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Corporate Social Responsibility practice and consumer behavior in Sokos Hotel

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ABSTRACT

Corporate social responsibility (CSR) helps a company be socially accountable to its stakeholders. Recently, CSR activities have become a growing concern, especially in the hospitality sector, and the hotel business is one of the industries where CSR plays a vital role in the stability of the environment.

The primary motivation of this study was to find the relationship between Corporate Social Responsibility and consumer behavior of the Sokos hotel group in Finland. Besides, this research will also examine the and consumer behavior towards Green Key ecolabel, which is recently obtained by the Sokos hotel group. A survey has been conducted in the Sokos hotel Royal Vaasa to reach to the conclusion.

The outcome indicates that the Sokos chain has significant engagement and aims to develop their CSR practice continuously as well as business operation to be more sustainable without compromising consumer satisfaction. Moreover, the Sokos hotel group follows the Green key ecolabel guidelines in operating their business. Though the Green Key certifications give the authenticity of their environmental responsibility, they still receive different feedback from the customers.

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1   INTRODUCTION

Nowadays, human activity is affecting the planet. Everything we do in our daily life especially, production and manufacturing, entertainment, communication, transportation, is leaving carbon footmarks which have a negative consequence on the environment. Considering these impacts, global warming and environmental deterioration caused by industries' action, CSR and hotel business have become indivisible concerns. There is no question that CSR gets to be one of the modern organizational challenges of the developing needs and commitments of sustainability (De Witte & Jonker 2006, p.2). In the hospitality sector, sustainability and Company Social Responsibility both terms are fundamental. Nevertheless, in the past, usually these terms have been altered and utilized erroneously. Since these two terms have enough similarity to become blurred by the line, it is crucial to require various definitions of each term beneath consideration.

There is an assortment of explanations out of which each comprises ceaseless parts supporter, voluntariness, social, environmental and economical. These parts are critical terms of CSR. Each term is generally based upon the triple bottom line framework which includes people, planet and profit. Nowadays, a competitive market has been created within the hospitality sector because of the investment in the CSR by several hotels. Therefore, to withstand the competition each hotel has to take the initiative within the CSR. For instance, with the help of different marketing strategy, many hoteliers are activating distinctive ways to decrease impressions on the environment (Gond and Moon, 2012).

Sokos hotel is one of the very first adaptors that implanted Corporate Social Responsibility into the core values of the company (Sokoshotel.fi). The aim of the thesis is going to be to look at whether or not Sokos hotel is perceived as an essential company in corporate Social Responsibility among the hospitality sectors.

1.1   Topic selection

I have selected this topic as I have the expertise of working within the hospitality sector. As a result, I have perceived CSR's result within the hotel businesses, and I have seen the promoting strategy of the hotel regarding property consumption and implementation in

practice. In addition, I have seen entirely different kinds of customers with different behaviors. Also, I have the idea of the values and strategic plan of the hotel because of being in touch with the hotel management.

1.2 Aim of the research

The fundamental aim of the study is to find out the correlation between CSR activities and consumer behavior. The study will also help to identify the awareness of consumers about the feasible environment, the impact of the hospitality industry on the environment, and their actions towards the ecological environment. The study will provide a case company with extensive information about consumer behavior and ecolabels. Besides, it will conclude whether the CSR activities in Sokos hotel chain has any impacts on the consumer behaviour. The other objective is to explore the impact of the company on the relationship between their business practices and CSR approaches. As well as the small research conducted, written, and analyzed will benefit the hotel in the implementation of its future business planning.

1.3 Limitation of the Study

There are always some barriers; things that are out of researchers' control arise in all types of research; this includes practical obedience, for instance, time, funds and access to populations of interest. The research plan also formulates part of limitations itself (Drost, 2011). This study was organized with a small group of consumers from the perspective of their awareness about CSR policy. The amount of time consumers had been one of the conceivable confinements, where the aim was to accomplish interviews during a certain amount of time. Sometimes the questions required modifying as some interviews went up to the targeted time. According to the time, the hotel's reputation, hotels' protocol, the information collected from the hotel management, and consumers may differ as follows compromises with the truthfulness of the research. As the interviews were completed among a small group and there were limited resources and time windows, thus make this finding inexact. Besides, a small group can be biased and may not represent the case company's actual characteristics. Also, lower response rates can be one of the issues that might affect data quality negatively.

1.4 Structure of the Thesis

The first chapter of the research consists of the introduction, topic selection, and aim of the thesis as well as includes the limitation of the study, data reliability and validity, and structure. The second chapter includes the theoretical framework consisting of the overview of CSR, ecolabel, consumer behavior, CSR initiatives in the hotel industries, and an overview of the Sokos chain. The third chapter describes which methodology has been used in the thesis and why. It also elaborates on the qualitative and quantitative research methodology. The fourth chapter presents the analysis of the collected data and results. The relatability of the results with the theories applied in this thesis. Finally, the fifth chapter concludes the research and delivers the eventual result of the research.

2 THEORETICAL FRAMEWORK

Corporate social responsibility is a term that has been mentioned particularly in the last few years. People are nowadays more concerned about the CSR responsibility of a company rather than only judging by a good brand or profit it makes. Due to incidents including industrial waste into rivers, excessive chemical stuff in the food market, public awareness about the sustainable outcome of the community. Hence, hotel business is one of the industries where CSR plays vital roles in the stability of the environment. This chapter will try to present an overview of this new and progressive CSR concept and moving forward to consumer behavior towards CSR.

2.1 Corporate Social Responsibility

According to Bowen (2013), many businesses are giving serious thought about how they are fulfilling the commitments towards social responsibilities. Though everyone will not concur that businessmen, on the whole, examine their obligations certainly or entirely, but many of them are profoundly interested and looking forward to relating their activities on social terms.

There are plenty of different resources to perceive what CSR is. The origin of Corporate Social Responsibilities initiated from Adam Smith's the Theory of Moral Sentiments (1759) in which he identifies capitalism as not completely unethical but something that can be beneficial for all who are concerned (Haski-Leventhal, 2018). Researchers and specialists confirm the obligations of corporations introduced by the first and distinguished definition by Bowen (1953) within the modernized business ethic. He stated that "the obligations of businessmen to pursue those policies, to make those choices, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 2013). Bowen describes that, in terms of making business and confidential agreements, CSR is a continuous achievement from the business to all areas. Also, the concept of business morality, public responsibility and social obligations considered as equivalent to CSR (Bowen, 2013).

Bowen demonstrated that companies must organize their business according to the purpose and values of the society in which they are operating. Nevertheless, it has been

claimed by many authors that a company's all actions do not need to be focused on the societal values as all the demands are not reasonable (Acquier et al., 2011).
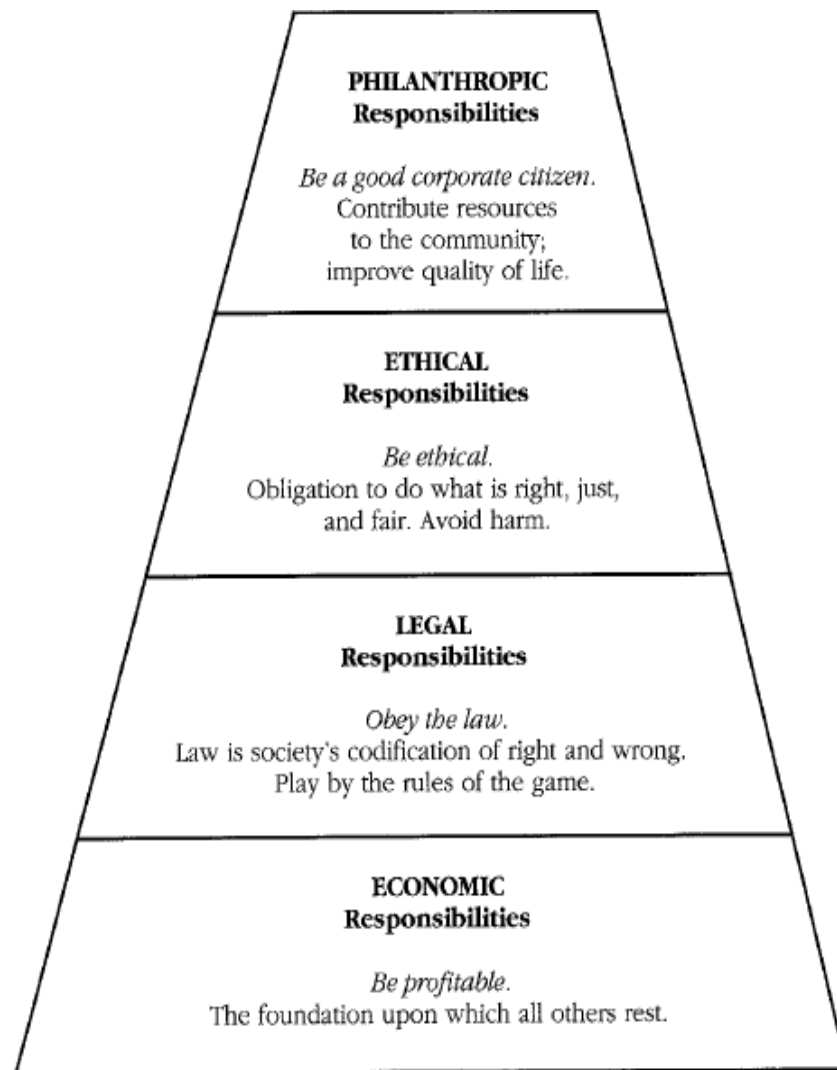
However, from both the private and governmental sectors, there are various CSR definitions from completely different sources. Hence, Dahlsrud (2008) attempted to merge these sources and define the CSR definition to evacuate confusions. He concludes that the standard CSR definition is from the European Commission, where it says, CSR is a concept through which companies combine social and environmental responsibility in their business affairs on a voluntary basis, including their interaction with their stakeholders (Act, 2012). Therefore, CSR is a well-planned approach towards the continuous development of the economy, resources, and people. Besides, CSR develop non-financial factors while making a decision.

2.2   Carroll's Pyramid/ Corporate Social performance model

In 1979, Archie Carroll presented the concept of the Corporate Social Performance model, and further development of the concept that happened in 1991. This model comprises philanthropic, ethical, legal, and economic categories of businesses. Afterward, the components developed to Carroll's pyramid of Corporate Social Responsibilities, the framework of the four responsibilities oversees the identification of the character of businesses' responsibilities to the society (Carroll, 2016)

Carroll (1991) describes that philanthropic responsibilities depend on the business reputation and less important than other responsibilities. Besides that, Carroll compared Philanthropic duties as icing on the cake. On the contrary, Haski-Leventhal states in 2018, the four responsibilities of Carroll's pyramid are dependent on the society's expectation towards the corporation, and also all four must be equitably considered.

To start from the bottom, economical responsibility is the baseline of the CSR pyramid and a major requirement of a company's' existence. Corporations have to be sustainable by being profitable so that they can reassure shareholders or the owners to invest. Also, enough resources should be ensured to continue business operations (Carroll, 2016)

PHILANTHROPIC
Responsibilities

Be a good corporate citizen.
Contribute resources
to the community;
improve quality of life.

ETHICAL
Responsibilities

Be ethical.
Obligation to do what is right, just,
and fair. Avoid harm.

LEGAL
Responsibilities

Obey the law.
Law is society's codification of right and wrong.
Play by the rules of the game.

ECONOMIC
Responsibilities

Be profitable.
The foundation upon which all others rest.

Figure 1. Carroll's Pyramid of CSR (Carroll, 2016).

The laws and principles of a society are the legal responsibilities that corporations must operate and perform consistently with government expectations. Businesses have to provide goods and services to fulfill the legal obligations to meet the minimal legal requirements (Carroll, 2016).

Ethical responsibilities are an extension to the society's laws and regulations which is expected or prohibited by the member of society. In order to reach the goal, companies must not compromise the ethical norms. If in case laws do not dictate courses of action, companies should be able to be responsive to all the moral responsibilities (Carroll, 2016).

Philanthropic responsibilities mean that the business activities according to society's expectation to be a good corporate citizen. This is a direct commitment which includes programs or acts that promote the welfare of the society. Philanthropic goodwill comes after fulfilling all other responsibilities, and this is not required by law, generally not in an ethical sense (Carroll, 2016).

The pyramid describes the basic idea of Corporate Social Responsibility, even though it has some fragility. The main complication of the model is that it does not specify the situation when two different responsibilities are overlapping. For example, legal responsibility includes an obligation to make a sound profit as well as producing the right product. Also, there is a moral duty to obey the law under ethical responsibility. Furthermore, Carrol states that philanthropic responsibilities can be induced based on moral responsibility. Hence it is confusing to pursue what kind of actions under which responsibility. On the contrary, Carrol argues that different stages of CSR are to be accomplished at the same time which may not be immediately apparent (Haski-Leventhal, 2018)

Nevertheless, Carrol's pyramid is exceptionally valuable to isolate and expand thought processes and inconsistencies behind corporate actions. Carroll's primary purpose with this model is to 'bring into the fold those who have argued against social responsibility' (Griseri & Seppala, 2010)

2.3 Sustainable Development and Triple Bottom Line

If corporations are only concerned about profit from the financial point of view, they need to know about the actual impacts of the commercial acts on the people and planet. In this case, to broaden up corporate social responsibilities, John Elkington (1995) states that companies should focus on three different bottom lines instead of only financial outlook. These three bottom lines are accordingly; profit or loss account, people account, and planet account (Henriques & Richardson, 2013).

Planet concept is about the corporation's footprints regarding commercial activity on our planet; this focuses on the growing sustainability and being eco-friendly. Regarding sustainability, the planet account is the most important one, as if the people and profit account will exist if the planet exists.
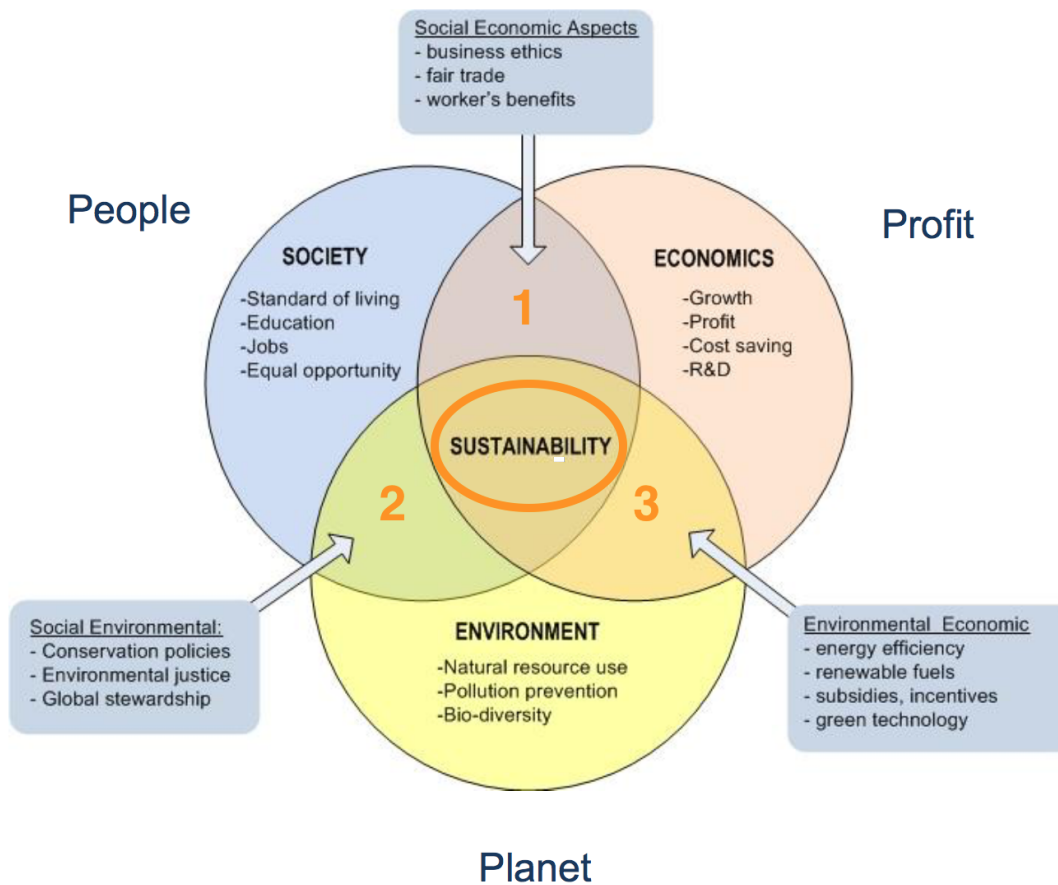
Figure 2. John Elkington's Triple Bottom (Avramenko, 2018).

Whereas, People concept stand for the fair and profitable business practices to the suppliers, employees, labor union, and the community in which the company belongs. Everyone's wellbeing in the community is one of the responsibilities of the company; this can indicate a company's motivation and loyalty towards business partners and laborers. Profit is the financial assessment initiated by the corporation, which is the particular purpose of doing the business. From the perspective of the triple bottom line, making the Profit concept appropriate should support the entire society (Henriques & Richardson, 2013).

However, Slaper and Hall (2011) suggest that by adapting Triple Bottom Line theories, an organization can support their sustainability goals. Every company must practice and develop a customized procedure to maintain sustainability by identifying the objectives according to the Triple Bottom Line. Likewise, corporations have to adjust to the core strategies (Slaper and Hall, 2011).

2.4   Eco-Labels

Nowadays, corporations know that ecological concern can be turned into a new and more efficient marketing strategy for the brand and services. There are many companies concentrating on being eco-friendly by reducing the usage of the goods or elements that can harm our environment. This is a strategy to attract more customers. The ecological label represents the commitment of a sustainable and better environment. Ecolabel is a logo which is developed to illustrate the environmental certificate of a company or the services company provide their customers. Generally, companies look for such labels because they help to access business products, which can offer a more advantageous position in the market. (Middleton 2009, p.240).

Moreover, when a corporation applies sustainable business policy and ecolabelling, that helps to reduce at least some production cost (waste, energy, water), which can lower the final price of the product or services. Nevertheless, to deal with the safeguarding of the natural habitats and profit at the same time, business ethics and ecological benefits are corresponding to each other during business practice. Business is connected to its circumstances and to the environment all the time either as a beneficiary of raw material or as a waste generator. In this case, also, customers are responsible for environmental responsibilities. Hence, it is essential to handle environmental issues properly to do sustainable and also profitable business at the same time in society. (Middleton, 2009).

The Sokos hotel chains follow Green Key ecolabel, which is one of the popular environment policies that mostly focuses on the tourism industry. The other one is the Nordic Ecolabel, which is also popular among different hotel groups, which is a competitor of the Sokos hotel chain, for example, the Scandic Hotel. In this research, both Green Key and Nordic ecolabel have been analyzed since Green Key competes with the Nordic ecolabel and also to understand both the competitor and Sokos group.

2.4.1   The Nordic Ecolabel

Nordic Ecolabel was introduced in 1989 by the Nordic Council of Ministers, and it has been declared as an official ecolabel of the Nordic countries. The swan (figure 3) is the trademark of Nordic Ecolabel, which has been developed from the Nordic Council of Minister's symbol (a white swan in blue background) and was designed by a Finnish artist named Kyösti Varis. The swan represents Norway, Finland, Sweden, and Iceland, and the

swan has four wings. Denmark joined later in 1992 and for Denmark swan does not have any added wings (Lange, 2014)

Figure 3. Swan Eco-Label.

(Source: joutsenmerkki.fi)

The Nordic Ecolabel is an efficient and elementary tool that ensures that the products or the services have accomplished the environmental criteria. The Nordic ecolabel sets their missions to create a way to sustainable consumption. Nordic Ecolabel helps customers to choose the Nordic Eco-labeled product; as a result, they will be able to be an active contributor to achieve the eventual goal to a sustainable society. Furthermore, Nordic Ecolabel implements individual requirements or rules to produce an environmentally friendly product. For instance, what kind of chemicals should be used, how to recycle the eco-labeled product and so on. Besides, Nordic Ecolabel continuously develop and narrow down the requirements to cope up with the current trends (Lange, 2014).

However, 67 different product and service groups of hotels are covered by the Nordic Ecolabel. Any company can obtain the Nordic ecolabel by fulfilling the requirements, and they can use the label to do sustainable marketing complying with the Nordic Eco-labelling Board's regulations. A lot of products with Swan Ecolabel has been sold in the Nordic countries and the sale number is growing day by day (Ec.europa.eu, 2020)

2.4.2 Green Key Ecolabel

The green key is a private and voluntary ecolabel in the term of environmental responsibility and sustainable business operation within the hospitality industries. Green key was established in 1994 in Denmark by HORESTA (Association of the hotel, restaurant, and

tourism industry in Denmark), the Danish Outdoor Council, and the Association of Danish Tourism Executives. Green Key is a program FEE (Foundation of Environmental Education). It has become a world's leading ecolabel for accommodation and awarded to more than 3200 hotel industries in 65 countries (Greenkey.global, 2020). The Green Key helps to make a difference in the sustainability level and fight against the speed of climate change. By confirming the 12 points (based on environmental management, technological concern, staff, and tourist's engagement) of the international criteria, national criteria have been created. However, Green Key award is valid for one year at a time (Orloczki, 2012).

Green Key's official aims:

- Green Key aims to increase utilizing the eco-friendly and sustainable approach of operation, and in the end, this will decrease the amount of the overall use of resources.
- They target to raise awareness and bring a behavioral change in suppliers, guests, and staff in every tourism industry.
- They provide trustworthy evidence that can give marketing advantages (Greenkey.global, 2020).

2.4.3   Ecolabel Practice in Sokotel Group

The Green Key ecolabel has awarded Sokos Hotel Group for the Sokos chain means all the Sokos hotels. More sustainable mobility and hotel roofs with solar panels are an example of Sokos's environmental work. Marketta Viljasaari, the Program Director from Green Key, says, "Environmental work at Sokos Hotels has been persistent, versatile and systematic. Each hotel has found a suitable angle to environmental work that is closest to their heart and with the volume of a large hotel chain, small everyday acts yield large environmental benefits,". As green Key's crucial part is to provide guidelines to the clients in eco-friendly tourism, so the Concept Manager of Sokos hotels, Janina Nurmela says, "We encourage our customers to use environmentally friendly modes of transport, for example. Guests of all our hotels can borrow ecological modes of transport from bicycles to kick scooters and from snowshoes to skis. Additionally, we offer skiing track, route,

and city maps to our guests. Customers driving electric vehicles can more and more often charge their vehicles at Sokos Hotels' charging points".

The staff is always encouraged to use bicycles as transportations, taking stair-stepping challenges, and so on. In 2014 Sokos planted solar system on the hotel roof, and they supply hot water heated by the energy from solar panels to the entire hotel. In addition, they distribute the solar energy to the floor heating process, which ensures that Sokos aims not to waste solar energy. Nurmela also promises that "We are very proud that we have managed to achieve Green Key ecolabel for all our hotels in just four years. And our work will not stop here. Our next concrete goal is to decrease food loss by 15 percent by the end of 2020".

However, Sokos always works to reduce energy consumptions and try to use biological products. To reduce carbon footprints, they work for minimal waste production and also sort the garbage. Sokos is concerned about water uses, and they are monitoring the amount of water uses. The company has efficient cleaning instructions to save water. Also, they have re-use towel tricks to save water. On the other hand, there is no rainwater usage in Sokos; the company could have a rainwater collection system. However, as all the Sokos hotels have Green key ecolabel, this ensures that consumers are automatically supporting to save the environment without any discomfort, as Sokos meet Green Key's strict environmental requirements.

2.5   CSR initiatives in Hotel Business

According to Ryan (2015), scholars have gained huge research interest in the overall CSR initiatives that have been undertaken by hospitality sectors.

By practicing the 3Rs theory (Reduce, Recycle, and Reuse), hospitality businesses have made an enormous investment in environmental management. The firms follow conventional methods, green slogans and operations, moderate energy, and water usage with high-efficiency. For example, they design bathrooms that can reduce the water consumption, showerheads or taps with low-flow, encourage consumers to reuse towels and linens, low energetic lighting, LED usage, and many more. Besides, various hotels are investing in the innovation of technological fields, which can lead to a change in energy consumption in the future. One of the Danish hotels named Crown Plaza has planted a brilliant strategy by inspiring the customers to produce electricity by using exercise bikes. In this

way electricity consumption will be reduced, and also consumers are staying healthy. Moreover, this hotel offers customers a meal voucher in return for using the exercise bike (Rhou and Singal, 2020)

The idea of reusing a towel came up with the slogan "Hang Up Your Towel," which was initiated by Scandic hotel. This slogan helps to save water and electricity, which is very effective in terms of CSR. On the other hand, the Sokos hotel recycles its thousands of furniture. The hotel has been selected as the most sustainable and trustworthy hotel in Finland in 2017.

2.6 Consumer Behavior

Blackwell (2001) describes consumer behavior as the activities people get to engage in when consuming, obtaining, or disposing of products or services. Though the explanation is useful but still does not answer all the questions, 'obtaining' may mean exchanging anything which does not need to be a purchase of the product. On the other hand, consumer refers to the people who buy the product to consume. However, according to Kotler and Armstrong (2010), consumers make a lot of purchase decisions in a day. These decisions can be regulated in different ways for such as demands where demands and wants are certainly molded conforming to personal experience, culture, and characteristics. In this circumstance, an individual consumer develops purchase decisions over time. To extend this, Schiffman and Wisenblit (2015) conclude, the highly satisfied customer tends to buy the same products or brands, these customers promote the product by giving the encouraging message to others, and they are the 'customers for life.' On the contrary, less satisfied or not satisfied customers switch to other brands or companies immediately. They can also spread a negative message.

The customers are engaged in every step of a business. In the hospitality business, customers are the main concern from the start, such as dealing with the staying experience, atmosphere or food experience, reception desk's performances, and many more, which should be reviewed straight away.

2.6.1 Types of Customer Behaviors

The customer behaviors are divided into four categories based on two factors of significant or few differences in brands and high or low involvement (Fig. 4) (Kotler & Armstrong, 2010)

	High Involvement	Low Involvement
Significant differences between brands	Complex Buying Behavior	Variety Seeking Behavior
Few differences between brands	Dissonance Reducing Buying Behavior	Habitual Buying Behavior

Figure 4. Categories of Consumer Behaviours (Kotler & Armstrong, 2010).

- Complex Buying Behavior: To identify the best possible options, this type of customer continuously considers various brands, and customers are remarkably involved in the buying process.
- Dissonance-reducing Buying Behavior: Customers consider only a few brands, and few options and customer involvements in the buying process are also remarkable.
- Habitual Buying Behavior: Consumers are not highly involved in the buying process and identify a few trademarks for a few options.
- Variety-seeking Buying Behavior: Customers are continuously looking for different brands to get the best possible options. They are not much involved in the buying process (Kotler & Armstrong, 2010).

2.6.2   Factors that affect Customer Behaviors

In the book 'Principles of Marketing' Kotler and Armstrong (2010) mentions that the final purchase decision can be affected directly by the culture factor, social and economic class, lifestyle, and so on. Cultural Factor is an essential factor in affecting customer behavior. Cultural background defines and shapes the fundamental value, attitudes, demands, and wants of a person. People inherit these characteristics directly from the surroundings and family in the first phase of life. There are subcultures inside of a culture that shares comparable morals created from everyday experiences of life and situations. People's occupation, wealth, education, and social class also play a considerable part in terms of cultural factors.

People's personal factors, such as phycology, beliefs, age, motivational factors, and lifestyle, also impact the individual's purchase decision. Of course, a teenager will have different reactions than a mature or old aged reaction on a brand. At the same time, because of the internet and social networks, numerous and different fashions, and trends are being generated. Different social networks are also influencing consumers. Experience and perception are other vital facts since customers' minds can be directed by previous experience. A customer will not go to the same place repeatedly where customers already have bad experience from the supplier. Sometimes not only the personal experience but others like friends, family or others can divert the buying behavior (Kotler & Armstrong, 2010).

2.7   Correlation between Ecolabel and Consumer Behavior

An ecolabel can be a tool for influencing or supporting buying decision making regarding eco-friendly products from the perspective of customers. However, a customer can still reject the product with an ecolabel after measuring the pros and cons. Even the customer adopts an ecolabel for making a purchase decision (Thøgersen et al., 2010). However, A case study by Gokirmakl et al. (2017) concludes that when customers purchase a product, they play a significant role in terms of protecting the environment by their preference. The global awareness of environmental concern such as resource depletion, climate change, and pollutions influence the customer's buying decision and selection of the services or brands.

The research (based on 'Flash Eurobarometer 258' study) also finds that almost 50% of European citizens' consumption behavior affected by ecolabels. Hence It is clear that eco-labeling has a significant impact on buying behavior, and Ecolabel affects customer behavior in two different ways. First, green is being introduced as a considered quality at the viewpoint of sale. Second, this empowers customers to compare brands based on green. Ecolabel oriented buyers are more informed and aware of green business. On the other hand, price-oriented customers are not conscious of green subsidy. However, the survey revealed that customers think that biological products are not as good as the regular one. Besides, consumers do not want to pay a high price for ecolabel attributes. Nevertheless, they are willing to pay more for the products or services which they know and sustainable. For example, Consumers are prepared to pay 10-17% extra for detergents and toilet paper.

In contrast, if there are alternatives with more sustainable features in the market, customers will not pay more for eco-labeled goods. Interestingly, the "Natural Marketing Institute's 2007 LOHAS Consumer Trends Database" reported that all the ecolabels do not share the same impact. Even consumers demonstrate that they are willing to make eco-friendly buying decisions if only the ecolabels are widely accepted and trusted brands themselves. For instance, the familiar label 'EPA's Energy Star' has a considerable impact on consumer behavior compared to others (Gokirmakl et al., 2017). In addition, Hamele (2001) describes that Green Key organization has been proved more eco-friendly as they use 30% less water and 25% less energy compared to non-key organizations. This can be a significant reason to join the Key. Moreover, a lot of hotel managers are conscious about the environment and want to do something, and they find the Green Key in line with the company's philosophy, such as ethics, management, and so on. From the marketing perspective, many tourists look for Green Key accommodation services, especially in the Nordic markets and German.

3   SUMMARY OF THE THEORETICAL FRAMEWORK

Corporate Social Responsibility is a continued achievement in all business areas to make corporate agreements. Also, CSR is considered as equivalent to the concept of morality in business, environmental responsibility, and social obligations (Bowen, 2013). Carrol's pyramid and triple bottom line concepts represent the CSR components in a broadway, and these are essential to be practiced in business. That can help to fulfil the responsibility towards society and the environment and to develop their business strategy.

The ecological label is an efficient business strategy that represents the guarantee of a better and sustainable environment. Also, the ecological label is a logo that illustrates the company's ecological certificate to provide its customer. Ecolabel helps to attract more customers (Middleton, 2009).

The questionnaire was set in a way to access customer information about the CSR policies and the Green key ecolabel. CSR policies and the Green key ecolabel are important part of ethical responsibilities of the Carroll's Pyramid. These questions actually access how the customer are aware and how they are loyal after the CSR practices of the case company.

According to Kotler et al. (2017), consumer behaviour is the study of organizations, groups, or individuals and all the actions correlated with the buying process, use and demolition of products and services. Based on the difference in various brands and the level of engagement, consumer behaviour has been divided into four. In sokos hotel chain, there are different types of customer group. For example: there are customers who come to visit for holidays, there are customers for business travels. In the questionnaire I tried to access the customer primary reason to visit sokos hotel and how they are loyal to the hotel chain.

In order to meet the thesis objective, Corporate Social Responsibility formulates an ethical business model as a base to guide future strategy. Consumer Behaviour supports the primary target of the research on the question of "How does Corporate Social Responsibility affects the 'Consumer Behaviour' in the hospitality industry?" Overall, Carroll's Pyramid and triple bottom line shows the path to access the CSR practices of the company. The questions are set in a way to access the overall view of the customers.

4   OVERVIEW OF SOKOS HOTEL

The Sokos Hotel chain has been established in 1974 and is a Finnish brand. Apart from Finland, the chain also operates in Russia and Estonia. The chain consists of 50 hotels around, and 47 of them are located in Finland. Sokos hotel chain is part of S-group, and their procurement activities adhere to S-group's principles and guidelines about sustainability.

The Sokos hotel (also called Sokotel) has three different kinds of hotels accordingly Original, Break and solo. An Original hotel relates the Finnish mindset and easy to understand. It regards the customer as a human being and not as a reservation number. Original hotels serve the guests and take good care. A Break hotel is full of joy, energetic, and gives customers time. The hotel offers physical and mental exercise and relaxation to the guests. Basically, the Break hotel inspires the customer to break their daily or regular routine, whether the customers are on a leisure trip or business trip. Customers will always feel encouraged to be more energetic and recharge the internal battery. Lastly, the Solo hotel is more likely a classic one. The hotel is much more than an address or building. It has unique characteristics and personalities. The Solo hotel provides local and warm services to customize the stayover experience (Sokoshotel.fi)

Figure 5. Sokos chain's marketing Position (Sokos Hotels St. Petersburg, 2016).

4.1 Values of Sokos

Set of Sokos's values:

- o Sokotels are for the customer
- o They operate responsibly and reliably
- o They are constantly innovating
- o Sokotel works effectively, and they make Hospitality Happen.

4.2 Consumers and Sustainability

It is crucial to describe Sokos hotel's customers as this research deals with customer behavior. Sokos has attractive and well-known loyalty programs that draw the attention of business customers, family, or leisure travelers. Sokos's primary customers are corporate customers who generate most of the revenue. Sokos has a loyalty program that brings loyal customers to them. They provide S-Card to their customers. S-Card is a customer's loyal card; the card adds comfort and flexibility and provides a lot of valuable benefits. S-Card is the most inclusive 'Customer Loyalty Card' for the business tourists in Finland. Sokos also operates Radisson Blue Hotels in Finland. They have another loyalty program named Club Carlson, which also offers several pleasant rewards and benefits.

Sokotel has decided to build leadership in the sustainability of the business, and they aim to adopt one common ecolabel for the whole chain. So, they later joined the Green Key program. By 25th of 2018, all the Sokotel has been awarded the Green Key Label. They have emerged the way of working through the Green key criteria. Moreover, In the 'Nordic Business travel Award 2020, Sokos has been selected as the best hotel chain among the Nordic travel service providers (sokoshotel.fi).

4.3 Nordic Market

The second-largest hotel chain is the Sokos Hotel. Sokotel has 1392 number of rooms in total with 50 hotels in 3 different countries. All the hotels are situated in city centers, in the business hub, airports, in the middle of recreational locations, alongside good transport connections or beside a major highway. However, due to the reliable macroeconomy, the hospitality sector in the Nordic market is steady and secure. Moreover, the Nordic market is moderate and mostly balanced, which is an excellent advantage for the

Sokotel. Another factor is that Nordic countries are unspoiled, clean, and beautiful, which attracts international tourists. Tourism is continuously developing in the Nordic Countries which enable Sokotel's large and right market positions (Sokoshotel.fi)

4.4 Summarizing 2019 for Sokotel Chain

The development of tourism in 2019 was favorable for Finland. The overnight stays of Finnish travelers increased by 5.5% and 3.4% for foreign travelers. Hence, the Sokos hotel got benefited from the rise of domestic travel. The sales have increased by 7.2% in a year, which has been driven by customer loyalty programs. In addition, a new hotel, 'Original Solo Sokos Wiklund', opened in 2019. In 2020 they have opened another new hotel in Helsinki, and they have a plan to open another new hotel by 2020. Sokos has decreased the alcohol consumption level, and easy and quick food consumption continues to increase. (S group and responsibility report, 2019)

Furthermore, Sokos chain has gained a strong market position due to constant development even in this competitive environment. According to the annual report (2019), Sokotel's net sales were 2030.9 million euros in 2019, which is showing a 2.7% increment than the previous year. The Sokotel business in St. Petersburg also improved, and the net sales were 31.2 million euros indicating an increment of 4.3% by one year.

Respectively, Sokos chain's euro-denominated performing result revised slightly (SOK corporation's Financial statement, 2019).

S Group's retail sales excluding taxes by business area	EUR million	+/- % previous year
Prisma*	3,563	+2.8
S-market	3,507	+1.3
Sale	695	+0.2
Alepa	394	+5.7
Herkku	85	-11.8
Other supermarket trade	6	-1.4
Supermarket trade total*	8,249	+1.9
Hardware trade	135	-0.3
Service station store and fuel sales	1,721	-0.5
Department stores and specialised trade	290	-1.4
Travel industry and hospitality business*	842	+3.1
Automotive trade and accessories	437	+7.3
Others:	40	-7.9
S Group total*	11,713	+1.7

Figure 6. SOK corporation's Financial statement, 2019.

4.5 Sokos's Ethics and Social responsibility

Sokos hotel organizes many events to contribute to social responsibility. Recently they have taken measures to support the critical work for the Baltic sea by awarding the Wasaline. One of the most polluted seas in the world is the Baltic Sea. Oil transport, eutrophication, climate change, etc. make the sea contaminated. However, Sokotel always offers Finnish foods to their customers in order to take the responsibility to give importance to the Finish foods. Furthermore, Sokotel showcases local goods and highlight Finnish designers' works.

Sokos chain hires workers of all ages into various positions and offers summer-jobs to the young jobseeker to help them being experienced. Openness, responsibility, and transparency are integral to the Sokotel, and they provide ethical-working training to their employees. As well as promotes human rights within the supply chain. Sokotel is faithful to respecting human rights internationally. For example, Sokos supports diversity and focuses on people with a different background in their communication (S group and ethical principles, 2020). Moreover, by participating in different charity events, Sokos supports society's prosperity, for example, Thirst and Hunger Day campaigns. Sokos operate a yearly event called 'Responsible Business Action Month,' which helps to make hotel staff, customers, and stakeholders more aware of the environment and society.

5 RESEARCH METHODOLOGY

5.1 Implementation of methodology

The more substantial part of this thesis applies the quantitative method, outlined by conducting brief interviews precisely with the customers to gather numerical data. Also, there is a partial application of the qualitative method that appears as a reflection in the objective perception of the author from work experience at the hotel. Regarding the interviews, most of the questions target consumers' instant feedbacks derived from their staying experience at the Sokotel. In the interval, customers get opportunities to express their thoughts more in-depth regarding the issues stated in this research in the least of the interviews.

According to Brandimarte (2011), quantitative research highlights the objective's numerical analysis and statistical measurements. This data collection method includes polls, surveys, or questionnaires from a group of people to clarify an aspect or act in order to make a foundation for developing a decision. On the other hand, Taylor et al. (2015) describe that the qualitative research method specifies more descriptive data that actually been collected from peoples' spoken or written words and through interviews or observation. This method does not provide statistical data but aim on different opinions and perception, which can give vibrant and accurate results rather than vice versa. Moreover, it is worthy of studying all humans' aspect holistically to extract the valuation of the research.

The principle of using both quantitative and qualitative research methods is to achieve in-depth and fair consumer-based feedbacks. Quantification designates the database as more accountable by owning a large number of interview samples. On the contrary, qualification helps to get through the customers' perspective, and this will be an invaluable assessment of the thesis. However, the author also used secondary research in order to collect data from Sokotels' management. As an employee of Sokotel, the author had access to the secondary data, which was time-saving as well as useful. Also, the secondary data would help to determine the customer services of Sokotel. Nevertheless, the drawback was that most of the data was confidential and could not be possible to attach to this research. Besides, considering the factor that the data will only be collected from one hotel, another limitation is that the data does not come from every property worldwide.

Thus, the information gathered will serve as a sample of the entire Sokos guest portfolio worldwide.

5.2   Research Setting

This research analyses different aspects of customer behavior towards ecolabel and CSR while seeking the answers of following questions:

- Is Green Key ecolabel dynamic marketing tool for Sokotel? (how, if it is yes)
- Do customers consider CSR aspects or ecolabels while choosing a hotel?
- Do guests value ecolabels and willing to pay more for staying in an Eco labeled hotel?
- How does Sokos succeed in branding and communicating its sustainable efforts to its guests?

To answer this primary research questions, the interviews were accomplished at the Original Sokos Hotel Royal Vaasa, precisely with 31 distinct customers during February and March of 2020. The author (also the interviewer) usually approached the hotel customer during the checkout and after the breakfast period. The interviewers asserted themselves beneath no restriction of time or implied of expressions. Each interview length was approximately 3 to 5 minutes on average, and the feedbacks were hand-noted and stored digitally with the help of an Excel document.

6 RESULTS AND DATA ANALYSIS

In this chapter, the research finding will be discussed and analysed, and the feedback of the interviews will be presented.

The study of the Survey:

6.1 Demographic data analysis

The first four questions were about the interviewees' demographic data, including gender, age, country of origin, and purpose of the stay. The purpose of gathering demographic data was to get an idea about different customers group of Sokos chain. Due to customers' privacy, no personal information was collected or recorded.
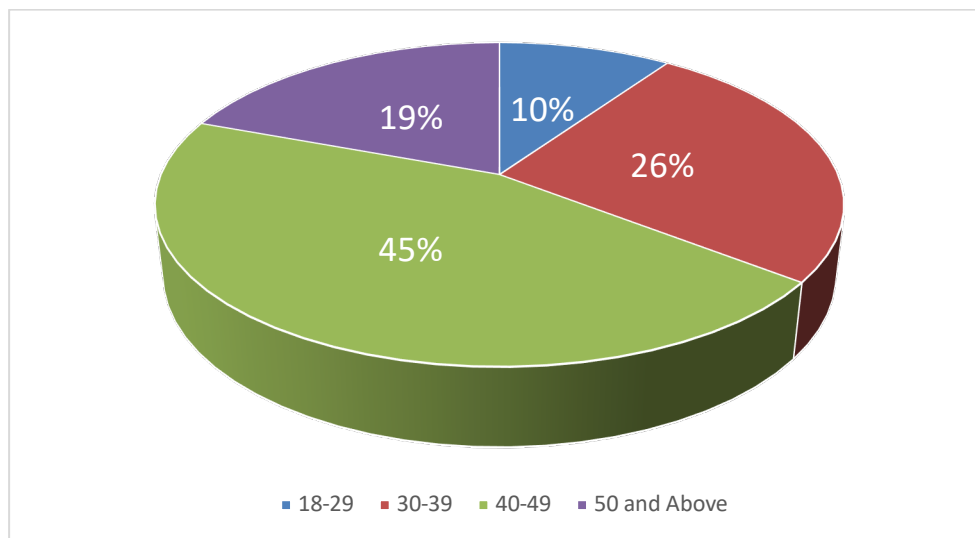

Figure 7. Age group of the responded.

The first question was about gender; there was a majority of male interviewees consisting of 68% male and 32% female. The in-general percentage of male and female customers of the case company is accordingly 61% and 39% therefore; it can be assumed that the survey reflects the usual demographics of the hotel. The second question answers the age group of the respondents. The group of age was formed this way: from 18 to 29, from 30-39, from 40-49, from 50 and above. The result shows that most of the respondents belonged to the age group 40-49, which is 45% of the total respondents. Only three interviewees were in the age group 18-29, which comprises 10% of the total. Accordingly, 26% of respondents belonged to the 30-39 age group, and the rest 19% belonged to the

age group of 50 and above, which are six respondents. On the other hand, the case company's most of the customers belong to the middle age group according to the hotel manager, which shows that the survey is quite similar to the hotel's actual demographics.

The highest number of respondents is from Finland, which is 65% and 35% of respondents are from other countries, including China, India, Bangladesh, Sweden, and the United Kingdom. The reason behind the highest number of Finnish respondents is the popularity of Sokotel among Finnish people. According to the survey, the purpose of the stayover at Sokotel is mostly Business, consisting of 61% of the total. The rest of the respondents (39%) stayed for pleasure. However, in real cases, the percentage is quite different. About 45% of the customers stay for business purposes while the rest are staying for pleasure.

6.2   Screening data analysis

In this part screening data were collected through the survey.
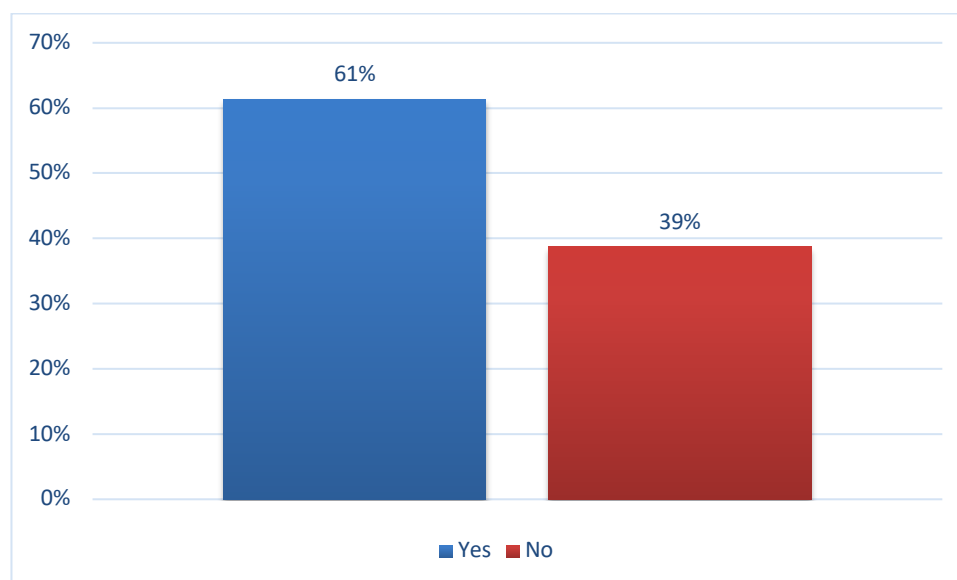
Figure 8. Customer's knowledge about CSR practice in Sokos.

The respondents were asked if they know about the Sokos chain's CSR practice; the result reveals that 61% of respondents know about it, and 39% do not know (Figure 8). Concerning the Sokotel's CSR practice also there was a question about Green Key ecolabel if the customers are familiar with it or not. Out of 31 customers, 14 customers know about

Green Key, and the rest did not hear about it. This states that although most of the customers know about the CSR activities of the Sokos chain, Green Key is not familiar to all the customers.
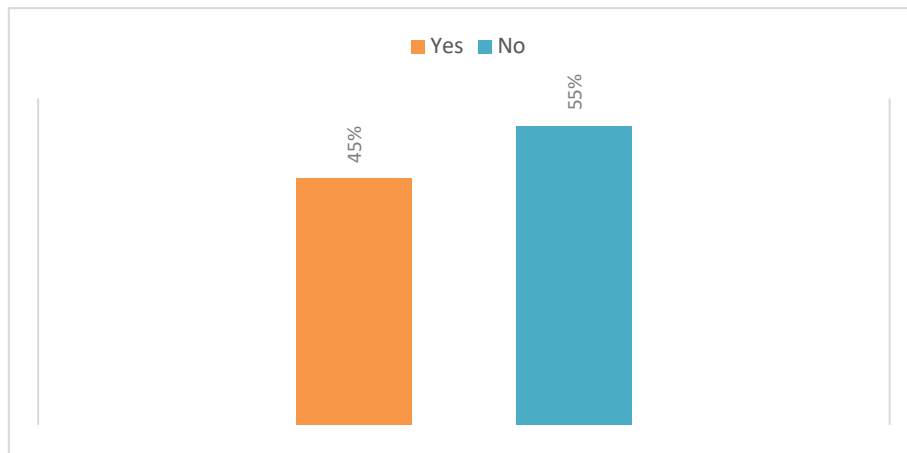
Figure 9. Green Key's popularity among Sokos customers

These days consumers are more responsible for environmental issues. Yet, it might be unsure whether hotels are really fulfilling the duties or putting a tag of ecolabel for marketing purposes. Hence, the respondents were asked if they think eco-labeled hotels are more concerned about ecological factors than other hotels. According to the survey, most of the customers (52%) think that eco-labeled hotels are more concerned about the environment compared to other hotels, and 32% of the respondents do not think the same. Meanwhile, 16% of the respondents were not sure about this fact. This means most of the respondents think in general, these eco-labeled hotels are at least contributing something towards the environment.
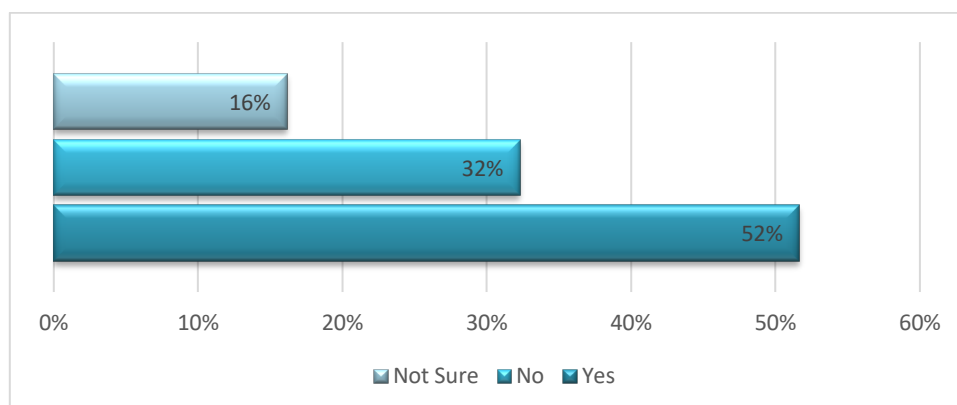

Figure 10. Importance of eco-labelled hotel

However, the next question was about the price if customers are willing to pay more for a sustainable hotel, and the results show that 42% of customers do not want to pay more and 32% wills to pay more for a sustainable hotel. It seems, although most of the consumer does not want to pay more for a sustainable hotel, yet a generous number of customers wants to pay more. Besides, 26% of the respondents were not sure about the answer.

6.3   Importance level data analysis
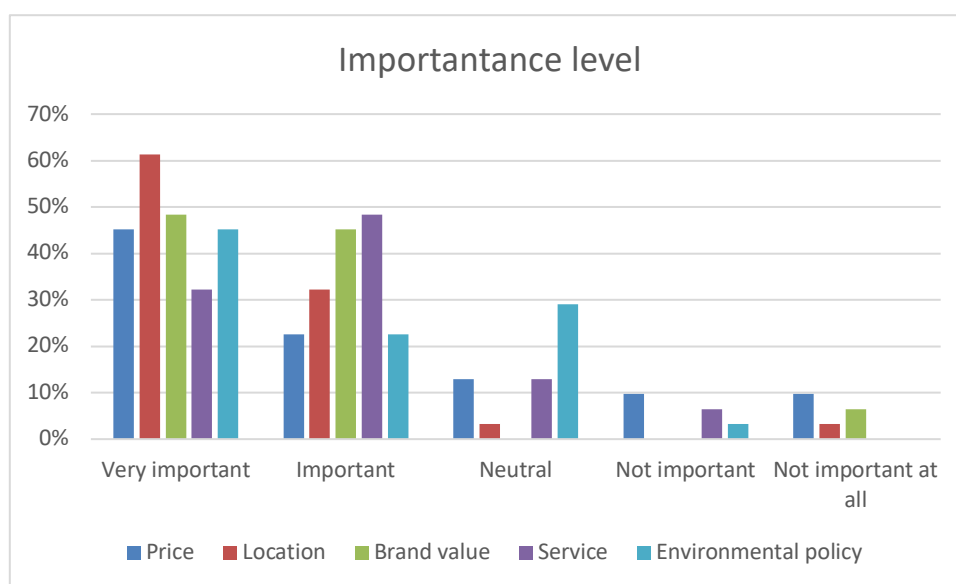
**Figure 11.** Important factors before choosing a hotel.

The questionnaire also consisted of questions about factors that customers consider most while choosing a hotel. The factors as options were price, location, brand value, service, and environmental policy. Figure 7 shows that location is the most important fact to consider before booking hotel rooms. Where 61% and 32% marked accordingly 'very important' and 'important'. Because most of the Sokotels' customers are business customers, so they focus on location rather than price. The figure also shows that brand value is as important as the location to the sokotels' customers. 48% of the interviewee marked brand value factor as 'very important' and only 6% marked 'not important at all'. However, environmental policy is another essential fact to the customer to select a hotel to stay. Surprisingly the respondents put nearly equal weight to the price and environmental policy according to the survey.

6.4 CSR influence towards consumer behavior
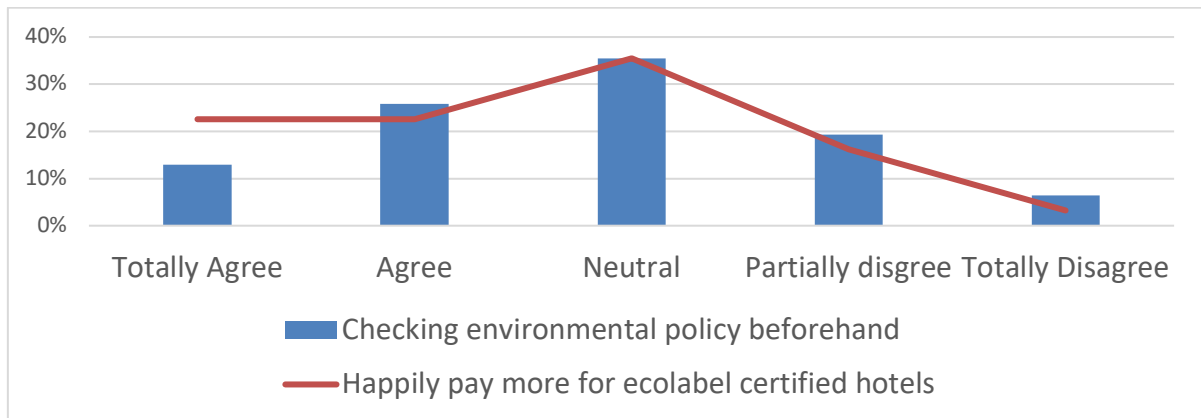
Figure 12. CSR influence towards customer behavior

The first two questions were interrelated and asked to know if the customers who are concerned about the environmental policies of a hotel are agreeing with the ecolabel certified hotel's price range or not. Because ecolabel certified hotels' price may be higher due to many different factors. The first question was that if the respondents are checking environmental policy before choosing a hotel, 35% of the guests marked neutral, and only 6% marked totally disagree. In comparison, 13% totally agree, and 26% agree with the statement. Overall it can be said that customers often check the environmental policies and becoming more responsible for protecting the environment. On the other hand, when asked if they happily pay more for an eco-labeled certified hotel, the result shows that customers who check environmental policies before booking a hotel room are happily paying more. However, only one respondent marked totally disagree, which complies with 6% of the total respondents.
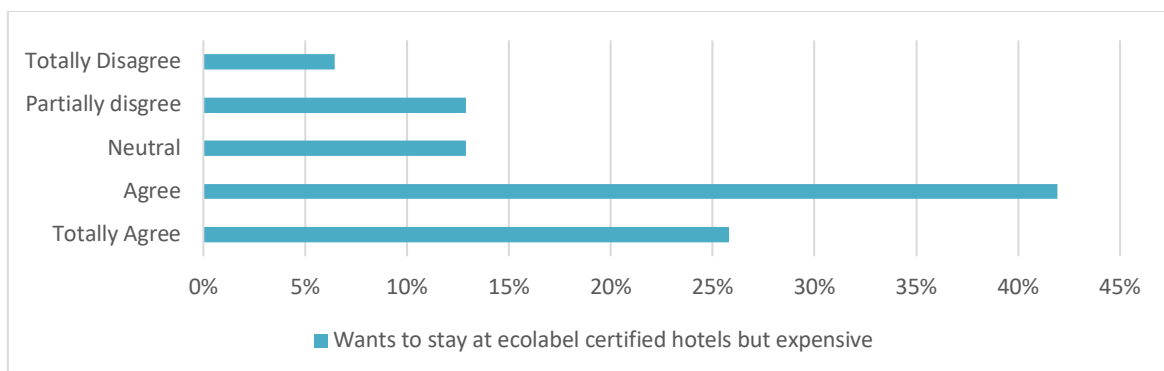

Figure 13. Customer attitudes towards price and eco label certificate

The respondents were also asked if they think eco-labeled hotels are expensive or not. 26% totally agree, and 42% checked on to agree, which points out that even though most of them are happily paying more, still suspecting the ecolabel certified hotels' price is high. As nowadays there are plenty of hotels doing great in concerning the ecological factors without any ecolabel certifications, customers usually focus on discounts, offers, and services besides ecological things.
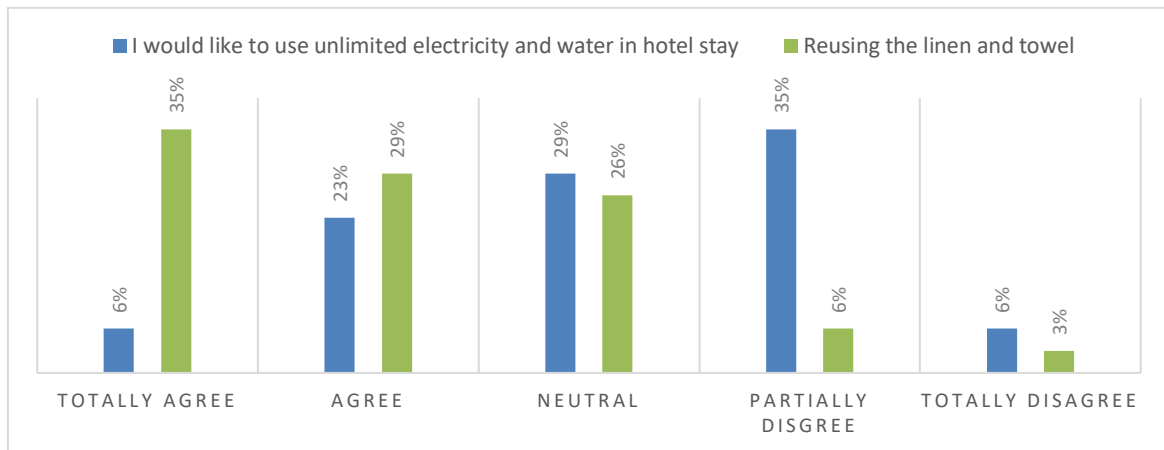
Figure 14. Customer awareness towards environment

The survey contained questions about re-using towels and saving water, electricity. These questions are important to know customers' concerns about CSR practice and how they cooperate with the process. The result clearly shows that the maximum number of customers prefers re-using towels and linens, and also, they want to save electricity and water for future use.
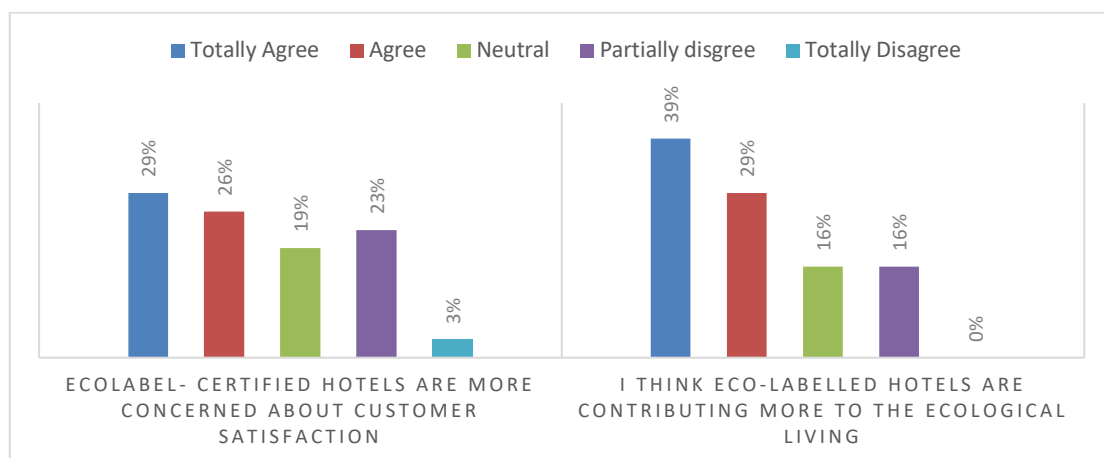
Figure 15. Customer satisfaction and eco label certificate

In the last two questions, respondents were asked if they think eco-label certified hotel industries are more concerned about customer satisfaction and, at the same time, contributing more towards a stable environment. Most of the responses were positive for both questions. In response to the first statement, 29% of respondents marked totally agree, 26% marked agree, and on the contrary, 23% checked partially disagree. For the second statement, 39% of the respondent checked totally agree while 0% checked totally disagree. The responses indicate that the Sokos chain is concern about CSR practice. Sokotels are organizing different environmental programs, and at the same time, they are performing their best to satisfy their customers by service qualities and management.

6.5   Analysis of result with theoretical framework

According to the survey result, Sokotel in Vaasa is known as a socially responsible industry among the consumers. The Sokotel has performed different activities to promote CSR, which also reflects the triple bottom line dimensions the people, planet, and profit by Carrol (2016). Besides, all the components of Carrol's pyramid (philanthropic, ethical, legal, and economic) are fulfilled by Sokotel, which has been stated as core components of CSR in chapter 2.2.

In the results, figure 09 shows that customers of Sokotels are known for the CSR policy of the hotel, which is an advantage in the competitive market. Nevertheless, the Green Key ecolabel is not very well-known. If we go back to figure 10, respondents expressed their positivity towards Sokotel's ecolabel program. According to the report, most customers do not check the environmental policy before check-in to a hotel. If we compare the important factors to the customers before choosing a hotel, location, and brand value are equally important and then comes environmental policy, price. This indicates that Sokotel's customers belong to the 'Dissonance-reducing Buying Behavior' category (Kotler and Armstrong, 2010). This means Sokotel has the customers who consider only a few brands and few options, also indicates that customers are loyal to the Sokotel.

However, according to figures 11&12, customers are concerned about environmental policy and perceive that CSR is an important value to the hotels, but they are not willing to pay more yet. In the viewpoint of consumers, eco-labeled hotels are expensive even though they are positive towards ecolabels in general.

6.6   Suggestions for Future Researchers

The thesis delivers concepts of CSR and consumer behavior in general. Though the process went smoothly, the results were dependent on only a few responses. Hence, further research can be done with more respondents. The result could be different with a wide range of surveys. Moreover, the survey was done in only one Sokotel; it can be suggested to do future research among two or more hotels to broaden the research area. Since this research does not includes benchmarking where this takes so many factors in regards. Therefore, it would be impressive to examine benchmarking in Sokos hotel chain or between Sokos brand and other Hotel brands.

7   RELIABILITY AND VALIDITY

In the matter of research reliability suggests flexibility and stability, while validity refers to using the appliance to accurately measure results to meet all the prerequisites of the research method (Heale et al., 2018).

Several courses of action were taken in order to ensure the validity of the research. Before starting with interviewing customers, a preliminary test was conducted within some colleagues. Moreover, the officials of the Sokos hotel in Vaasa helped in the interview process as they have also done customer satisfactory surveys before.

There was an opportunity to approach certain customers of the business, and that favors this research outcome to be profoundly reliable. In addition, the author's observations were subjectively carried out by over one-year working involvement at the case company. Qualitative data that is included in this research was consulted with the manager who is working with this case company with many years of experience.

Besides, the study had low number of responded which can be one of the issues that might affect data quality negatively. Moreover, previous studies conclude that low response rates only demonstrate potential bias (Lessler et al., 1992), also, the automatic responses of most of the responders are considered equal to low response rates along with poor data quality. If the difference between responders and non-responders exists only then the low response rates can produce bias. Hence, this research disclaims to gather all the information about consumer behaviour towards CSR, and data collected through secondary research may not fully apply to the Sokos hotel. To overcome this, most of the questionaries was Multiple choice and Scaling questions. Therefore, it was possible to get response quickly and everyone responded to all the questions.

8   CONCLUSIONS

The main objective of the research was to find out the correlation between Corporate Social Responsibility and consumer behavior and consumer behavior towards Green Key ecolabel recently obtained by Sokotel. The results align with the hypothesis and reports done previously, where primarily the quantitative and qualitative methods were applied. A survey done in Sokotel Royal Vaasa has been used to reach to the statement. Overall the survey does not include all the customer's opinions as there were not enough responses from the customers due to the customer's busy schedule as most of them were business customers.

The results indicate that the Sokos chain has strong engagement and aims to develop their CSR practice continuously as well as business operation to be more sustainable without compromising consumer satisfaction. Sokos follows the Green key ecolabel guidelines in operating business. Though the Green Key certifications give the authenticity of their environmental responsibility, they still have different feedback from the customers. Still, while booking a hotel, many customers also check environmental policy besides location and price. Besides, Sokotel's customers are well known about the hotel's CSR practices. Customers are also positive towards the hotel's CSR practices. They try to use less water and energy during their stay, want to save energy for future use, but most of them do not want a high price.

However, as Sokotel is a popular hotel chain in Finland, they could implement their own guidelines about environmental policy as other popular hotels. For example, Hilton has established its own environmental policy. This might lead Sokos to be an ambassador, although Sokos is the most sustainable hotel chain in the Nordic countries. Of course, the way to sustainability is not effortless. Nevertheless, every step towards the development of sustainability helps to develop the business and create positive customer behavior towards the environment.

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Corporate Social Responsibility practice and consumer behavior in Sokos Hotel chain

Questionnaire

This Questionnaire is a part of Internship Research Report for Bachelor of Business Administration (BBA), at Vaasa University of Applied Science to identify Corporate Social Responsibility practice and consumer behavior in Sokos Hotel chain. All the information will be used in research purpose. Thank you for your cooperation.

Part 1: Demographic data *(Please put a ✓beside your opinion)*

1. Please mention your gender?

◯ Male   ◯ Female

2. Please mention your age group?

◯ 18-29   ◯ 30-39   ◯ 40-49   ◯ 50 and above

3. Which country are you from?

Country: _____

4. What is the purpose of your staying at the hotel?

◯ Business   ◯ Pleasure   ◯ Other

Part 2: Screening data *(Please put a ✓beside your opinion)*

1. Are you familiar with CSR practice of Sokos Hotel chain?

◯ Yes   ◯ No

2. Are you familiar with Green Key Ecolabel?

◯ Yes   ◯ No

3. Do you believe that the eco-labelled hotels are more aware of environment compared to other hotels?

◯ Yes   ◯ No   ◯ Not sure

4. Are you ready to pay more for sustainable hotel?

◯ Yes   ◯ No   ◯ Not sure

Part 3: Importance Level (Please put a ✓ in the box that describe your opinion)

Factors for choosing a hotel	Very important	Important	Neutral	Not important	Not important at all
Price					
Location					
Brand value					
Service					
Environmental policy					

Part 4: CSR influence towards customer behavior (Please put a ✓ in the box that describe your opinion)

Questions	Totally Agree	Agree	Neutral	Partially Agree	Totally Disagree
I check the environmental policy before I choose a hotel					
I happily pay more for ecolabel certified hotels					
I wish to stay in ecolabel certified hotels, but they are expensive					
I think eco-labelled hotels are contributing more to the ecological living					
I reuse the linen and towel because it helps to save the natural resources for future use					
Ecolabel- certified hotels are more concerned about customer satisfaction					