

CHANGE THE PERSPECTIVE! SUCCESSFUL AND EFFICIENT CORPORATE SOCIAL RESPONSIBILITY REPORTING IN THE HOSPITALITY INDUSTRY

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ABSTRACT

The reporting of Corporate Social Responsibility (CSR) in hotels plays a crucial role in the assessment of their sustainability activities. Research shows, that if the CSR commitment of hotels is interpreted by guests as a real public interest, CSR has a positive impact on brand evaluation as well as on guest satisfaction. However, the sustainability efforts of hotels are often perceived as pure self-interest and the charge of greenwashing is in the air. Thus, standards in CSR reporting are urgently required. In hospitality so far, neither guidelines for CSR reporting nor third party monitoring organizations exist so far. This paper presents a six-step framework encouraging bilateral sustainability communication in the hotel industry. The common method to proclaim sustainability via reports or websites is typically one-directional from the hotel to the guest (typically referred to as signalling approach). In the long run, this is not enough. Thus, the other direction (typically referred to as screening approach), should particularly be considered as well. Screening is achieved through the use of user generated content (UGC) and electronic word of mouth (eWOM) via evaluation platforms, which nowadays enjoy wide acceptance by guests.

In the presented framework, CSR reporting and CSR rating are outsourced to the guest and the corresponding crowd. This procedure includes several advantages for hotels. First, the efforts and costs of CSR reporting are reduced. Second, the general public is used as a third-party control mechanism for the CSR reporting (typically referred to as monitoring approach). Finally, following this monitoring aspect, the perceived credibility of the CSR reporting in turn will be higher.

Since the credibility and reputation of eWOM largely depend on the number of existing reviews, it is important to generate sustainability-oriented eWOM and to utilize guests for CSR reporting issues. Therefore, based on the well-known phases of service marketing, a five-step-approach is integrated in the framework.

Key Words: Corporate Social Responsibility, Sustainability Reporting, Crowdsourcing, Communication

INTRODUCTION

Corporate Social Responsibility (CSR) and Corporate Sustainability (CS) play a more and more crucial role in the development of hotel business. A study of the French hotel company Accor shows, that sustainability is a determining factor of the booking decision of hotel guests. Overall 68 per cent of the questioned people rather or fully agreed to the question, if they would accept the idea that the hotel might be a little less well localized if the hotel implements policies or services in favour of sustainable development. Regarding the question if they would accept the idea that the room rate might be a little higher if the hotel implements sustainability services, an overall share of 66 per cent rather or fully agreed (Accor 2011). A study of a German research department shows, that more than 40 per cent of the people questioned, wished their holidays to be ecological immaculate. And for more than 46 per cent of the questioned people, their holidays should be socially acceptable as well (Forschungsgemeinschaft Urlaub und Reisen e.V. 2013). The results of these studies finally show, that guests and even society becoming more eco-minded and more aware of the social responsibility of hotels and that the CSR performance of hotels has a positive impact on the satisfaction of the guests.

Research shows, that if the CSR commitment of hotels is interpreted by guests as a real public interest, CSR has a positive impact on brand evaluation (Parguel, Benoît-Moreau, Larceneux, 2011) as well as on guest satisfaction. If guests attribute the hotel's CSR activities to self-serving motives, their satisfaction will decrease, particularly in the case of service failures. Conversely, when guests perceive a society-serving motive, their satisfaction will be enhanced by CSR initiatives as long as service quality is high. (Gao, Mattila 2014). In this regard, CSR can be seen as an excitement factor in hospitality business (Kano 1984).

However, the sustainability efforts of hotels are often perceived as pure self-interest and the charge of greenwashing is in the air. This problem is mainly caused by the well-known asymmetry of information between the guests and the hotel. Due to the immateriality of hospitality business, the guests are faced with an uncertainty and are depending on a trustworthy CSR communication in assessing the hotel's real CSR performance.

For this reason, standards in CSR reporting are urgently required (De Grosbois 2012, Holcom, Upchurch, Okumus 2007), but in hospitality, neither guidelines for CSR reporting nor third party monitoring organizations exist so far.

COMMUNICATION OF CORPORATE SOCIAL RESPONSIBILITY

Preventing the charge of greenwashing can be seen as the main challenge in the communication of CSR activities in the hotel business. Guests tend to insinuate that hotels are serving only self-interests and not public-serving motives with their CSR efforts. In this respect, typical signs of greenwashing can be seen, when companies are using labels that look like third party endorsement or when companies are just giving no proof or evidence for their so-called sustainable activities (Futerra Sustainability Communications 2008). As a consequence, it is highly important that CSR communication is transparent and credible to the guests (Schrader, Diehl 2010).

A possibility to ensure this credibility is the use of reporting guidelines like the G4 guidelines from the Global Reporting Initiative or consistent and widely accepted sustainability standards or labels. The Global Sustainable Tourism Council is nowadays working on criteria for a sustainable tourism, but a global sustainable standard for especially the hospitality business doesn't exist so far. Another way of CSR communication is the use of sustainable hotel search engines like bookdifferent.com. The non-governmental organization bookdifferent.com provides a search of hotels which are labelled with at least one of 15 different international eco-labels. Contrary, this huge amount of different international eco-labels impairs the credibility and transparency of the hotel's CSR communication significantly.

In summary, all these common methods to proclaim sustainability with reports or labels are typically one-directional from the hotel to the guest and are not suitable to reduce the uncertainty by the side of the guests.

USER GENERATED CONTENT IN THE HOSPITALITY BUSINESS

User generated content (UGC) or electronic word of mouth (eWOM) via evaluation platforms enjoys nowadays wide acceptance by guests in the hospitality business. The users of evaluation platforms like tripadvisor.com benefit from hotel evaluations from other users in different ways. It provides help for the users in their decision making and booking process in that way, that it helps to compare different hotels and enhances the perceived trustworthiness and credibility of the hotels promise of performance (Serra Cantallops, Salvi 2014). A study of the German Travel Industry Club shows that more than 85 per cent of the questioned people agree to the question, that online hotel evaluations are useful and are a reliable source of information (Travel Industry Club 2011). In a study of two German research institutions, 86 per cent of the questioned people answered to the question "How do you rate the credibility of evaluations of other guests on travel platforms?" with "credible" or "very credible" (ITB Berlin, FH Worms 2014).

This success of UGC and eWOM in hospitality business and in special of its high credibility is mainly founded in its bilateral communication approach. The guests are not only the receivers of information, but the creators of information as well, based on their own made experiences. This approach helps substantially to reduce the uncertainty by the side of the guests.

USER GENERATED CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION

FRAMEWORK FOR A BILATERAL SUSTAINABILITY COMMUNICATION IN THE HOSPITALITY BUSINESS

This paper follows a six-step framework encouraging bilateral sustainability communication in the hotel industry. In this strategic framework CSR reporting and CSR rating are outsourced to the guest and the corresponding crowd. This is achieved through the use of UGC via evaluation platforms. The framework is presented in the following Figure 3.

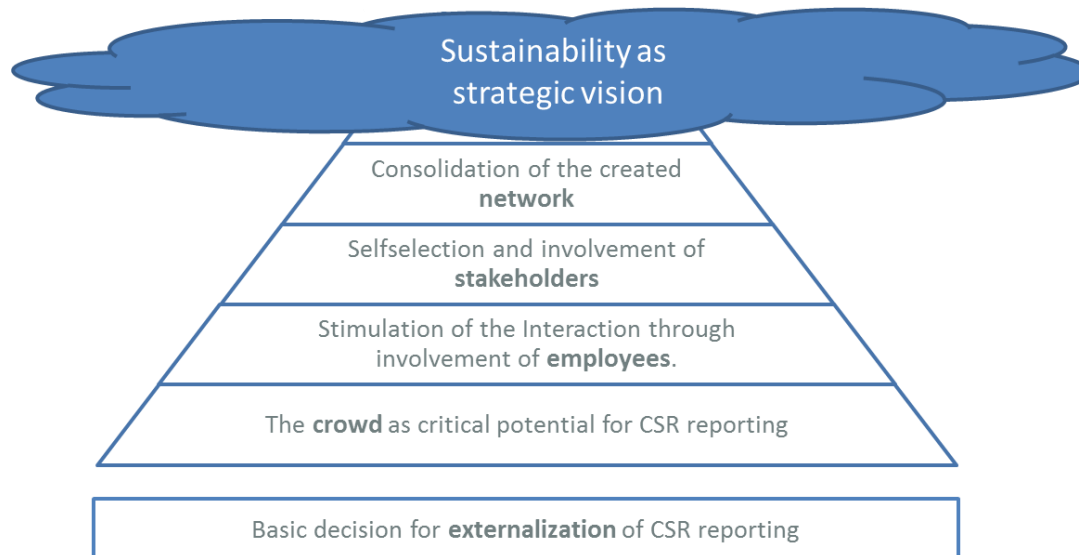


Figure 3: Framework for bilateral CSR communication
(own Figure according to Fässler, Baierl 2014)

The framework is based on the fundamental decision of the hotel to externalize its whole CSR communication and reporting. This means a completely change of the common perspective: Not the hotel is reporting from an internal perspective about its CSR efforts, but the stakeholders assess from an objective and external view the hotels CSR activities. The next step is to recognize the crowd as the critical potential for the CSR reporting due to the shown advantages of UGC and eWOM in the hospitality business. The third task in the framework is to stimulate an interaction between the crowd and the employees of the hotel. This is a requirement for the self-selection and involvement of the stakeholders in the next step in the framework. The stakeholders must be encouraged by the employees to take part in the voluntary assessment and reporting process with UGC. If it succeeds to consolidate this network of voluntary stakeholders in the next step of the framework, the goal of sustainability as the strategic vision of the hotel is achievable.

CROWDSOURCING AS AN EFFICIENT CSR COMMUNICATION APPROACH

CSR communication as a crowdsourcing approach consists of three main steps: In addition to the traditional signalling step, a screening and a monitoring step are added to the approach. As first step, the hotel provides information about its CSR efforts to address potential guests and to sensitize them for sustainability topics. The second step addresses the former guests with the goal to win them for their UGC about the CSR efforts. The third “monitoring” step addresses the public or the so called “crowd” as an independent third-party control mechanism. These three steps are shown in the following figure.

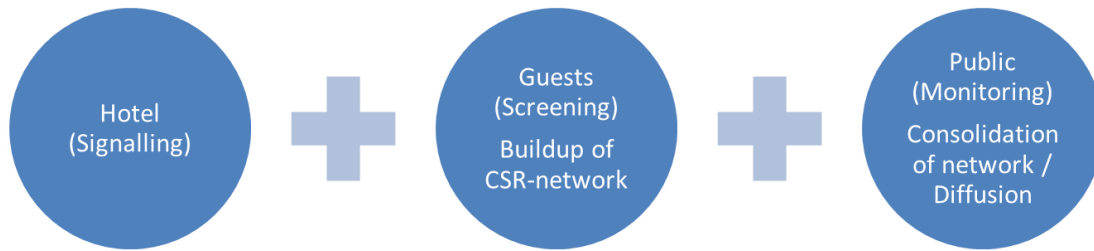


Figure 4: Steps of external CSR communication

Beside the already mentioned advantages of the higher perceived credibility of the CSR reporting and the use of the crowd as a control mechanism, this approach provides an advantage in reduced costs and reduced efforts of the CSR communication. In this way, CSR communication over crowdsourcing is not only effective, but also very efficient for the hotel.

Stimulation of sustainability-oriented user generated content

1. Step: Signalling

The first signalling step concerns the awareness of the guest for sustainability and CSR topics. Only when guests know about sustainability and CSR, they will evaluate the CSR performance of the hotel later. To address this lack of information, another five-step-approach, based on the well-known phases of service marketing, is integrated in the framework, shown in Figure 5.

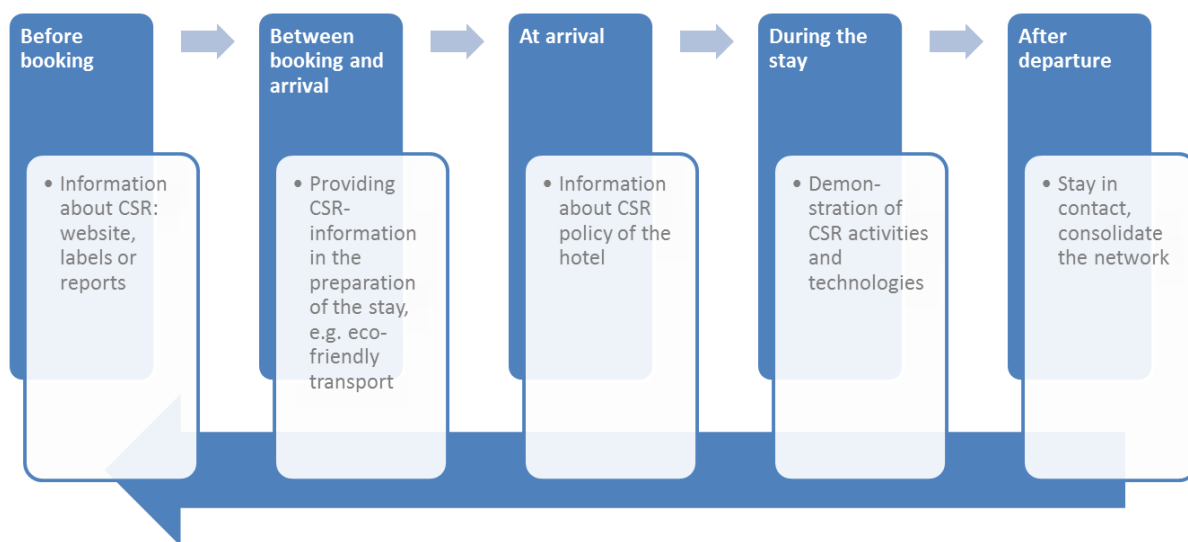


Figure 5: 5-Step-Approach for CSR-Signalling

In the first step, before the guests are booking the hotel, it is important to give information about the CSR activities of the hotel to them. During the guest's decision making process, they recognize the sustainability efforts of the hotel and get in touch with the topic of CSR and sustainability for the first time. This can be done by the hotels website, by traditional CSR reports or CSR labels.

In the second step, between booking and arrival, it is important to continue with the sensitizing of the guests for sustainability issues. For this purpose, for example information about eco-friendly transfers to the hotel could be used.

At the arrival, when the guests and the hotel staff meet the first time, the sustainable reputation of the hotel should be tightened. This can be achieved by giving information about the hotel's CSR policy.

The fourth step, during the stay, is the big chance to convince the guests about the CSR engagement of the hotel. The hotel should transparently show all the CSR efforts to the guests, for example by demonstrating sustainable technologies which are in use in the hotel.

The last step, after the departure of the guests, should be used to stay in contact with the guest's and to consolidate the guests' impressions about the CSR performance of the hotel. This should be done by using social media like facebook or twitter.

Overall, CSR related UGC should be stimulated by an involvement of the hotel employees. The staff as the "touch-point" to the guests should inform the guests about the CSR activities to sensitize them for sustainability issues. Therefore, the training and motivation of the hotel employees for sustainable development is vital.

2. Step: Screening

The second step within the overall model, the screening approach, deals with the question, how the guests can be utilized for CSR reporting issues. Important review generating factors are that UGC creates for the users a social identity and provides a sense of community belonging for them (Cantallops, Salvi 2014). In detail, the willingness to generate UGC depends mainly on the so called "homophily". Homophily can be described as the tendency of individuals to associate and bond with similar others. Due to this insight, for the purpose of CSR communication, it is necessary to create a network for the guests where they can communicate with each other. "The key strategy is to bring like-minded people together." (Deloitte 2011 p. 2) This can be done by building up online platforms which focus precisely on the target guest segments. For example, the platform couchsurfing.org focuses on travellers who shun conventional tourist accommodation, whereas wayn.com focuses on younger travellers, and silvertraveladvisor.com targets mature travellers (Ayeh, Au, Law 2013). For the purpose of CSR communication, it is suggested to build up a suitable network or platform where the guest can exchange their CSR-related content with each other and where they get a sense of belonging to a sustainability-community.

3. Step: Monitoring

The third step headlined as monitoring addresses not only the former guests, but the whole public. The public is used as an independent third-party control mechanism, which reviews the CSR-related UGC of the guests in the term of consistency. This is a very important step to guarantee the high credibility of the CSR-related UGC (Mauri, Minazzi 2013). Research shows that the credibility of UGC is in particular high, when there is a big amount of reviews. When there are more reviews present, guests increase their behavioural intention. Further they perceive them to be more informative which reduces the uncertainty and the perceived risk (Viglia, Furlan, Ladrón-de-Guevara 2014). As a consequence, there should be a high diffusion and consolidation of the build-up network in the public to ensure the function as a third-party control mechanism.

A strategy to reach this necessary critical mass of reviews could be the intensive use of social media like facebook or twitter. These modern bi-directional communication channels provide the possibility to stay in contact with the guests and the whole CSR-interested public or stakeholders, and to reach a high diffusion very fast. To achieve a viral dissemination in the crowd, it is important to stay in contact in an interactive way. Research gives several recommendations for companies to force the interaction with their clients and guests (Griesam, Baierl 2013):

Be proactive: Take the initiative to begin an interactive exchange about your CSR efforts with the guests.

Be honest: Communicate only your realised and true CSR activities.

Be interesting: Report only about effective CSR efforts.

Be modest: Don't exaggerate with your CSR performance.

Be nonprofessional: Use an easy understandable language, don't use a professional jargon.

These recommendations can first be used to consolidate the build-up CSR-network, second to prevent the origin and initially shown difficulty of CSR communication – greenwashing – and in result, to achieve the superior goal of a sustainable hotel.

CONCLUSIONS

This paper presented a framework to prevent greenwashing in the CSR communication of hotels. Therefore, a change in the perspective of CSR communication is suggested. The actual CSR communication should be outsourced to the crowd. This brings several advantages to the hotel: The costs and efforts for CSR communication are lowered, the credibility of the CSR communication turns higher and the crowd is used as third-party control mechanism. The build-up of a CSR network is therefore a fundamental requirement to give the former guests the possibility to create UGC.

Further research should be conducted about the build-up of a suitable CSR network or platforms. Due to the effect of homophily, there should be a network to bring like-minded people together. This could be

done by creating new CSR platforms or by the expansion of existing online review platforms like tripadvisor.com. Therefore, it should be taken into account in which way the target guest segment could be most accurately addressed.

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