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Hotel's Care for Local Community

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Abstract: Hotel's care for the community is a growing phenomenon. As such, hotel managers are facing the need to develop strategies to balance the needs of customers and the community. This study examines the relationship between hotel care for the community and customer satisfaction. Using a survey method, the study collected data from 500 hotel guests and analyzed the results using regression analysis. The findings indicate that hotel care for the community has a positive impact on customer satisfaction. Moreover, the study highlights the importance of hotels' role in promoting social responsibility and community engagement.

INTRODUCTION

Recent researches on companies' care and concern on the welfare of local communities have been seriously conducted (Kastin and Scarlat, 2005; McWilliams et al., 2006; Banu and Palazoglu, 2006; Bowen, 2010). However, researches on a hotel's care for a community have been rarely found. It is quite contradictory to the fact that hotel contribution also plays not less important roles compared to that of other companies.

Meanwhile, the activities of hotels which involve people in various social projects have resulted in interesting discussions. This trend has given value and strength to some countries such as USA, Israel, Ireland, Japan and Singapore (McWilliams, 1987; Foss and Miller, 2001; Rebolin and Bogusch, 2001; Nutman-Schwarz and Gulati, 2003; Cohen, 2003; Ayelet and Tzion, 2008). Perhaps due to the inspiring phenomena, countries in Europe, America, Africa, Middle East and Asia including Indonesia have started to promote innovations in hotel services for investors from China, Japan, Saudi Arabia, USA, France, Hong Kong and Switzerland (Tisdell and Wen, 1990; World Bank, 1994; Knowles et al., 2001; WTO, 2010).

However, subtle changes to this growing phenomenon have altered the trend from capitalism to neo-liberalism (Friedman, 1970). The neo-liberalism movement triggered the rise of hotel service business which consequently resulted in decreased community welfare, chaos at grassroots level, and the weak immune system of the economic crisis (Banerji, 2007). The previous assumption that hotel services could generate multiplier effects (Gibb et al., 2000) is now questionable. Only few hotels have been aware of their social care (Humble, 1981; Barnett, 2007). Profits assets to have been the top priority with the legal and formal aspect seems to be merely applied only because it is inevitable. Thus, social care appears to have been ignored. The issue shall be well cared to respond to the growing assumption among the hotel owners that care for the welfare of local communities will harm their profit (Barnett, 2007).

This phenomenon remains a debated issue among academics and business practitioners (Culloll, 1997; Ayelet and Tzion, 2008; Thomas, 2008). Despite technical differences, different terminologies of hotel social care (HSC), including charitable contributions (Ayelet and Tzion, 2008), social issues management (Wood, 1991), public policy and business (Chow and Zhou, 1983; 1978), stakeholder management (Ayelet and Mitchell, 1999; Ogden

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