

RESEARCH

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ETHICS IN THE TOURIST ACCOMMODATION SECTOR AS A SOURCE OF COMPETITIVE ADVANTAGE

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ABSTRACT

In the last decades, most companies have developed social responsibility strategies as an integral part of business ethics. The tourist accommodation sector, especially the hotels, is no stranger to this trend. The hotel sector has a special impact positive or negative - on the natural, cultural and social resources of the areas in which it operates. The United Nations and other agencies are aware of the potential of this activity to contribute to minimizing adverse effects and participating in the construction of a more sustainable planet, and have urged the private sector to intervene through a more responsible and committed behavior. In this article, we try to analyze how the investments in CSR and the changes in the activities or processes in the hotels have repercussions on the profits in the business, both from the point of view of the consideration and valuation of the investors, as well as from the point of view of a current tourist, increasingly responsible and informed on the models of management of the companies.

KEY WORDS: Tourist – Hotels – Accommodation – Ethic –CSR – Sustainability

LA ÉTICA EN EL SECTOR DEL ALOJAMIENTO TURÍSTICO COMO FUENTE DE VENTAJA COMPETITIVA

RESUMEN

En las últimas décadas, la mayoría de las empresas han desarrollado estrategias de responsabilidad social, como parte integrante de la ética empresarial. El sector del alojamiento turístico, especialmente los hoteles, no es ajeno a esta tendencia. El sector hotelero tiene una especial incidencia –positiva o negativa- sobre los recursos naturales, culturales y sociales de las áreas en las que opera. Las Naciones Unidas y otros organismos son conscientes del potencial que esta actividad tiene para contribuir a minimizar los efectos adversos y participar en la construcción de un

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planeta más sostenible, por lo que han instado al sector privado a intervenir mediante un comportamiento más responsable y comprometido. En este artículo, tratamos de analizar como las inversiones en RSE y los cambios en las actividades o procesos en los hoteles repercuten sobre los beneficios en el negocio, tanto desde el punto de vista de la consideración y valoración de los inversores, como desde el punto de vista de un turista actual, cada vez más responsable e informado sobre los modelos de gestión de las empresas.

PALABRAS CLAVE: Turismo – Hoteles – Alojamiento – Ética – RSE – Sostenibilidad

A ÉTICA NO SETOR DO ALOJAMENTO TURÍSTICO COMO FONTE DE VANTAGEM COMPETITIVA

RESUMO

Nas últimas décadas, as maiorias das empresas desenvolveram estratégias de responsabilidade social, como parte integrante da ética empresarial. O setor de alojamento turístico, especialmente os hotéis, não é alheio a esta tendência. O setor hoteleiro tem uma especial incidência, positiva ou negativa, sobre os recursos naturais, culturais e sociais das áreas em que operam. As Nações Unidas e outros organismos são conscientes do potencial que esta atividade tem para contribuir a minimizar os efeitos adversos e participar na construção de um planeta mais sustentável, pelo que foi instalado ao setor privado a intervenir mediante um comportamento mais responsável e comprometido. Neste artigo, tratamos de analisar como os investimentos em RSE e as mudanças nas atividades ou processo nos hotéis, repercutem sobre os benefícios dos negócios, tanto de um ponto de vista da consideração e valorização dos investidores, como desde um ponto de vista de um turista atual, cada vez mais responsável e informado sobre os modelos de gestão das empresas.

PALAVRAS CHAVE: Turismo – Hotéis – Alojamento – Ética – RSE – Sustentável

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1. INTRODUCTION

Tourism is one of the sectors of activity that has experienced the greatest continuous growth worldwide in the last sixty years, despite crises and economic fluctuations.

According to data from the World Tourism Organization, in 1950 there were 25 million arrivals of international tourists; In 2015 the figure reached 1.186 million, 52 million more than in the previous year, which represents an increase of 4.6%

compared to 2014. Since 2010, international arrivals have been growing around 4 % per year. By 2016, a growth of between 3.5% and 4.5% is expected.

In terms of revenue, these figures represented a total of 1.136 billion euros in 2015 (4.4% more than in 2014), which represents 7% of world exports of goods and services. From the macroeconomic point of view, the expenditure of the international tourists supposes an increase of the exports in the country of destination and of the imports for the country in which each tourist resides. Tourism is the third largest sector of global exports behind fuels and chemicals, ahead of food and automotive.

The World Tourism Organization in the "Tourism Towards 2030" report offers a very positive scenario for the sector since it foresees an annual growth of 3.3% until 2030, which will reach the 1.8 billion international tourist arrivals, with a very prominent weight of emerging destinations, which will grow above average. A prominent feature of the report is the study of demand forecasts from the point of view of factors that can have a decisive influence on the sector: social, political, economic, environmental and technological.

Taking these figures into account, it is not difficult to assess the importance of the sector from the socio-economic point of view, not only for the world economy, but also for each recipient country. In some cases, tourism represents a basic - or more important - pillar of the national economy as a source of foreign exchange, as a generator of employment and as a motor of development.

The dimension and importance of tourism, at both global and national or regional levels, make this sector a valuable tool to act as a motor for sustainable development. The challenge is to reconcile economic interests with ethical management to contribute to sustainability and reduce the negative effects of tourism on the environment and cultural heritage or to contribute to the struggle against poverty and improving the quality of life of people, avoiding precarious employment, poor working conditions, destruction of cultural traditions or sexual exploitation, especially with children.

2. DISSCUSION

2.1 Global ethical code for tourism

In this regard, the United Nations World Tourism Organization approved in 1999 a World Code of Ethics for Tourism as a reference framework for the ethical management of actors in the sector and for the responsible and sustainable development of tourism activities. The document is articulated in ten principles:

- 1. Contribution of tourism to understanding and mutual respect between men and societies
- 2. Tourism as an instrument of personal and collective development
- 3. Tourism as a factor of sustainable development
- 4. Tourism as a factor for the use and enrichment of the cultural heritage of mankind

- 5. Tourism as a beneficial activity for destination countries and communities
- 6. Obligations of tourism development agents
- 7. Right to tourism
- 8. Freedom to travel
- 9. Rights of workers and employers in the tourism sector
- 10. Application of the principles of the World Code of Ethics for Tourism

This Code of Ethics, although not legally binding, has been signed by the main private sector companies worldwide, who assume their commitment to the principles stipulated therein. In the words of UNWTO Secretary-General Taleb Rifai: "*For responsible tourism to be a tangible reality in our world, it is essential that the private sector, as well as its counterparts in public institutions, adhere to the principles of an ethical, sustainable tourism and accessible to all. Today, these companies have deepened their commitment to corporate social responsibility to support the protection and advancement of vulnerable groups, consumers and the heritage of humanity, to defend equality between men and women, reduction of poverty, accessibility and cultural and environmental sustainability and to facilitate access to decent work throughout the world.*"

Therefore, from the companies that make up the sector it is expected more than the strict compliance with the legal obligations in force in the countries in which they operate. As a result, more and more companies dedicated to tourism, especially hotels, incorporate to their policies, commitments, objectives and processes related to:

- Environmental aspects such as energy consumption or responsible water management, measures against climate change, protection of ecological resources and biodiversity.
- Economic aspects such as opportunities for decent and stable employment, development and training of the host societies' human resources, transfer of knowledge or wealth creation through the establishment of commercial relations with local suppliers.
- Social aspects such as the contribution to the maintenance of local traditions and cultural heritage, promoting coexistence and tolerance.

2.2 Ethics and social responsibility of companies

These factors are directly related to the companies' Social Responsibility policies, which include in their business strategies criteria based on ethical management and attention to the effects that their activities have on people, the surroundings and the environment. "*Responsibility is not a choice, it is a demandable and required commitment. In our globalized world, each and every one of us has our role, from man as an individual to companies and organizations as social-economic entities that they are. The company has become a social institution of the first magnitude by*

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assuming new responsibilities towards the environment in which it is immersed and of which it forms part" (Viñaras, 2010: 164).

One of the positive effects of the integration of these policies, which are beneficial to companies - as some CSR reports show - are better management of expenditure through responsible consumption measures, increased productivity linked to investment in human capital and, finally, an important contribution to maintain or increase the attraction of the tourist destination - both natural and cultural - for the consumer. Just to cite one example, NH Hotel Group considers sustainability a strategic value; Since 2007 it has reduced its carbon footprint by 69.4%, energy consumption by 26.4% and water consumption by 30.6%. It has the ISO 14001 and energy efficiency certifications ISO 5001 and individual certifications in more than 100 hotels. In addition, it has the "Maximum Rating in 2015 of the Climate Change Program of CDP, the main sustainability rating for investors. NH is among the 5% of companies present on the Climate A list, drawn up at the request of 822 investors representing more than a third of the world invested capital

"(http://www.compromisorse.com/responsabilidad-social/hosteleria-turismo-y-viajes/nh-hoteles /).

A relevant aspect to be taken into account is that these requirements do not come only from the institutional sphere or the ethical business sense (from all sectors), but there is an increasing tendency in society to value companies according to the "responsible way" of doing business. In fact, a series of social changes are being produced, linked to access to information by citizens that are influencing a new demand model. There is also an upward tendency among investors to consider the CSR variables in their financial decisions, since these factors are considered to have an impact on the long-term stability of the company, its sustainability and, therefore, its profitability. In other words: "Concern about social and environmental problems, expectations in an increasingly global context, pressures from some sources of funding, levels of return on investment when engaging in commitment practices, public preference for products and services offered by socially responsible companies (in all their extension), or the cost of a bad behavior sanctioned with the loss of reputation, of fidelity, of market, are some of the factors that influence when defining a strategy of responsibility on the part of the company" (Rodríguez Terceño et al, 2015: 25).

CSR is based, in this way, on creating value for stakeholders. Meeting the demands of these groups generates a number of benefits for the company as to the value of its brand image, its corporate reputation, its ability to generate confidence and, consequently, other strategic factors such as its positioning, its market share or The loyalty of its consumers. The brand image has to be adjusted to the reality, being "effective communication management necessary to overcome distorted images and achieve a high reputation, understanding as a reputation the consolidation of the image over time with values such as Excellence, prestige and quality "(Torres, 2013: 101).

Consequently, most companies in the sector are incorporating CSR into their business model in order not only to contribute to sustainable development, but also as a competitive advantage that is taken into account in their decisions by both consumers and investors as of society as a whole: "*Faced with this reality, real or artificial, we do not enter into this discussion, the entities seek the mechanisms or tools that are most useful to them to counteract a loss of image*" (Gonzálvez, 2012: 107). There are numerous reports that support this statement. To cite a few examples, in a 2008 IBM Institute for Business Value study, 68% of companies surveyed considered CSR to be a source of income and 54% that it provided a competitive advantage. In a study conducted by Boston Consulting Group with MIT Management Review on a sample of 5,500 executives, 32% of the companies considered that CSR had contributed positively to the financial results of their companies.

The lodging sector - and more specifically the hotel - uses a large amount of resources in its activity and, therefore, is a key element for the sustainable development and the responsible use of those resources. Investors are not unaware of this fact and the consumer, the current tourist, increasingly opts for well-cared destinations and places where he can find an authenticity in the culture of its people.

2.3 New trends by purchases by tourists

The modern consumer is increasingly informed about the activity of companies not only from the point of view of the quality of products, price or guarantees but also seeks to know the social dimension and the environmental impact of these activities. Issues related to labor practices, climate change or the origin of products are aspects debated, criticized or praised and widely disseminated in social networks by users themselves, as they "*have configured a new brand-product-consumer relationship*" In this way users "*actively and inexorably participate*" (Martínez-Rodrigo & Sánchez-Martín, 2011: 10). In this way, from their own experiences, other users are influenced and informed about the reputation of companies so unethical or irresponsible behavior is punished. According to Forética data, 10% of the Spanish population affirms that responsible behavior provides advantages to companies since it favors the affective bond with the brand.

This implies that if business conduct does not respond to ethical criteria, it can be punished and pose a risk from the point of view of the brand image and reputation, which can eventually have a negative effect on the business in Terms of catchment potential, fidelity and market share. According to the "Forética Report 2015 on the state of CSR in Spain", 44.6% of citizens claim to have stopped consuming certain products or services due to the unethical praxis of the producing company and 49.9% declares their preference for products of companies that they consider responsible.

In the case of the hotel sector this information is particularly relevant since most reserve decisions are made after a previous consultation with sources of online information, where users express their opinions about the accommodation offered. These online sources are currently more used than offline sources, although the opinion of family and friends remains important. The opinions of other people have more credibility than the information offered by the company itself or by the travel agencies and have more influence on the final purchase decision giving rise to a consumption discrimination effect.

Especially relevant in Spain are TripAdvisor and Booking. According to various studies, it is estimated that the ratings on these websites offered by the users themselves increase the chances of booking and may impact on an increase in the price that the customer would be willing to pay. The Center for Hospitality Research of Cornell University (School of Hotel Administration) has conducted a study, based on data from the Global Review Index (GRI), which is the standard index for hotels to measure reputation online. The results reveal that improving online reputation leads to a better ability to increase prices and increase employment.

Although in many cases these qualifications refer to quality, service, price, facilities ... there is a considerable increase in a segment of the population concerned about CSR. In the first results of the study of the Hotel Research Group of CETT on the impact of CSR on the behavior of tourist demand, it is observed that in 68.6% of the cases, the respondents would be more willing to buy if the valuation on the CSR of the hotel is positive; 80.6% consider that this factor has a beneficial effect on the image of the hotel and 80.8% believe that it has a positive impact on the reputation of the hotel.

This opens up a range of business opportunities as well as an enormous potential for creating value through innovation and differentiation in this field.

2.4 Responsible investment

We have already mentioned the Climate A List, an index developed by the CDP environmental organization at the behest of investors around the world to help them make financial decisions. This list includes the ranking of the companies that have the best ratings for their actions and strategies to fight climate change globally.

But it is not the only benchmark, there are also others such as the Dow Jones Sustainability Group Index or the FTSE4Good, whose purpose is to guide investors about the sensitivity of companies in terms of sustainability and social responsibility. According to the Backtest carried out by Forética with ratings of MSCI ESG ResearchInforme RSE and Marca España: Sustainable Companies, competitive country (published in November 2014): "*In the case of Spain, an investor who would have taken into account SGA factors - environmental, social and of good governance - would have generated an incremental return of more than 3% per annum, while reducing its volatility."*

The importance of these indices is a good example of the importance given to ethical, social and environmental criteria, as a complement to the criteria of risk, liquidity and profitability. This fact is based on the consideration that a company committed to its stakeholders and sustainable development is more prone to value creation and has fewer risks to meet future challenges.

3 CONCLUSIONS

Tourism is one of the most important economic sectors due to its dimension at a global scale. It is also one of the sectors that uses the most resources in its activity, mainly the hotel, and that has more impact on sustainable development worldwide, especially in those countries where it represents its main source of foreign exchange.

Hotel companies have already begun to focus their business strategies towards ethical, social and environmental management, at the request of international organizations such as the World Tourism Organization. This new orientation, in some cases, has been considered as part of a marketing strategy aimed at improving its corporate reputation. We cannot forget the adverse effects that tourism has had on the environment, on the cultural heritage or on the traditions of the societies in which it operates. However, the results show that the integration of the Social Responsibility policies in the hotels is being beneficial both to optimize their management processes and to achieve a competitive advantage that contributes to the creation of value, with the result of better financial results.

The incorporation of CSR in companies is not only being demanded by public institutions, but also by the interest groups of companies from all sectors of activity. In this sense, one of the most important groups for any company is the one of its investors. At the global level, these have already begun to take into account the ethics and social responsibility of the companies in which they invest. At present, it is considered that the consolidation of CSR in companies as part of its activity is an important factor that guarantees the stability and profitability of the same and their viability in the future.

Another major interest group is consumers or users. Their opinion in the hotel sector is paramount, probably more so than in other economic sectors, since a large part of the buying decisions are made after reviewing the opinions of other users in the online environment. Reviews of the users themselves on pages like TripAdvisor or Booking are more important than those of the companies themselves.

It is true that, at present, many of these assessments refer to aspects such as price, quality, service, facilities or location, but it is also true that there is a growing trend of users taking into account ethical, environmental and social reasons in their decisions or who practice a negative discrimination in their purchasing processes. Online reputation is not a question of marketing but the result of the qualification of the tourists themselves about the hotel in question. Therefore, hotels have the need to implement ethics in business, beyond what is required by law, as an indispensable element to generate value in consumers.

There is, therefore, a positive relationship between the investments in policies of responsibility or ethical management and the benefits they report both to shareholders and in terms of competitiveness: brand image, reputation, loyalty, increase in market share, innovation, generation of business opportunities and creation of value.

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