Boston Hospitality Review

www.bu.edu/bhr

Published by the Boston University School of Hospitality Administration

Corporate Social Responsibility During Covid-19: The Clean Zone Initiative in South Korea

By Hyejin Yoon, Assistant Professor, Baewha Women's University, Changsik Kim, Ph.D., Baewha Women's University, and Sunny Ham, Professor, Yonsei University

> Corporate Social Responsibility November 2021

> > © Copyright 2021 by Boston University

About the Authors



Hyejin Yoon is an assistant professor in the Department of Hotel & Tourism, and the editor-in-chief of the university press and broadcasting center at Baewha Women's University, Seoul, South Korea. Her research interests are inclusive tourism development for marginalized groups, leisure/tourist behavior and quality of life, and aging well.



Chang-Sik Kim, Ph.D., is an assistant professor in the Department of Hotel & Tourism at Baewha Women's University, Seoul, South Korea. His research interests are hotels, tourism, foodservice, and MICE data analytics, social network analysis and its application, machine learning, and deep learning. He can be contacted at <u>solo21solo@naver.com</u>.



Sunny Ham is a professor in the Department of Food & Nutrition at Yonsei University in Seoul, Korea. Her research interests include foodservice operation and management and food safety management and education.

Corporate Social Responsibility During Covid-19: The Clean Zone Initiative in South Korea



www.shutterstock.com · 2040956420

Introduction

The novel coronavirus (hereafter Covid-19), first and foremost, has caused an unprecedented global catastrophe. Global tourism faced its worst year in 2020, with international arrivals falling by 74% (UNWTO, 2021) to 80% (OECD, 2020), according to the worldwide tourism data. Hospitality businesses and MICE (Meeting, Incentive tour, Convention, Exhibition and events) have been particularly struggling because these sectors rely greatly on international tourism demand. The hospitality industry is a vital part of a growing services economy and the world's most important sectors creating income, jobs, foreign exchange, and supporting local communities and developments (OECD, 2020). The sector directly contributed approximately 4.4% of GDP, 6.9% of employment, and 21.5% of service exports in OECD member countries in 2018 (OECD, 2020).

Unfortunately, the Covid-19 pandemic has hit the hotel sector hard, with unexpected effects on jobs and businesses caused by low occupancy and high overhead. Many hotel businesses have been forced to temporarily close, often falling into permanent closure due to the government policies and rules that restrict business activities to reduce virus infection (e.g., travel restrictions, social distancing rule, and staying-at-home orders) across the globe. For instance, the number of tourist hotels in Seoul, the capital city of South Korea, declined for the first time due to the Covid-19 pandemic since records began in 2008, according to the Ministry of Culture, Sport, and Tourism (MCST). As a result, during 2020, the number of the five-star, four-star, three-star, and two-star hotels decreased by one, six, fourteen, and seven hotels, respectively. For example, in 2021, the five-star luxury hotels – Sheraton Seoul Palace Gangnam Hotel, Le Meridien Hotel, and Millennium Hilton Seoul, which boasted a history of 38 years – were closed because of their vast fixed costs (MCST, 2021).

Due to the evolving nature of Covid-19, many governments are still keeping travel restrictions and social distancing policies in place, and customers are worried about visiting public spaces, including hotels and restaurants. At the same time, a recent novel Corporate Social Responsibility (CSR) activity, such as Clean Zone practices in hotels, is expected to help consumers feel safe and restore consumer confidence amid the Covid-19 anxiety. He and Harris (2020) also suggest that the pandemic offers a variety of meaningful opportunities to those businesses with a more insightful approach to CSR, particularly helpful to the fight against the Covid-19 virus for companies, suggesting that their efforts in fighting the virus can build a stronger rapport among their consumers during the crisis. In this context, many hotels in South Korea have participated in the activity called "Clean Zone" certification which establishes guidelines of a hygiene and disinfection standard (e.g., measuring body temperature, wearing a mask, cleaning hands, operating a Clean Zone, physical distancing, cleaning, and disinfecting, Choi, 2020; Park, 2020).

Several major metropolitan cities in South Korea, such as Seoul, Busan, and Incheon, have launched the Clean Zone program and provided the Clean Zone sticker (see Figure 1). Through the certification, participants receive a sticker to indicate that their property gets disinfected on a regular basis based on the authority's guidelines (Seoul, 2020). Numerous hotels have conducted required disinfection practices to acquire a "Clean Zone" certificate and promoted this certification to hotel guests displaying this mark both inside and outside (see Figure 2). The participating hotels disinfect all reserved rooms and put a Clean Zone sticker that reads "Disinfected Room" on the door to help guests feel safe and comfortable. In addition, several hotels have started the promotion of "Kids Safety Clean Zone." It provides an expensive nano-drone air purifier (approximately USD 5,500), which eliminates ultra-fine dust, harmful viruses, and

bacteria (Yoo, 2020). These activities greatly help satisfy consumers' higher expectations for safety and hygiene during the pandemic for the Korean hotel industry (Yoo, 2020).



Figure 1. The Clean Zone certification and its use in hotels

Source 1: Seoul metropolitan government

(http://english.seoul.go.kr/seoul-attaches-clean-zone-stickers-on-facilities-that-can-be-used-with out-worry-about-infection/)

Source 2: Cocomo hotel



Figure 2. The Clean Zone marketing and promotion Source: booking.com

Similar to the Clean Zone certificate implemented in South Korea, several other countries (e.g., Portugal, Switzerland, Singapore, and Malaysia) have launched a campaign where tourism destinations, including hotels can become certified as clean and safe places that meet several requirements including frequent disinfection activities, and monitoring the health and practices of employees (Figure 3). Also, some hotel corporations started their own clean programs. For example, Marriott International has launched a global cleanliness council to promote its standards for cleanliness and other practices to meet the new safety and health expectations (Bohm & Miktus, 2020).



Figure 3. Clean and Safe certification worldwide Source: Portugal on the left (portugalcleanandsafe.com), Switzerland in the middle (myswitzerland.com), Singapore on the right (sgclean.gov.sg)

These certificate programs not only encourage the hotel industry to be more socially responsible, but also to satisfy their consumers' expectations. However, little is known about consumers' perceptions and attitudes on hotels' current adoption and efforts of the Clean Zone certification, as well as how effective they are. Therefore, this article aims to understand such perceptions.

Survey

The self-administered survey questionnaire was used to first ask respondents for their knowledge about the Clean Zone. Afterwards, the survey provides a description of the Clean Zone, which is then followed by questions about participants' perceptions about the Clean Zone and their demographic information: age, gender, education, marital, household income, number of children, and the star rating of the hotel that they most frequently visit. Well-established multiple-items with 5-point or 7-point Likert scales, ranging from strongly disagree (1) to strongly agree (5 or 7), are the adopted measures

for the study variables except for demographic information. The data was collected from December 4, 2020 to January 13, 2021 in Korea. The questionnaire was distributed using a web-based survey system by a research company. A quota sampling method, based on the hotels' census figures of the Korean population, was the basis for selecting the participants in the study. The quota sampling procedure applied to age and gender as the primary control characteristics.

Results

Sample profile

The sample profile is presented in Table 1. Among 215 respondents, 47.9% were female, and 52.1% were male. The age distribution includes the two largest groups of 50-59 years (30.2%) and 40-49 years (26.0%), while 23.7% and 20% belong to the age group of 30-39 years and 20-29 years, respectively. About 60% of the respondents were married in terms of marital status, whereas 38.1% were single. Regarding education levels, 73.0% held bachelor's degrees, and about 15% held graduate degrees, while about 12% of the respondents were high school graduates. In terms of yearly household income before taxes, the largest group earned above \$66,000 (34.0%), followed by \$44,000-\$65,999 (26.5%), \$30,000-\$43,999 (25.1%), and under \$29,999 (14.4%). Approximately half of the respondents have children. With respect to the hotel star-rating frequencies, about 40% of the respondents visit 4-star the most, followed by 3-star (31.2%), 1 or 2-star (15.3%), and 5-star (14.0%), respectively.

Variables		Number	%	Variables		Number	%
Gender	Male	112	52.1%	Morital	single	87	40.5%
	Female	103	47.9%	Ivialitat	married	128	59.5%
education	high school	26	12.1%		20-29	43	20.0%
	bachelor	157	73.0%	1 ~~~	30-39	51	23.7%
	graduate	32	14.9%	Age	40-49	56	26.0%
children	have	111	51.6%		50-59	65	30.2%
	do not have	104	48.4%		below 3-star	33	15.3%
household annual income	21,000-29,999	31	14.4%	Frequently	3-star	67	31.2%
	30,000-43,999	54	25.1%	used noter	4-star	85	39.5%
	44,000-65,999	57	26.5%		5star	30	14.0%
	66,000-	73	34.0%	Total		215	100%

Table 1. Sample Profile

Main results

This study conducted a descriptive analysis about consumer's perception (skepticism and clean zone) of hotels. As a result, most respondents significantly agreed on the impact of Clean Zone certification on consumers' skepticism perception (Table 2 and Figure 4).

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	Total	
It is certain that this certificate is concerned to	Numbe r	2	3	20	14	92	77	7	215
protect the risk of coronavirus infection	%	0.9%	1.4%	9.3%	6.5%	42.8%	35.8%	3.3%	100
It is sure that this certificate follows high	Numbe r	2	6	17	10	90	77	13	215
standards of cleaning and hygiene	%	0.9%	2.8%	7.9%	4.7%	41.9%	35.8%	6.0%	100
It is unquestionable that this certificate acts in a	Numbe r	4	5	38	27	83	48	10	215
good infection-controlling way	%	1.9%	2.3%	17.7%	12.6 %	38.6%	22.3%	4.7%	100

Table 2. Results of consumers' perceptions about the Clean Zone

Note: (1) Strongly disagree (2) Moderately disagree (3) Slightly disagree (4) Undecided (5) Slightly agree (6) Moderately agree (7) Strongly agree



Figure 4. Visualization on Consumers' Perceptions about the Clean Zone

Also, most respondents clearly agreed on the need and expansion of the Clean Zone certification as shown in Table 3 and Figure 5.

Variables	(1)	(2)	(3)	(4)	(5)	Total	
The necessity on Clean	Number	1	3	10	109	92	215
Zone certification	%	0.5%	1.4%	4.7%	50.7%	42.8%	100%
The necessity to expand	Number	1	4	8	100	102	215
Clean Zone certification	%	0.5%	1.9%	3.7%	46.5%	47.4%	100%

Table 3. Results of Need and Expansion of the Clean Zone certification

Note: (1) Strongly disagree (2) Disagree (3) Undecided (4) Agree (5) Strongly Agree



Figure 5. Visualization on the Necessity of Clean Zone Certification

This study further compared some groups regarding their perceptions about the Clean Zone certification, using means analysis (e.g., t-test, ANOVA) on the following characteristics: gender, marital status, and the hotel star-rating they visit the most. First, when we compared customers' perceptions about **the effect of the Clean Zone certification between males and females, our analysis shows no significant difference**. Next, we compared customers' perceptions between the married and unmarried, and our results present that **the married group believes more strongly about the positive effect of the Clean Zone certification than the unmarried group** for two questions: "It is certain that this certificate is concerned to protect the risk of coronavirus infection" and "It is unquestionable that this certificate acts in a good infection-controlling way." We then compared customers' perceptions between the group with and without children in their household, and our results show that **the group with children clearly demonstrates more positive perceptions about the effect of the Clean Zone certification** for several questions: "It is unquestionable that this certificate is concerned to protect the risk of coronavirus infection," "It is unquestionable that this certificate acts in a good infection-controlling way," "The necessity on Clean Zone certification," and "The necessity to expand Clean Zone certification."

Conclusion and practical implications

Findings of this study, in general, support the positive effectiveness of the Clean and Safe certificate implemented in many countries. The Clean Zone certification adopted in South Korea appears to play a vital role in improving hotel customers' perceptions about the effectiveness of hotels' cleaning practices, thus enhancing their confidence about staying in a hotel. Our findings provide some implications for the hotel industry. First, hotel operators are strongly encouraged to consider implementing an official certificate regarding cleaning and disinfection activities as part of their CSR strategy. When they engage in such a program, hotel operators should also consider clearly making evidence of the certification visually available to their customers so that the customers can clearly see it, thus be well informed of the practice of the hotel's efforts of combating coronavirus. Second, hotels may consider putting in more efforts to assure the confidence of particular groups of their guests, such as married couples and families who have a child/children, by establishing and reinforcing clean activities through adopting an official certificate, physical evidence, and a marketing campaign. Hotel operators should also be aware that there is no gender difference in customer's perceptions about the effectiveness of the clean-related certificate. As a result, the hotels may continuously develop, operate, and update a clean and hygiene program and plan even after the Covid-19 pandemic. Such high-standard ethics and practices should be physically and diligently delivered and further informed (online and offline) to all current and potential customers so that they will feel safe and comfortable with their decision to stay at a hotel.

While this paper found that the positive impact of the Clean Zone certification on hotel customers' perceptions and attitudes may lower levels of health risks, hotels require a certain level of capital investment in CSR practices (i.e., the Clean Zone certificate, González-Rodríguez, Díaz-Fernández, & Font, 2020; Millar & Baloglu, 2011). As a result, they may need to increase their average daily rate to make up for their investment. Therefore, further investigation is needed to examine customers' willingness to pay premium prices for Clean Zone certified hotels. Also, future research

needs to expand the topic in the contexts of individual or branded hotels, leisure or business travelers, and different cultural backgrounds of hotel customers.

Acknowledgements

Special thanks to Mr. Jihwan Yeon and the guest editors for their constructive comments

References

- Bohm, S. B. & Miktus, D. (2020.May 29). 'Clean and Safe' certification: The future for hotels after COVID-19. Hotel Business, Retrieved July 11, 2021, from https://www.hotelbusiness.com/clean-and-safe-certification-the-future-for-hotel s-after-covid-19/
- Choi, B. (2020). 'Hocance' is still ongoing... during the COVID-19. Chosun Daily News. Retrieved July 04, 2021 from https://www.chosun.com/site/data/html_dir/2020/06/09/2020060900004.html?u tm_source=daum&utm_medium=original&utm_campaign=news
- Feunekes, G.I., Gortemaker, I.A., Willems, A.A., Lion, R. & Van den Kommer, M. (2008). Front-of-pack nutrition labelling: Testing effectiveness of different nutrition labelling formats front-of-pack in four European countries, *Appetite*, *50*(1), 57-70.
- González-Rodríguez, M. R., Díaz-Fernández, M. C., & Font, X. (2020). Factors influencing willingness of customers of environmentally friendly hotels to pay a price premium. *International Journal of Contemporary Hospitality Management, 32*(1), 60-80.
- He, H. & Harris, L. (2020). The impact of Covid-19 pandemic on corporate social responsibility and marketing philosophy, *Journal of Business Research, 116*, 176-182.
- Millar, M., & Baloglu, S. (2011). Hotel guests' preferences for green guest room attributes. *Cornell Hospitality Quarterly, 52*(3), 302-311.
- Ministry of Culture, Sport, and Tourism (2021). Annual Report on 2020 Tourism. Sejong: Ministry of Culture, Sport, and Tourism.
- OECD (2020). Rebuilding tourism for the future: COVID-19 policy responses and recovery. Retrieved June 20, 2021 from https://www.oecd.org/coronavirus/policy-responses/rebuilding-tourism-for-the-f uture-covid-19-policy-responses-and-recovery-bced9859/
- Park, G. (2020). The hotel industry attracts customers with 'complete quarantine' and 'untact service', Green Economy Daily, Rtrieved July 04, 2021 http://www.greened.kr/news/articleView.html?idxno=246681

Seoul City (2020). Clean Zone. https://www.seoul.go.kr/coronaV/coronaStatus.do#list/1

UNWTO (2021.01). 2020: Worst year in tourism history with 1 billion fewer international arrivals. Retrieved July 04, 2021 from https://www.unwto.org/news/2020-worst-year-in-tourism-history-with-1-billion-f ewer-international-arrivals

Verbeke, W. & Vackier, I. (2005). Individual determinants of fish consumption: application of the theory of planned behaviour, *Appetite, 44*(1), 67-82.