Combating Tourism-related Corruption: Effective Countermeasures Derived from Analysing Tourists' Perceptions and Experiences

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Abstract

Corruption in the context of tourism adheres to the mainstream tradition of (anti-)corruption-related research; mainly focusing to the macro-level impact of corruption in economic development. A number of studies utilize secondary data and / or indices to explore causality / correlation with an array of tourism performance indicators. This paper aims at complementing the existing research by exploring the corruption phenomenon from the perspective of the individual tourist (micro-level). Content (qualitative) analysis of 204 holiday reviews posted on tripadvisor.com were selected and coded. The meta-data analysis of the reviews and the preliminary thematic analysis suggest that tourism-related corruption can be effectively and pragmatically combated with targeted, pragmatic measures at a local-level, without significant dependence on overreaching legislative, structural (and even cultural) changes. This work supports the notion that relatively small and short-term organizational changes at a local level can enable larger-term, significant positive anti-corruption effects at the macro-level.

Key words: tourism, corruption, reviews, perceptions, content analysis
J.E.L. classification: L83, D73

Introduction: Corruption & tourism

Tourism can be perceived as a loose network of internationally-spread and inter-dependent SMEs (abbr. Small-Medium Enterprises). The holiday value chain, albeit concentrated at the intermediary level (i.e. tour operators and travel agencies), is highly fragmented at the supplier level (e.g. incoming agencies, hotels, transportation companies). Such structural aspects could partially explain the corruption prevalence in tourism. Some authors assert that corruption is not only endemic to the tourism sector (Din, Habibullah, Baharom, & Saari, 2016; Harris, 2012), but also potentially irrelevant, or even economically beneficial, from a developmental point of view (Uberti, 2016; Fisman & Svensson, 2007).

The diffusion of information and communication technologies acts as a catalyst to the fragmentation of the holiday industry (i.e. reduction of transaction costs), enabling the entry of even more and even smaller service suppliers. Single-person companies offering: accommodation (e.g. http://www.airbnb.com), transportation services (e.g. http://uber.com) and even guided-tours, directly to the end-customers through online portals, are eroding the vertical chains of mainstream travel corporations such as TUI and Thomas Cook. In this context, characterised by a geometric increase of non-standardised, customised and decentralised business-to-customer transactions and interaction, implementing and controlling legality is becoming increasingly challenging.

For developing and / or post-communist economies, betting and depending on tourism development for their economic progress, corruption represents a significant source of concern since it implies: loss of tax income, destination reputation loss and ultimately guest-dissatisfaction. A number of studies (e.g. Zhike Lv & Ting Xu, 2016; Saha & Yap, 2015; Poprawe, 2015; Yap & Saha, 2013; Das & Dirienzo, 2010; Blackburn, Bose, Haque, 2006) have researched and confirmed

the relationship between corruption measures (e.g. CPI[1]; ICRG[2]) and tourism performance / development indicators (such as: tourism income, tourism-related expenditure). Corruption is regarded as a predominantly national / cultural / systemic phenomenon, which is to be countered by improved legislation and policing in the medium-term and attitude-shifts in the longer-term. Corruption is to be dealt with holistically across the entirety of a political, economic and social system, part of which would inevitably cover the tourism sector.

Tourism corruption phenomenon: From macro-measurement to micro-understanding

Despite the validity and reasoning behind this proposed approach, the complexity and time-dimension it implies highlights a paradox. Corruption hinders the very socio-economic development required to systemically counter it. The paper aims at proposing a pragmatic approach to reducing the impacts of corruption in the tourism domain, as to contribute socio-economic development whilst enabling a more wide-encompassing, systemic recovery. Stating it simply, dealing with corruption in tourism, could presumably generate wealth and economic progress (esp. for developing economies), discouraging corruption and providing resources / incentives to combat it in a wider context.

Assuming that such a systemic approach is indeed pragmatic and manageable at a political, organisational and cultural level, it would still presumably require significant effort and time before the positive results can 'trickle-down' to the day-to-day operational reality of the tourism-sector. Especially for nations focusing and placing their hopes for a tourism-led medium-term economic development (and / or economic transition), adopting such a top-down approach is self-defeating.

Tourism reflects a highly information-intensive and emotional product/service. Reputation, image and ultimately the subjective perceptions of potential consumers are persisting as they are decisive. In such a context, focusing on combating corruption at a holistic-level, enabling tourism-led economic development as a 'by-product', is analogous to treating a patient that is already cured. Corruption can be seen as symptomatic to economic development obstacles and the corresponding systemic/structural deficiencies. The absence ('treatment') of corruption as an economic prosperity-enabler would partially also dilute the imperative and role of tourism-development in this context. If tourism-development is to be adopted as a policy for restructuring and / or igniting economic development in post-industrial and / or transitional economies, anti-corruption efforts ought to be targeted at this specific domain as a priority (Howard, 2009). In order to do this, a deeper understanding of the corruption phenomenon, its context-specific dynamics and outcomes, is required. It follows that the starting point is an understanding of the impact corruption has on those who fuel and finance tourism; namely the tourists themselves! Papageorgiou (2008) highlights the importance of understanding the 'personal' (individual level), as complementary to a better understanding of the industry's 'machinations' (i.e. dynamics).

Online review content analysis: Exploring tourists' perceptions and reactions to corruption encountered during their holidays

In order to gain a deeper understanding of the associations / perceptions of tourists related to corruption, trip-advisor reviews (http://www.tripadvisor.com) were filtered using the keyword 'Corruption'. The search produced 1.157 hits. In terms of data relevance, the actual review population is presumably smaller, as 'corruption' was often used to describe 'alteration' of names and food-dishes, both of which have nothing to do with the research topic at hand.

The data selection and coding process took place between the 31st of October and the 11th of November 2016. The data was coded with NVivo 10 (qualitative data analysis software) and selectively exported to SSPS 17 for statistical analysis. A total of 205 reviews were qualitatively coded and categorised as seen in table no:1 below:

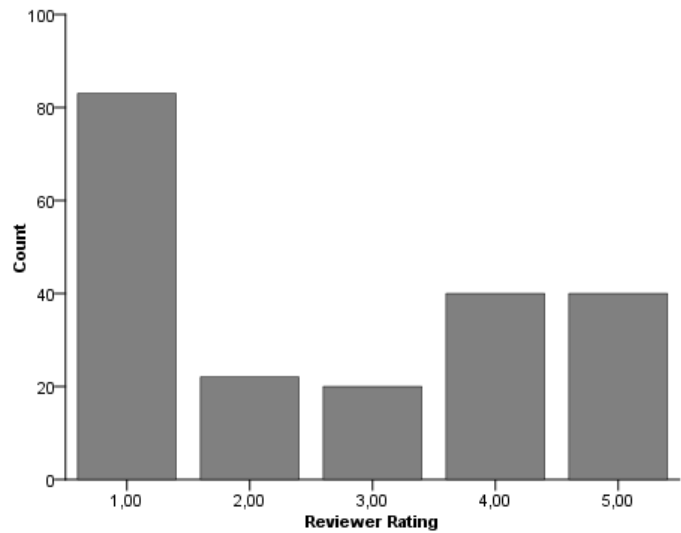*Table no:1 Online review classification schema and counts*

Review rating (RR):

• This refers to the Trip Advisor ratings (Scale 1-5 with 1 = Poor and 5 = Excellent)	

| **Review impact (RI):** |
|---|

Measured by the number of users clicking on the 'helpful' button under the review. This measure underestimates the impact, since it can be safely assumed that no every reader of a particular review is willing to classify it as helpful. The scale here is as follows: • 1 (Minimal impact): No user classified the review as helpful • 2 (Low impact): 1-3 users classified the review as helpful • 3 (Medium impact): 4-6 users classified the review as helpful • 4 (High impact): 7-10 users classified the review as helpful • 5 (Very high impact): Over 10 users classified the review as helpful	
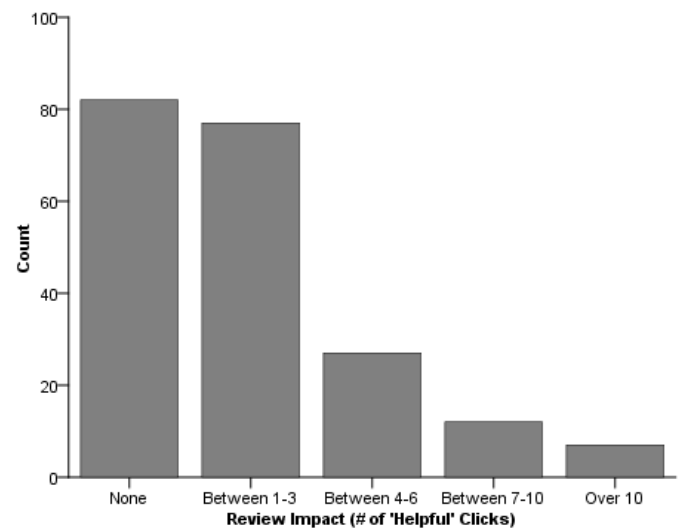
Tourism component type / Destination aspect (TCT):

| • Amenities (i.e. accommodation, catering), • Attractions (i.e. heritage sites, Sightseeing), • Activities (i.e. events, entertainment, shopping), • Accessibility & Auxiliary Services (i.e. transportation / travel infrastructure, tourist info), • Availability of Information & Atmosphere (i.e. overall impression and reputation of the destination)	
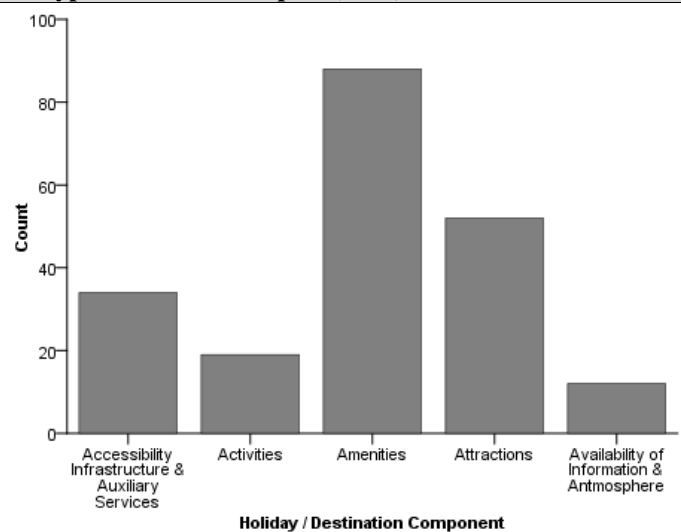
Corruption incident classification (CIC):

Subsequent to the initial coding phase (first 40 reviews) a total of 8 categories were created:

- Overcharging / Scamming / Bribery: Financial fraud aiming at tourists
- Discrimination / Mistreatment / Service Denial: Preferential mistreatment of tourists in terms of service levels and pricing
- Misinformation / Intransparency / Hidden Costs: Incidents involving tourists being confronted with expectation failure and unforeseen costs
- Tax Evasion / Fund Misappropriation: Incidents of suspicious transaction practices (as perceived by tourists)
- Sustainability / Social Responsibility: Situations where tourists associate sustainability and social responsibility failures with stakeholder corruption
- Health & Safety Regulations: Incidents where low health and safety standards are attributed to corruption of control authorities
- Crime Support / Authorities: Incidents where tourists were crime-victims, seeking support from authorities (private and public)
- Story-Telling / Anti-Corruption Advocacy: Incidents of corruption story-telling, re-collection and proposal of potential measures
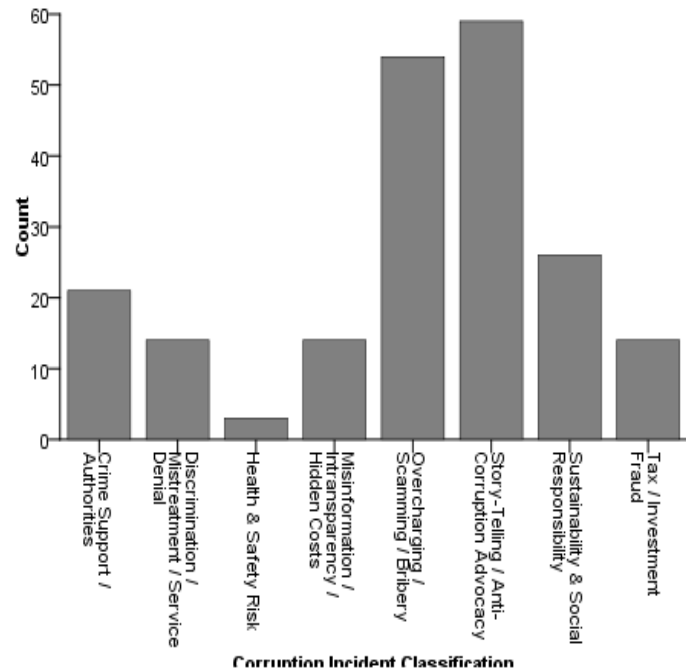
The hypotheses tested on the basis of the quantified qualitative data collected were the following:

- H1: There is a relationship between review-rating (RR) and review-impact (RI): The Pearson correlation test, testing the relationship between review ratings and review impacts, resulted to a value of: -0.136 which was significant at the 0.05 level. This result supports the H1 hypothesis, suggesting an inverse relationship between the two variables. Simply stated, the lower the review rating (RR), the higher the review-impact (RI) and vice versa. One can infer that low-rating reviews containing corruption incidents tend to have a higher impact on the online readers.
- H2: There is a relationship between corruption-incident-classification (CIC) and review-rating (RR): The main question here is whether particular types of corruption incidents are related to less- or more- favourable ratings. An ANOVA test was conducted, indicating a significant RR difference between the CIC groups (alpha = 0.031 < 0,05). Looking at table no:2, one can observe that corruption instances directly affecting tourists (esp. overcharging / scamming / bribery and crime support / authorities) tend to be related to less favourable reviews.
- H3: There is a significant review-impact (RI) difference between corruption-incident-classifications (CIC): There is a relationship between corruption-incident-classification (CIC) and review-impact (RI): The main question here is whether particular types of

corruption incidents are related to reviews been perceived as more- or less helpful. The ANOVA test here revealed no significant RR difference between the CIC groups (alpha = 0.359 > 0,05). The stated hypothesis is therefore not supported, suggesting that the corruption incident type does not appear to make a difference on whether users regard the review as helpful or not.

Discussion, implications and further research

The quantitative analysis and hypothesis testing of the collected (review meta-) data above suggests that corruption does affect tourists' satisfaction with their holidays (H1) and differing corruption-related incidents do indeed make a difference (H2); yet not necessarily for prospective tourists (H3). A more differentiated picture can be obtained by examining the data in a more granular level.
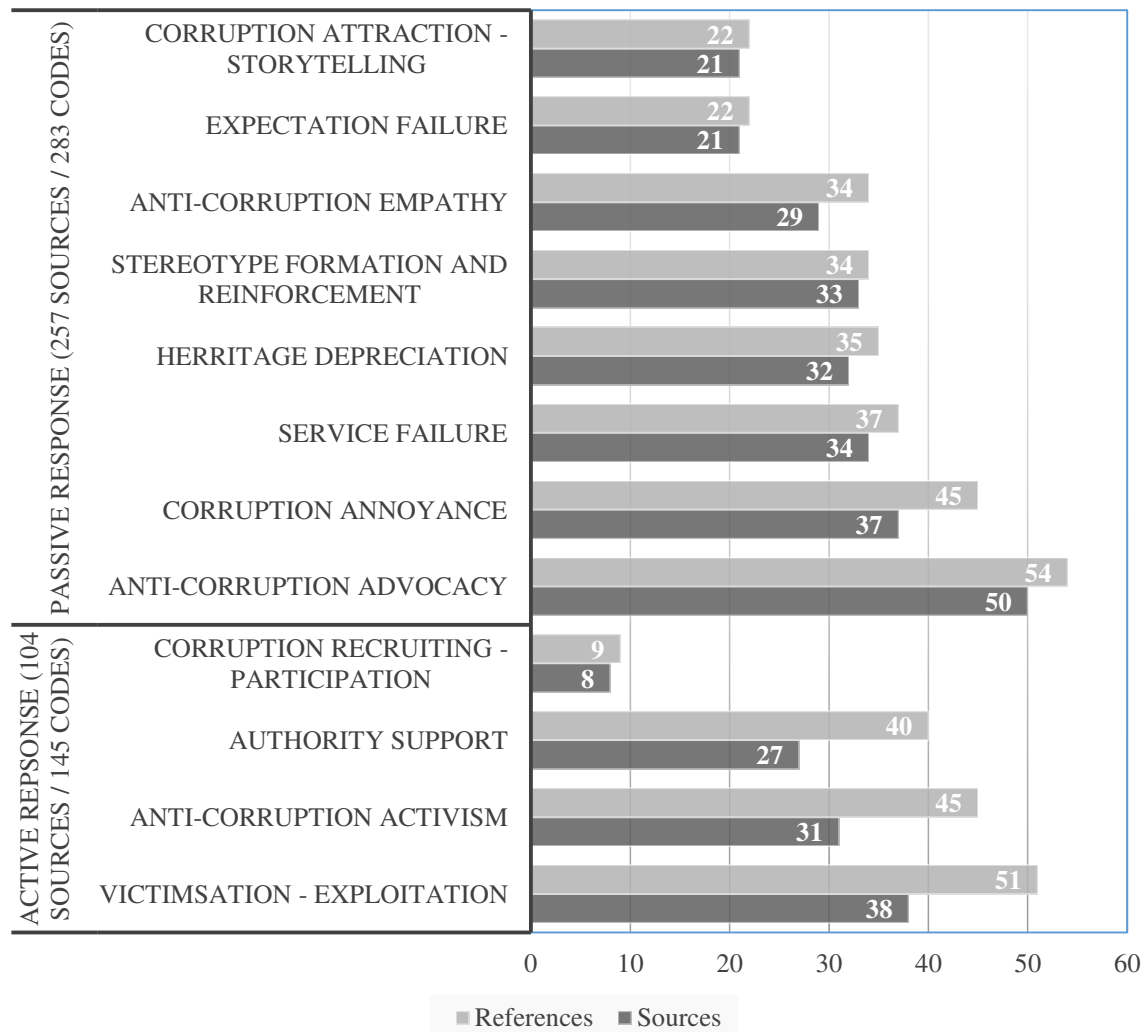
Table no:2 Corruption Incident Classification - Reviewer Rating Crosstabulation

Count		Reviewer Rating					Total
		1,00	2,00	3,00	4,00	5,00	
Corruption Incident Classification	**Crime Support / Authorities**	**10**	**2**	**2**	5	2	21
	Discrimination / Mistreatment / Service Denial	9	1	0	2	2	14
	Health & Safety Risk	3	0	0	0	0	3
	Misinformation / Intransparency / Hidden Costs	8	4	0	0	2	14
	Overcharging / Scamming / Bribery	**25**	**8**	9	9	3	54
	Story-Telling / Anti-Corruption Advocacy	19	1	4	13	22	59
	Sustainability & Social Responsibility	4	3	3	7	9	26
	Tax / Investment Fraud	5	3	2	4	0	14
Total		**83**	**22**	**20**	**40**	**40**	**205**

Tourists are generally tolerant of a generalised, visible level corruption when on holiday (see 'Total' row at table no:2, where review rating frequencies are fairly well spread across the 1 to 5 scale). This can be interpreted as: a tourists' acceptance and expectation that there are structural and cultural differences in terms of corruption in different countries, coupled with their readiness to adapt behaviour and expectation during holidays (see also Brunt, Mawby & Hambly, 2000). The 'breaking point' of this acceptance is reached when tourists perceive that they have been directly victimised (i.e. overcharging / scamming / bribery) and the authorities have either failed to support them or are perpetrators themselves. Presumably, these particular types of corruption incident, are more likely to generate an active response from tourists. The subsequent coding and preliminary thematic analysis (see Figure no:1) supports this interpretation of meta-data analysis.

Figure no:1 Axial coding summary

Preliminary Thematic Analysis Results

PASSIVE RESPONSE (257 SOURCES / 283 CODES)

- CORRUPTION ATTRACTION - STORYTELLING: References 22, Sources 21
- EXPECTATION FAILURE: References 22, Sources 21
- ANTI-CORRUPTION EMPATHY: References 34, Sources 29
- STEREOTYPE FORMATION AND REINFORCEMENT: References 34, Sources 33
- HERRITAGE DEPRECIATION: References 35, Sources 32
- SERVICE FAILURE: References 37, Sources 34
- CORRUPTION ANNOYANCE: References 45, Sources 37
- ANTI-CORRUPTION ADVOCACY: References 54, Sources 50

ACTIVE REPSONSE (104 SOURCES / 145 CODES)

- CORRUPTION RECRUITING - PARTICIPATION: References 9, Sources 8
- AUTHORITY SUPPORT: References 40, Sources 27
- ANTI-CORRUPTION ACTIVISM: References 45, Sources 31
- VICTIMSATION - EXPLOITATION: References 51, Sources 38

■ References ■ Sources

Following an incident of victimisation - exploitation (e.g. intimidation, fraud), tourists may actively respond by involving authorities (e.g. police, security officials). This presents an opportunity to deal with the incident locally and prevent alternative courses of reaction such as: anti-corruption activism (i.e. warning to others, social media defamation and further communication-related escalation) or even own-participation / involvement in corrupt – and even illegal / criminal counter-practices (e.g. not paying, providing false data). At a quantitative level, the reference / source ratio (see figure no:1 - i.e. average number of related open codes within each source) offers an intuitive measure of the perceived importance tourists attribute of such incidents[3]. Active responses produced a total of 145 codes, contained in 104 sources, resulting to an average of 1.39 codes per review. On the other side of the active-passive response continuum, service failures (actual and expected), annoyances and heritage concerns tend to invoke passive responses such as: expressing empathy to corruption victims, advocating against corruption, storytelling and reinforcing national / cultural stereotypes. The codes (issues) and references (i.e. reviews) here were more frequent and the reference (283) / source (257) ratio equals an average of 1.1 codes per review – less than active-response category.

From a practical relevance perspective, the results here pose the question of prioritisation and pragmatism of effective tourism-related anti-corruption measures. Preventing and countering the

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[3] The more often a particular code or theme (i.e. guest comment) is repeated within a reference (i.e. review), the stronger - presumably – the need of the tourist to emphasise this particular issue.

victimisation / exploitation of tourists, as well as establishing supporting official structures could potentially discourage tourists to result to anti-corruption activism and corruption-participation. In turn, this could in the long-term diffuse the impact of the less-manageable passive responses such as: anti-corruption advocacy, story-telling and national / cultural stereotype formation and reinforcement. In simple-terms, targeted local support of tourist-victims and maintenance of reliable, trustworthy official points of contact (e.g. tourist police, tourist-legal support helpline) could significantly contain and reduce the negative actual and reputational effects of corruption for the tourism-sector, without necessitating wide-scoped and time-consuming systemic changes.

Finally, it is worth mentioning that the analysis outlined in this paper incorporates open and axial coding, mainly pointing at key directions for more in-depth research and analysis of the qualitative data collected. Further steps to be undertaken entail selective coding and theoretical model-building, based on the category-set (i.e. axial codes) developed, as well as further detailing and testing of the resulting tentative model. In other words, this paper ought to be perceived as a first step, a milestone, defining the scope for a more in-depth analysis of the data collected; potentially enriched with additional qualitative data collected in by semi-structured interviews.

Conclusion

At this point it is important to highlight the fact that secondary data is inherently subject to measurement error (e.g. the CPI Index refers to corruption-related perceptions; not necessarily actual corruption). It is arguable that perceptions are not just formed through direct experience, but also from word-of-mouth communication, filtered through one's own stereotypes and potentially reinforcing them. The proposition here, based upon the above-mentioned analysis, can be summarised as follows:

Corruption is a phenomenon to be dealt with locally (e.g. holiday resort / destination, tourism-sector) and specifically (i.e. concrete structures / targeted measures); if it is to be contained and managed at a wider scope (e.g. national-level, economy as a whole).

For countries, basing their economic development on the tourism-sector, installing specialised anti-corruption support structures locally, may well be more effective (and realistic) than attempting to combat / eliminate corruption at a national, cross-sector level.

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