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WHICH UNETHICAL HOTEL PRACTICES CAUSE CONSUMERS' BOYCOTTS?

by

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ABSTRACT

This paper presents the examination of an aspect of the negative ethical consumption (boycotting). More specifically the consumers' intentions to reject (boycott) a hotel due to certain unethical practices have been put under investigation.

The Conjoint Analysis has been utilized to formulate distinct types of hotels based on 4 chosen attributes, namely: environmental damage (Yes/No), unethical labour practices (Yes/No), price for a double room for 7 days (400/550/700 Euros), ownership (local entrepreneur / multinational chain). The orthogonal design provided 10 combinations of hotels and the respondents were asked to both rate and rank the relevant cards.

The conjoint results revealed that the most important factor of the respondents' rating is the environmental damage (36.730) followed by the unethical labour practices (30.501), and price (24.864), while the less important factor is ownership (7.905). The rating results indicated that the less attractive was the Hotel D (Mean = 1.18), which at the price of 700 Euros, belongs to a local entrepreneur and has been accused of environmental damages and unethical labour practices. It was followed by the Hotel J (Mean=1.50), which at the price of 550 Euros, belongs to a multinational chain and has also been accused of environmental damages and unethical labour practices. As expected, the ranking results indicated that the Hotels J and D were the first to get rejected by the 96.7% and 96.5% of the respondents respectively. The interpretation of these results may provide the necessary, rational basis for the optimum strategy of a green and/or ethical hotel.

INTRODUCTION

Tourism is undeniably a major economic force and most probably one of the most increasing sectors in the global economy (W.T.O., 2001; Weeden, 2001; Goodwin and Francis, 2003; Lansing and De Vries, 2007). Large numbers of people are being transported internationally bringing with them billions of Euros or dollars but also putting too much stress on the physical and human environment of the destination countries. In this sense, tourism has long been seen as an unsustainable sector in its present impact and development (Weeden, 2001). It is not rare to find through Internet accusations and denouncements about one or two specific hotels or hotel chains with reference to unethical practices. This type of information usually has nothing to do with travelling avertive directives about a certain country for political reasons. The ethical denouncements almost never find promotion through the mass media channels. These types of action are usually organized by NGOs or consumers' associations or ecological groups. They most often reveal exceptional or even cruel damages of the physical and the human environment in a place. For example, these unethical practices might be destruction of shores and woods, dangerous management of hazardous waste, overconsumption of water and energy, children labour or (more than the usual) exploitation of workers, refugees etc.

At the same time, there is also an increasing recognition by both practitioners (Goodwin and Francis, 2003) and academics (Weeden, 2001) that there is a niche market, which seeks for holidays providing more than just two sunny weeks in some luxurious premises. Sustainable tourism has been suggested as a positive alternative to the negative or even destructive impact of mass tourism (Weeden, 2001, Han *et al.*, 2009). There has been some research evidence that ethical issues are parts of the decision making criteria (Creyer and Ross, 1997; Weeden, 2001). Also that there is a definite consumers' segment, which puts pressure for corporate social responsibility (Goodwin and Francis, 2003) and that consumers in this segment would reward an ethical firm through their willingness to pay more for ethical products (Mintel, 1999).

Precise examination of the ethical aspects of tourism is at a relatively early stage by all means (Cleverdon and Kalisch, 2000; Tallontire *et al.*, 2001; Ritchie *et al.*, 2005, p. 189), while the possibility of boycotting a hotel due to unethical practices has never been under investigation so far. The aim of this research study was to examine which unethical practices might cause consumers' boycotting towards certain hotel types.

ETHICAL CONSUMPTION

It has been claimed that among other sectors tourism is a specific example of a consumers' trend towards more ethical consumption patterns (Goodwin and Francis, 2003). Ethical consumerism refers to a kind of consumer behaviour, which is affected by ethical criteria. Ethical is the consumption that takes into account the societal norms or, in other words, "*what is good for the society*" (Smith, 1990). This type of behaviour does not concern individual satisfaction of needs and wants exclusively, as it simultaneously aims at the overall social welfare (Crane, 2001). In an effort to categorise all possible activities included in the

ethical consumption concept, Tallontire *et al.* (2001) proposed three types of ethical consumerism namely positive, negative and consumer action. The later form has been named “discursive” by Michelletti *et al.* (2005). The *positive type* concerns the choice of ethical products or service (e.g. eco-efficient products, organics, fair trade products etc.). The *negative type* concerns the boycotting or consumers’ remit from particular products, certain firms or groups of firms; more generally it means actions of denial or exit from a certain market. The *discursive type* refers to a channel of communication among consumers, to the formulation of public opinion through a framework of social debate, as well as to a number of continuously transforming cultural activities which are based mainly on computer and network innovations.

ETHICAL TOURISM

Ethical tourism is now an established term having its roots within the sustainable tourism development (Weeden, 2001). According to the World Tourism Organization (WTO) sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development and to the necessity of a suitable balance between these three dimensions to guarantee a long term sustainability of global tourism (WTO, 2004a and b). Further, the stakeholder theory recognises that both tourism enterprises and tourists should take their own share of responsibility towards formulating and rewarding (respectively) an ethical hotel strategy (Robson and Robson, 1996). Of course, sustainable tourism and its claims have received their own share of criticism. Arguments have been made that sustainable tourism is not in fact a truthful effort but just another marketing ploy (Lansing and De Vries, 2007).

Although it is rather difficult to distinguish clearly between sustainable tourism and ethical tourism, it has been claimed that ethical tourism is a concept that goes beyond the three principles of sustainability (Weeden, 2001). Ethical tourism should include consideration and responsibility not only towards the physical environment but also towards the human environment and the cultural heritage of the destination countries (Lansing and De Vries, 2007). Therefore an “ethical hotel” is a broader term than a “green hotel”. A green hotel is the hotel that takes measures to harm the environment less or even more to protect the physical environment by efficient use of energy, water and other materials (Green Hotels Association, 2005). An ethical hotel strategy includes environmental protection together with honest pricing, fair treatment of the locally owned firms, fair treatment and wages for all employees, honest promotion techniques etc. (Weeden, 2001).

With regard to previous data concerning ethical touristic choices, Jaffe (1993) found that customers are not willing to pay more just to fund green hotel policies. Watkins (1994) found that the 54% of consumers in US declared to be “environmentally minded travellers”, who would prefer to stay in green hotels. Han *et al.* (2009) found that female customers of older age, who have favourable attitudes towards eco-friendly behaviours and positive images of green hotels, were more willing to stay at a green hotel, to recommend it and to pay more for it. A year later, Han *et al.* (2010) employed a refined TPB model and found that attitudes, subjective norm and perceived behavioural control positively affected intentions to stay at a green hotel, while intentions did not statistically differ between eco-friendly or eco-indifferent customers.

BOYCOTT

Michelletti *et al.* (2005) assumes that ethical consumers are informed citizens, who possess the facilities and the skills to search for and share information about products and services they are interested in. This suggestion needs to be empirically tested in order to understand whether consumers would reject an unethical hotel and take the trouble to search

for a more ethical solution for their vacation. Rejecting an unethical hotel is in fact a type of boycotting, an example of negative ethical consumption.

The negative ethical consumption includes the refusal of buying products produced by business that challenge consumer ethics regarding the environmental destruction, the exploitation of workers or local producers in the underdeveloped countries, child labour, animal rights etc. There are claims that worldwide organized boycotts have been increasing (Friedman, 1999).

There have been some studies, which focused exclusively on this negative type of ethical consumption (boycotting). Important influential factors that motivate compliance to boycotts have been found to be: *perception of boycott success* (Sen *et al.*, 2001; Klein *et al.*, 2003), *cost of boycotting* (Sen *et al.*, 2001; Klein *et al.*, 2003), *social pressure* (Sen *et al.*, 2001; Klein *et al.*, 2003), *social image of boycotters* (Kozinets and Handelman, 2004), *moral self-expression* (Kozinets and Handelman, 2004), *self-realization* (Kozinets and Handelman, 2004), *self-enhancement* (Klein *et al.*, 2003), *express uniqueness* (Kozinets and Handelman, 2004), *freedom from guilt* (Kozinets and Handelman, 2004; Klein *et al.*, 2003), *target's egregiousness* (Klein *et al.*, 2001; Klein *et al.* 2003).

OBJECTIVES AND METHOD

The general objective of this study was to examine customers' intentions to reject (boycott) unethical hotels. According to the review of the literature, it was assumed that "unethical" is the hotel, which has been accused for significant environmental damage (air and water pollution, energy over-consumption, waste disposal etc.) and unfair labour practices (uninsured, unpaid labour, illegal depositions etc.).

Conjoint analysis was utilized to examine which hotel/s might be rejected (boycotted) by consumers' due to its/their unethical attributes. This type of research approach is somehow opposite to the usual research approach, which would have tried to find the hotel that might be preferred. This approach (rejection not preference) might hopefully minimize the social desirability effect (Robinson, 1991, p. 47), which usually leads to an overestimation of preferences towards products and services that are "good for the society" (Tilikidou, 2007).

The attributes that were put into the analysis were: a) if any denouncement for environmental damage has been located (Yes/No), b) if any denouncement for unethical labour practices has been located (Yes/No), c) which is the ownership of the hotel (local entrepreneur / multinational chain) and d) what is the price for a double room for 7 days (400/550/700 Euros). It is apparent that the first two attributes are ethically oriented criteria according to the above presented review of the literature; price was added, as it is quite unexceptionably the most important decision making criterion. The orthogonal design provided combinations of hotels, which are presented in Table 1.

Table 1: Hotel Combinations

Hotel	Environment	Fairness	Price	Ownership
Hotel A			700€/week	Multinational Chain
Hotel B		Unfair labour practices	400€/week	Multinational Chain
Hotel C	Environmental Damage	Unfair labour practices	400€/week	Multinational Chain
Hotel D	Environmental Damage	Unfair labour practices	700€/week	Local Entrepreneur
Hotel E	Environmental Damage		400€/week	Local Entrepreneur
Hotel F	Environmental Damage		550€/week	Multinational Chain
Hotel G		Unfair labour practices	550€/week	Local Entrepreneur
Hotel H			400€/week	Local Entrepreneur
Hotel I	Environmental Damage		400€/week	Multinational Chain
Hotel J	Environmental Damage	Unfair labour practices	550€/week	Multinational Chain

The primary data gathering was built upon a scenario, which was explained in brief to the respondents by the interviewers. The respondents were asked to hypothesize that they intended to get a holiday package of 7 days during next summer in a Greek island. Surfing through internet resulted in offers for 10 different hotels at the same island for the same period. Further searching revealed that denouncements have been made by consumers' associations with regard to unethical practices of some hotels. The attributes of each hotel were presented to the respondents in the 10 following cards. The respondents were asked to rate each hotel, from 0=not at all attractive to 10=very much attractive; they were also asked if they would reject each one of the hotels (yes/no).

A structured questionnaire was administered to 600 households of Thessaloniki, Greece urban area and provided 540 usable questionnaires. Besides the cards of the hotels, the questionnaire also included selected demographics (age, education, gender, income and occupation). The respondents were approached through personal interviews taken by trained marketing senior students. The sampling method was a combination of the two-stage area sampling and the systematic sampling (Tull and Hawkins, 1993, p. 544; Zikmund 1991, p. 471).

RESULTS AND DISCUSSION

Conjoint analysis was conducted through SPSS. Pearson's r and Kendall's tau were found significant ($p < 0.005$). The part - worth scores (utilities) indicate the influence of each factor level on respondents' preference for a particular combination. It is observed (Table 2) that Environmental Damage was found to be the most important factor (36.730% average importance) followed by Unfair Labour Practices (30.501%) and Price (24.864%), while Ownership was found to be the by far less important attribute (7.905%).

Table 2: Conjoint Analysis Results

Utilities			
		Utility Estimate	Std. Error
Environmental Damage	Yes	-1.463	0.583
	No	1.463	0.583
Unfair Labour Practices	Yes	-1.215	0.583
	No	1.215	0.583
Price	400€/week	1.073	0.777
	550€/week	-0.908	0.911
	700€/week	-0.165	0.911
Ownership	Multinational Chain	-0.315	0.583
	Local Entrepreneur	0.315	0.583
(Constant)		3.451	0.614
Importance Values			
Environmental Damage		36.730	
Unfair Labour practices		30.501	
Price		24.864	
Ownership		7.905	
Correlations			
		Value	Sig.

Utilities			
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Price	400€/week	1.073	0.777
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	700€/week	-0.165	0.911
Ownership	Multinational Chain	-0.315	0.583
	Local Entrepreneur	0.315	0.583
Pearson's R		0.931	0.000
Kendall's tau		0.857	0.001
Kendall's tau for Holdouts		1.000	

The descriptive statistics (Table 3), with regard to the hotels ratings, indicated that the less attractive was the Hotel D (Mean = 1.18), which at the price of 700 Euros, belongs to a local entrepreneur and has been accused of environmental damages and unethical labour practices. It was followed by the Hotel J (Mean=1.50), which at the price of 550 Euros, belongs to a multinational chain and has also been accused of environmental damages and unethical labour practices. These results are obviously rational as both hotels have been accused for unethical practices towards the physical and the human environment. However, the Hotel D is additionally more expensive than the Hotel J, while the ownership does not count in the decision making process. As expected, the ranking results indicated that the Hotels J and D were the first to get rejected by the 96.7% and 96.5% of the respondents respectively.

Table 3: Hotel statistics

Hotels	Hotel attributes				% Rejection (boycott)	Rating descriptives	
	Environment	Fairness	Price	Ownership		Mean	Std. Dev.
Hotel A			700€/week	Multinational Chain	42.4	5.28	3.136
Hotel B		Unfair labour practices	400€/week	Multinational Chain	65.7	3.58	2.849
Hotel C	Environmental Damage	Unfair labour practices	400€/week	Multinational Chain	88.3	2.30	2.699
Hotel D	Environmental Damage	Unfair labour practices	700€/week	Local Entrepreneur	96.5	1.18	1.677
Hotel E	Environmental Damage		400€/week	Local Entrepreneur	66.9	3.16	2.848
Hotel F	Environmental Damage		550€/week	Multinational Chain	85.4	2.22	2.228
Hotel G		Unfair labour practices	550€/week	Local Entrepreneur	78.1	2.78	2.354
Hotel H			400€/week	Local Entrepreneur	6.9	8.75	2.004
Hotel I	Environmental Damage		400€/week	Multinational Chain	71.9	3.17	2.973
Hotel J	Environmental Damage	Unfair labour practices	550€/week	Multinational Chain	96.7	1.50	1.880

The small differences between the Hotels C and F should be noticed too. These two hotels are both owned by multinational chains. The Hotel C has been accused for both environmental damage and unethical labour practices while the Hotel F has been accused just for environmental damage. The Hotel C is cheaper than the Hotel F. However, they both obtained almost equal scores in both rating (Means 2.30 and 2.22 respectively) and ranking

(88.3% and 85.4% of rejection respectively). These findings simply verify that the most important factor in the respondents' perceptions is the damage to the environment.

On the other hand, the Hotel H gained the by far higher score in rating (Mean=8.75) and the lower boycotting percentage in ranking (6.9%). This hotel at the price of 400 Euros is owned by a local entrepreneur and has never been accused of environmental damages and/or unethical labour practices. It is followed by the Hotel A, which obtained a Mean=5.28 in rating and a boycotting percentage of 42.4%. This hotel has also never been accused of environmental damages and/or unethical labour practices. In fact, the hotels H and A are the only combinations free from denouncements. The Hotel A is owned by a multinational chain and its price has been set at 700 Euros. The ownership has been found of not much importance as a factor. So, it is obvious that the large differences in scores are associated with the difference in price between the two hotels. Of course, price has always been the most important factor in consumer behaviour and its significance will not get any weaker during an era of a global economic crisis.

In an effort to examine the impact of demographics on the consumers' intentions to reject the Hotels J and D, the chi square technique was employed. It was found that there are not any statistically significant differences across demographical categories of the respondents with regard to the Hotel J. On the contrary, statistically significant differences were found with regard to the Hotel D across the categories of education (higher) and occupation (employees and retired persons).

Are the denouncements through internet a powerful measure to promote boycotting towards unethical hotels? Are there any reliable consumers' associations interested in "punishing" unethical practices in the tourism sector? Are there any reliable channels to pass information with regard to environmental damage and unethical labour practices? In fact, what labour practices might be considered "unethical" during the present global economic crisis when the so called "flexible" working conditions have become legal and underpayment is the rule? Isn't it a fact that thousands of uninsured underpaid emigrants work in the hotels of the Greek islands? It is a limitation of this research that these and many other aspects of the subject have not been put under examination. Another limitation is the absence of - other than demographics - personal variables of the respondents, for instance attitudes or psychographics. Further research is needed to cover some parts of the existing research gap.

CONCLUSIONS AND IMPLICATIONS

There is no doubt that tourism is one of the most significantly increasing industries in the beginning of the 21st century. At the same time there is also no doubt that the presently evolving economic crisis will affect tourism too among all other sectors of the global economic and social life. There is much left to be further understood with regard to the evolutions in the tourism industry and the development of ethical tourism. In this study the conjoint analysis was employed to explore which unethical hotel attributes are able to cause boycotting. The greatest majority of the respondents declared intentions to reject those hotels, which have been accused of environmental damage and unethical labour practices. In addition, price was found to be an important factor in the decision making process, while the respondents did not seem to be taking into consideration the ownership (local or foreign) of any given hotel. Customers, who enhance intentions to reject the unethical practices, are employees and retired persons, who are better educated than their counterparts.

The results of this study if taken into consideration from a managerial view-point might highlight important implications for those hotel managers, who are interested in adopting and implementing an ethical strategy. They should target their efforts to the ecologically conscious consumers as the environmental concerns were found the first decision making criterion. They should also design their communication techniques in a way sufficient

to reach well educated employees and retired persons. The marketing effort should include publicity about the measures taken for environmental protection (e.g. energy and water conservation, recycling, organics etc.) together with information with regard to the rights of the hotel staff, or any corporate social responsibility actions. Ethical consumers need to get an ethical merit for their trouble to search for information and reject a hotel due to its unethical attributes. Their choice should make them feel that they are not alone; they actively contribute to a movement in favour of the protection of the physical environment and the human rights at the same time. After all, these consumers need to feel that they are powerful enough to make a socially beneficial difference even through their holiday consumer behaviour.

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