# The Publication Of Hotels' Corporate Social Responsibility On The Internet And Its Influence On The Client's Decision To Make A Reservation

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# **Abstract**

In recent years, corporate social responsibility has become a common practice in companies as they voluntarily integrate social and environmental commitment into their mechanisms and processes. The tourism sector is no exception, and hotel owners/managers are aware of tourists' increasing sensitivity to this aspect. This situation, together with the considerable increase in the use of the Internet to choose a destination, makes it important to study these variables together and discover their possible influence on the organization's success.

The purpose of the present study is to analyse whether there is a relationship between the tourist's decision to choose a hotel establishment and the publication on the Internet of information about the hotel's corporate social responsibility practices. To this end, a total of 228 surveys were administered to people between 18 and 30 years old who were users of Internet and residents of the Canary Islands.

# 1. Introduction

Currently, few people doubt the importance of social networks in companies' communication, and topics related to corporate social responsibility (henceforth CSR) are no exception. Focusing on the hotel sector, a growing number of business owners in the sector have become aware of the link between the success of their hotels and their capacity to match their practices to CSR principles. In addition, tourists have become increasingly sensitive to these types of problems, and there has been a considerable rise in the use of the Internet to choose hotel establishments. Therefore, many hotels have decided to make their CSR practices public through different means on the Internet. However, the tourist does not always trust that this information is truthful.

Thus, the main objective of the present study is to try to determine whether there is a link between the tourist's positive view of hotels making their information about CSR public through different Internet channels and the fact that their purchase decision is affected by the hotel's CSR. Moreover, the study includes the tourist's belief about whether hotels perform CSR practices only out of self-interest or due to true social and environmental awareness. The results of the present study can be of interest to the hotel sector because it provides information about an aspect that influences the decision to choose one establishment or another. In addition to this introduction, this study is organised in the following sections: a theoretical

In addition to this introduction, this study is organised in the following sections: a. theoretical framework and study hypotheses; b. methodology; c. results; d. conclusions.

# 2. Theoretical framework and study hypotheses

The European Commission defines CSR as companies' voluntary integration of social and environmental concerns into their commercial operations and their relationships with their interlocutors [1]. In this way, according to Ros-Diego and Castelló-Martínez [2], CRS implies that, in addition to meeting its legal obligations, the company must make a voluntary commitment to incorporate social, labour and human concerns into its procedures and policies, while fulfilling its obligations to maximize its economic profits [3]. In fact, CSR can be an instrument that generates value for the organization. Thus, numerous studies have associated CSR with an improvement in financial performance [4-6], or with the consumer's response [7-9].

Along the same lines and focusing on the tourism activity, no one can ignore the positive and negative impacts that this activity produces in their surroundings. For this reason, it is not surprising that a large number of studies have been carried out in this field in recent years [10-12]. Thus, as would be expected, a growing number of tourists reject destinations with social and environmental

problems, preferring others that are less contaminated and better organized [13]. circumstance has not gone unnoticed by business owners in the sector, who have already begun to realize the increasingly important relationship between their company's possibilities for success and the capacity to fulfil the principles of CSR based on a specific perspective, and not as a mere attempt to improve their image [14].

Moreover. this evolution companies' in consideration of CSR has occurred at the same time that the consumer has adopted a more protagonist role [15]. Pinillos [16] considers that companies must find new formulas to manage the communication with their stakeholders, going beyond merely accepting suggestions. Hence, the author believes companies must look for formulas for co-creation. Obviously, the Internet, and the many tools it hosts, has been the vehicle for these changes, but putting this communication into practice is not a simple task. Thus Ros-Diego and Castelló-Martínez [2] state that companies with a desire to share the CSR issues that concern them over the Internet must make an effort to transmit their long-term commitment in this area.

The assumption is that consumers reward companies for their support of social programs [17]. Furthermore, the existence of this relationship between perceived CSR and purchase intention has been theoretically supported in various studies [18-20]. However, consumers are not very likely to unquestioningly accept that the social initiatives adopted and advertised by companies are sincere actions; therefore, they may not always reward these companies [21-23]. In fact, the publication of this information can be negative if it is, or seems, false, as consumers usually punish companies they think are insincere about social development [23]. Based on these arguments, the hypotheses proposed in this study are the following:

H1: The tourist's positive view of hotels that make CSR information public on the Internet (InfPos) has a favourable influence on making the hotel's CSR a key element for the client when making a reservation (DecRSC).

H2: The tourist's view that the CSR activities performed by hotels are only motivated by their own self-interest (Int) has a negative influence on making the hotel's CSR a key element for the client when making a reservation (DecRSC).

H3: The tourist's view that the CSR activities performed by hotels are only motivated by companies' self-interest (Int) has a negative influence on his/her belief that it is positive to publish CSR information on the Internet (InfPos).

# 3. Methodology and proposed model

Sample and procedure

In the present study, the survey was method used to obtain the necessary information to fulfil the proposed objectives, and its basic observation instrument was the questionnaire [24]. The target public consisted of people between 18 and 30 years old who were Internet users and residents in the Canary Islands. Finally, a total of 228 questionnaires were received, which, considering an infinite population, represents a sampling error of 6.5% with a confidence level of 95%. 50.4% of the questionnaires were filled out by men and 49.6% by women. The data collection period lasted from June 10<sup>th</sup> to September 1<sup>st</sup> 2012. Before the questionnaire was launched, it was pretested with 10 people.

#### Measures

The questionnaire was divided into two parts. The first part included questions about the basic profile of the person surveyed, such as sex, age, educational level, etc. The second block contained a total of 13 questions designed to measure the three constructs included in the proposed model (InfPos, Int, DecRSC).

Moreover, we used a five-point Likert type scale for all the items. Response categories ranged from 1 (strongly disagree) to 5 (strongly agree).

# Data analysis

After the field work had been done, the data obtained were codified and tabulated. The program used for this purpose was version 19 of the SPSS (Statistical Package for Social Sciences) for Windows. To study the data, structural equations analysis was performed using the Partial Least Squares (PLS) technique. This methodology, which uses the Ordinary Least Squares (OSL) algorithm, was designed to reflect the theoretical and empirical aspects of social qualities behavioural sciences, where there are generally situations with sufficient empirical support and little information available [25]. PLS was chosen because the present study focuses on predicting dependent variables [26], and this technique is effective with small samples [27,28]. This study

specifically used the SmartPls version of software 02.00 [29].

In order to avoid common variance bias, the questions were written introducing different semantics, and some were written and codified negatively [30]. Moreover, the bias was evaluated with the Harman one-factor test. Thus, a principal components factorial analysis was carried out that included all the items used in the study [30]. There is evidence of common method bias when a factor is responsible for the majority of the covariance. Therefore, and as suggested by Podsakoff and Organ [31], the items related to both the dependent and independent variables were included in the factorial analysis. Three factors were obtained, and none of them individually explained more than 50% of the variance, which means the data from the study can be accepted as valid [31].

#### 4. Results

# Analysis of the measurement model

To evaluate the measurement model, first the individual reliability of each item is observed. This procedure is performed by examining the loadings or simple correlations of the measures or indicators with their respective constructs. According to Carmines and Zeller [32], to accept an indicator as part of a construct, it must have a load  $\geq 0.707$ . which implies that the shared variance between the construct and its indicators is greater than the variance of the error. However, other authors [33,34] consider this criterion too restrictive, arguing that indicators should not be eliminated that, although not reaching the value of 0.707, exceed the value of 0.65. As Table 1 and Figure 1 show, all of the indicators fulfil the condition of exceeding the value of 0.707.

Table 1. Outer model loadings and cross loadings

Source: Own elaboration

	DecRSC	InfPos	Int
DecRSC1	0,834	0,272	-0,192
DecRSC2	0,903	0,345	-0,189
DecRSC3	0,779	0,326	-0,145
Infpos1	0,270	0,822	-0,114
Infpos2	0,322	0,862	-0,072
Infpos3	0,260	0,759	-0,118
Infpos4	0,281	0,823	-0,169
Infpos5	0,339	0,835	-0,155
Infpos6	0,378	0,828	-0,127
Infpos7	0,271	0,804	-0,056
Infpos8	0,313	0,812	-0,138
Int1	-0,047	-0,111	0,758
Int2	-0,243	-0,144	0,971

A second condition to take into account is the internal consistency, which involves evaluating how rigorously the manifest variables are measuring the same latent variable. For this purpose, the composite reliability must be > 0.7. As Table 2 shows, in all cases the value of 0.861 is surpassed. This table also shows that the Cronbach's Alpha is above 0.735 in all cases, which indicates that the constructs are reliable. As the third step in evaluating the validity of the scales used, we studied the Average Variance Extracted (AVE). Fornell and Larcker [35] recommend a value superior to 0.5, in order to establish that more than 50% of the construct's variance is due to its indicators. As Table 2 shows, this requirement is also met.

Finally, the discriminant validity is analysed, which tells us to what degree a construct of the model is different from the model's other constructs. One way of testing this circumstance is to demonstrate that the correlations between the constructs are lower than the square root of the AVE. Table 2 also shows the matrix of correlations between the constructs, having substituted on the diagonal the value of the correlation with that of the square root of the AVE. As the values on the diagonal are the greatest values in each row and column, the existence of discriminant validity is confirmed.

Table 2. Construct reliability, convergent validity and discriminant validity

Source: Own elaboration

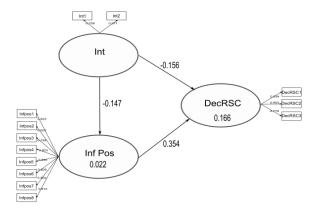
AVE	Composite Reliability	Cronbach's Alpha		DecRSC	InfPos	Int
0,706	0,878	0,790	DecRSC	0,840		
0,670	0,942	0,930	InfPos	0,377	0,819	
0,759	0,861	0,735	Int	-0,208	-0,147	0,871
			Los elementos situados en la diagonal, en negrita son la raíz cuadrada varianza media extraída (AVE). Los elementos ubicados fuera de la diagonal son las correlaciones entre los distintos constructos. Para que exista validez discriminante, los elementos diagonales deben tener un valor mayor que los que se sitúan fuera de ésta			

As all the tests performed previously were positive, it can be stated that the measurement model used is valid and reliable. Therefore, next we will evaluate the proposed model, which is the object of the study.

# Evaluation of the model

After studying the validity of the measurement model, next the causal relations proposed in the model will be evaluated. In this way, an attempt will be made to observe what amount of variance of the endogenous variables is explained by the constructs that predict them. One measure of the predictive power of a model is the value of R<sup>2</sup> for the latent dependent variables. Figure 1 shows that the value of the R<sup>2</sup> of DecRSC is 0.166, which means that the model explains approximately 17% of the variance of this construct (see Table 4).

Figure 1. Structural model results Source: Own elaboration



To evaluate the validity of the different relations proposed in the model, the Bootstrap Technique was used, which offers the standard deviation and

the T. Thus, the stability of the estimations is examined using a t-Student distribution with a tail obtained by means of the Bootstrap Test with 500 subsamples (Roldán & Sánchez-Franco, 2012). Table 3 shows that Hypothesis 1 is accepted with a significance level of 0.01. The significance level of the rest of the hypotheses is 0.05.

Table 3. Structural model results

Source: Own elaboration

Hypothesis	Suggested effect	Path coefficients	t-value (bootstrap)	Support
H1: InfPos ->				
DecRSC	+	0,354***	6,282	Yes
H2: Int ->				
DecRSC	-	-0,156*	-2,168	Yes
H3: Int ->				
InfPos	-	-0,147*	-2,184	Yes

\*p < 0.05; \*\*p < 0.01; \*\*\*p < 0.001; ns: not significant (based on

t(499). one-tailed test) t(0.05; 499) = 1.64791345; t(0.01; 499) = 2.333843952; t(0.001;499) = 3.106644601

In addition, to test the model's validity, the Stone-Geisser - Crossvalidated Redundancy ( $\mathbb{Q}^2$ ) Test was performed. This test is used as a criterion to measure the predictive relevance of the dependent constructs. If  $Q^2 > 0$ , the model has predictive relevance; otherwise, it does not. As Table 4 shows, in all cases the values of Q<sup>2</sup> are positive, which certifies the predictive relevance of the model.

Table 4. Effects on endogenous variables

Source: Own elaboration

	R <sup>2</sup>	Q <sup>2</sup>	Direct effect	Correlation	Variance explained
DecRSC	0,166	0,111			
H1: InfPos			0,354	0,377	0,133
H2: Int			-0,156	-0,208	0,033
InfPos	0,022	0,014			
H3: Int			-0,147	-0,147	0,022

# 5. Conclusions

# Discussion

The main conclusion of this study has to do with the implications of the support found for the proposed hypotheses. A positive opinion about making information about CSR public on the Internet has a favourable influence on whether the hotel's CSR practices affect the purchase decision. Undoubtedly, this result should cause hotel owners and managers to consider the advantages of making this information easily accessible. On the other hand, people who believe that companies carry out activities related to CSR only out of their own interest do not consider a hotel's CRS as a factor that conditions their purchase. This belief also has a negative association with the interest in hotels making their CSR practices public. Therefore, all the effort made to carry out good practices in this area can be wasted if clients have the impression that these practices do not stem from true social involvement. In this sense, hotels must view CSR practices not only as a form of marketing, but also as a different and more positive way to do business.

# Limitations and future research

Regarding the weak points of this study, it should be mentioned that a transversal methodology was used, thus increasing the probability of bias due to the use of only one method/source of data.

Finally, regarding future lines of research, we think the main one would be to try to include other factors in the model that can explain why individuals feel that companies perform CSR actions out of self-interest and why they consider it positive to make information on CSR public over the Internet.

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