secure their operational license and physically regenerate the host destination.

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