



Implementation of Corporate Social Responsibility (CSR) at Hotel H Boutique Jogja in Maintaining Brand Image

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ABSTRACT

The low level of implementation of Corporate Social Responsibility (CSR) in some Indonesian companies reflects the challenges in building social responsibility. However, since 2022, there has been a 10% increase in the implementation of CSR in Indonesia. CSR plays an important role in strengthening a company's relationship with society, preserving the environment, and building long-term sustainability. However, there are still companies that consider CSR as a taboo. Through a case study on Hotel H Boutique Jogja, this research outlines the implementation of CSR in maintaining brand image. The research method used is qualitative with a descriptive approach. This research is studied with the theory of Corporate Social Responsibility (CSR) from Philip Kotler and Nancy Lee to analyze the implementation of corporate responsibility at Hotel H Boutique Jogja. The results of this study show that Hotel H Boutique Jogja implements various CSR programs such as Malioboro cleaning activities, celebration activities, social campaigns, charity, and waste sorting. The hotel is committed to strengthening relationships with the community as well as forming a sustainability-oriented brand image.

INTRODUCTION

The low implementation of Corporate Social Responsibility (CSR) by companies in Indonesia has become a serious issue, with Indonesian companies scoring lower compared to those in Thailand, according to a 2016 report by CNN Indonesia. Research from the Centre for Governance, Institutions, and Organizations at the National University of Singapore (NUS) Business School showed that the CSR score of Indonesian companies was 48.4%, lower than Thailand's 56.8% out of a total of 100% (Suastha, 2016). This low quality of CSR implementation is influenced by factors such as a lack of understanding and various issues like corporate governance, economic, environmental, and social aspects.

In 2022, Indonesia succeeded in increasing CSR implementation by 10%, showing the important role CSR plays in strengthening relationships with society, preserving the environment, and fostering long-term sustainability (Kelana, 2022). CSR not only improves a company's reputation and financial performance but also creates a positive impact on the surrounding community and environment.

Several companies have implemented CSR well, such as Hotel Sunlake Jakarta, which has consistently carried out various CSR activities from 2019 to 2023. This consistency has improved the hotel's image and reputation, earning appreciation from the public, and allowing it to compete with other well-known hotels in terms of social responsibility and environmental contributions.

Hotel H Boutique Jogja, a three-star hotel in Yogyakarta, also implements CSR to improve relations with the local community. In 2017, they initiated CSR programs, but faced a gap in their CSR activities in 2022. Despite this, Hotel H Boutique Jogja's brand image remained positive with a 4.5-star rating on Traveloka from 4,739 guest reviews. In 2023, the hotel resumed CSR activities to maintain and improve its brand image (Traveloka, 2023).

The implementation of CSR in mid-sized hotels like Hotel H Boutique Jogja demonstrates that CSR is not only the responsibility of large companies. Through CSR, even smaller hotels can improve their brand image and fulfill their social responsibilities. The author intends to analyze in-depth how CSR implementation can maintain and enhance the brand image at Hotel H Boutique Jogja, showing that CSR is a key tool for positive relationships with society and the environment, as well as business sustainability.

THEORETICAL REVIEW

In general, corporate communication refers to the relationship or interaction between the company and the surrounding community. The role of corporate communication in a company is crucial, as it is responsible for determining the effective way the company communicates with both internal and external parties. According to Argenti, corporate communication is how a company communicates with various groups, including internal publics such as employees and external publics such as competitors, suppliers, customers, and others (Bahtiar, 2020).

Kotler and Nancy define CSR as a company's commitment to improving the well-being of the surrounding community through business practices and contributions of corporate resources (Kholis, 2020). To fulfill this, companies can contribute part of their resources to the involved parties, both within and around them.

The planning, implementation, and evaluation of CSR programs are carried out participatively. Through a participatory approach, CSR activities can also serve as a means of community empowerment, building public trust, and involving many parties. Furthermore, through a participatory approach, the community will have a strong sense of ownership over the CSR program, ensuring its effectiveness, success, and sustainability (Kholis, 2020).

According to Kotler, brand image refers to a concept created by consumers based on subjective reasons and personal emotions (Franita, 2022). Based on this opinion, it can be concluded that building a positive company image is essential and must be managed wisely, as it is directly related to the credibility and recognition of the company, as well as marketing. A brand image should reflect all internal and external characteristics that can influence various

stakeholders. A company that consistently fulfills its social responsibilities will gain broad support from various groups who benefit from its activities.

METHODOLOGY

According to Bogdan and Taylor, qualitative research is a research procedure that produces descriptive data in the form of written or spoken words from people and observed behaviors. This type of research uses a qualitative approach with a descriptive method. Descriptive research is used to examine the conditions of an event that occurs and the objects or anything related to the variables. Using this method, the author will further study how CSR implementation can improve the brand image of the hospitality industry.

The descriptive method is used because the author can directly observe and interact with stakeholders at Hotel H Boutique Jogja, particularly those related to CSR implementation. Therefore, a study will be conducted to explore how CSR implementation at Hotel H Boutique Jogja contributes to enhancing the company's brand image.

RESULTS AND DISCUSSIONS

The Corporate Social Responsibility (CSR) theory by Kotler Keller and Nancy Lee is used as an indicator to analyze the implementation of social responsibility at Hotel H Boutique Jogja in maintaining its brand image. According to Kotler Keller and Nancy Lee, corporate social responsibility (CSR) is the commitment of a company to improve the welfare of the surrounding community through business practices and corporate resource contributions. In this theory, Kotler Keller and Nancy Lee mention six categories of CSR activities, namely: cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices.

Based on the results of observations and interviews, CSR programs at Hotel H Boutique Jogja are carried out based on budgets set by the company.

These programs include the Selasa Wage Malioboro cleaning activity, celebrations, social campaigns, charity events, and waste sorting programs.

Cause Promotions

In an effort to enhance the company's image and make a significant positive impact on the community, Hotel H Boutique Jogja has adopted Corporate Social Responsibility (CSR) programs in the form of cause promotions. One of the programs implemented is the donation of sacrificial animals to Masjid Ubudiyah Sagan, as well as hosting Iftar events for orphans during the month of Ramadan. While these programs received positive feedback from the community, there is still room for improvement in their effectiveness.

In the context of sacrificial animal donations, evaluating the quantity of contributions and the selection of recipients is important. Although this initiative is seen as a positive action to strengthen the company's image and gain positive responses, it may not have had a significant impact yet. The limited scope of donations, focusing on only one mosque, indicates potential for expanding the reach and impact of this program.

On the other hand, the Iftar events for orphans have been successful in managing the number of invites so that each child has an equal opportunity to experience this valuable moment without feeling limited or comparing themselves to others. However, there are aspects that need to be further addressed to ensure the program's sustainability.

Recommendations to improve the overall effectiveness of Hotel H Boutique Jogja's CSR programs include increasing donation amounts and broadening the target beneficiaries, as well as involving external parties, such as local organizations or communities, in the CSR implementation process. This could expand the reach and strengthen community engagement and support.

Additionally, integrating internal and external approaches can effectively strengthen the bond between employees and the surrounding community, creating a more inclusive work environment and positively impacting the company's image. By implementing these recommendations, Hotel H Boutique Jogja can continue to strengthen its reputation as a responsible company that cares for the environment and has a significant impact on society.

Cause Related Marketing

Cause-related marketing is a strategy where a company donates a portion of its earnings to support social initiatives based on product sales. Hotel H Boutique Jogja is an example of a company that applies this strategy by charging a 5% tax on its product sales for social programs.

The funds allocated come from the service charge applied to each service provided to guests. Although the service charge is not part of the company's income, the hotel allocates a portion of its total sales to social activities. This program has a significant impact in strengthening consumer engagement, as guests directly participate in supporting social causes by using the hotel's services.

While this program has created awareness and positive consumer involvement, transparency and openness regarding the use of CSR funds are

crucial. Although the allocation percentage has been explained, more details about the amount of funds allocated and how they are used need to be communicated to the public. This will build trust with the community and demonstrate the company's commitment to its social responsibility.

Furthermore, Hotel H Boutique Jogja involves its guests in the CSR program by informing them that part of their spending will go to support social causes. This program helps raise awareness and engage consumers in supporting social initiatives.

The hotel also provides aid to communities facing disasters, such as house fires or water crises. This program not only has a positive impact on those in need but also strengthens the company's image as a caring and responsible entity.

Thus, Hotel H Boutique Jogja's CSR program has significant potential to maintain and enhance the company's brand image as a partner that cares for and is responsible for the community. By involving consumers and supporting social initiatives, the hotel can continue to strengthen positive relationships with its customers and the broader community.

Corporate Social Marketing

Hotel H Boutique Jogja implements corporate social marketing programs with the main goal of preserving the environment and improving community welfare. This program includes various campaigns aimed at changing community behavior to be more environmentally conscious and involved in health and wellness efforts.

One example of an environmental campaign is the "One Million Trees" movement held on January 10, 2018. The campaign was promoted through Facebook in the form of digital greeting cards. Through this activity, Hotel H Boutique Jogja aimed to raise public awareness about the importance of planting trees as a concrete step in environmental preservation. The campaign conveyed a positive environmental message to the community.

In addition to environmental campaigns, Hotel H Boutique Jogja also conducts health-related campaigns. For example, a blood donation event was held to commemorate the hotel's second anniversary on April 10, 2017. This event took place in the Kayana meeting room and was advertised through flyers and social media. Through this blood donation event, the hotel not only provided information about the importance of healthy living but also facilitated the donation process. This reflects the hotel's active role in supporting the health of the surrounding community and strengthening its relationship with the local community.

When delivering campaign messages, Hotel H Boutique Jogja uses two main methods: digital marketing for fast and wide dissemination of information, and direct interaction through CSR-related activities. However, the greeting card campaign, which only conveys messages without real actions, is considered ineffective and may harm the company's image due to inconsistency.

The author highlights several important points to optimize the use of greeting cards in CSR. First, the greeting card activity is limited and does not provide significant value in conveying CSR messages effectively. Therefore, it

needs to be combined with other methods for more optimal results. Second, while the cost of making greeting cards is relatively low, the allocation of CSR funds for this program may not be optimal if the expected results are not achieved. Third, the greeting card activity does not fully reflect the concept of corporate social marketing, which aims to influence broader and more positive community behavior.

The blood donation program is considered more effective in representing social marketing concepts because it involves real actions that provide a direct impact on society. However, this program was only conducted once during the hotel's operation, indicating the need for further efforts to expand and prolong the positive impact of the CSR programs. The author recommends making such activities regular to ensure sustainable impact and strengthen the hotel's image as a socially responsible entity.

In conclusion, CSR campaigns through greeting cards are ineffective because they only convey well-wishes without real action. Hotel H Boutique Jogja needs to increase consistency in real actions as part of their CSR campaigns. Concrete steps such as regular blood donations will help strengthen relationships with the community and enhance the positive impact of the CSR campaign. By involving the local community in various social and environmental activities, Hotel H Boutique Jogja can reinforce their campaign messages and strengthen their positive image as a hotel that cares for the environment and community welfare.

Corporate Philanthropy

Hotel H Boutique Jogja fulfills its corporate social responsibility through corporate philanthropy programs, which involve donating to orphans in Yogyakarta. These donations may come in the form of cash, basic food packages, or gift hampers distributed to designated recipients. This program is carried out through events organized by Fun Friendship Gathering (FFG) and General Manager Guyub Jogja (GMGJ).

FFG is an initiative aimed at expanding the hospitality industry network by organizing social activities. This event gathers various hotels to collaborate on social activities, strengthening relationships among stakeholders. GMGJ is an association of general managers from hotels in Yogyakarta, established to foster relationships and cooperation to advance the hospitality industry in the region. This association often collaborates with others to organize social activities.

In charity events held by FFG and GMGJ, Hotel H Boutique Jogja participates along with 23 other hotels. The event involved 350 orphans from various orphanages in Yogyakarta.

Hotel H Boutique Jogja actively participated by donating cash to the children present. This participation demonstrates the hotel's commitment to helping financially and socially disadvantaged children.

In an interview with Edita Ratih, it was revealed that Hotel H Boutique Jogja not only joins social events but also ensures that their donations are targeted correctly. They conduct surveys beforehand to understand the community's needs before executing the philanthropic program. The hotel has established a

dedicated CSR team responsible for planning and executing programs effectively. This step shows the hotel's seriousness and commitment to its corporate philanthropy activities.

Surveys are conducted to ensure that the donations meet the community's actual needs. This ensures that the aid provided is beneficial and avoids misdirected donations. The CSR team plans the activities carefully to ensure that no actions are taken haphazardly.

Through corporate philanthropy activities, Hotel H Boutique Jogja not only provides direct assistance but also creates a positive impact on the company's image. By participating in larger social events, the hotel can take advantage of opportunities to give aid in a more organized and efficient manner. This approach also helps raise public awareness about the importance of supporting children in need.

Corporate philanthropy has become part of Hotel H Boutique Jogja's commitment to actively contributing to the welfare of the surrounding community. This action demonstrates the hotel's social sensitivity by participating in charitable activities organized by other communities. It also helps build better relationships with the community, creating a sense of trust and increasing consumer loyalty.

In conclusion, the corporate philanthropy program at Hotel H Boutique Jogja, which involves donations to orphans, not only provides direct assistance to those in need but also creates a positive impact on the companies. This step demonstrates the company's commitment to genuinely supporting community welfare. By conducting a survey beforehand, the hotel ensures that the assistance they provide aligns with actual needs. This reflects the hotel's commitment to fostering genuine relationships between the company and the community. The implementation of donations in the form of cash for orphans is a tangible example of corporate philanthropy that helps improve community welfare and strengthens the company's positive image in the eyes of the public.

Community Volunteering

Hotel H Boutique Jogja supports corporate social responsibility through community volunteering activities. Hotel H Boutique Jogja demonstrates its commitment to corporate social responsibility (CSR) through community volunteering activities, such as the "Selasa Wage Bersih-Bersih Malioboro" program. This initiative involves hotel employees voluntarily cleaning the Malioboro area every Selasa Wage (a specific day in the Javanese calendar). The program aims to maintain the cleanliness of the surrounding environment and inspire both the community and other businesses to be more active in addressing social and environmental issues.

Hotel H Boutique Jogja began its participation in the Selasa Wage program, initiated by the Yogyakarta government, in 2018. Over time, the hotel decided to make its involvement a permanent part of its CSR framework. The program includes all hotel employees, rotating through a schedule organized by the HR department to ensure participation across all departments. Additionally,

thorough preparations are made, including providing cleaning tools and attire that reflect the company's identity.

In an interview, Edita Ratih, a representative from Hotel H Boutique Jogja, explained that the program was not entirely initiated by the hotel but adopted and further developed from a local government program. The funds for this initiative come from a service tax charged to consumers, amounting to 2% of the total 10% service tax.

The hotel's participation in Selasa Wage Bersih-Bersih Malioboro demonstrates its commitment to environmental cleanliness and community well-being. This activity also helps build stronger relationships with the local community and enhances the company's positive image. Hotel H Boutique Jogja views social activities as a vital part of its identity and core values, encouraging employees to contribute actively and voluntarily to social initiatives.

The initiative focuses not only on physical cleanliness but also on strengthening connections with the surrounding community. Thus, the hotel positions itself not just as a provider of accommodations but also as a partner concerned with sustainability and the welfare of the local community. This effort highlights that corporate social responsibility can be implemented through tangible actions that positively impact and inspire societal change.

Socially Responsible Business Practices

Hotel H Boutique Jogja demonstrates its commitment to socially responsible business practices by implementing CSR programs that go beyond legal obligations. Their primary focus is on environmental preservation and improving community welfare. One of their flagship initiatives is daily waste sorting, where the hotel team actively separates waste to facilitate processing by waste collectors. Although the hotel does not yet have a specific waste management strategy, this initiative is a significant initial step toward better waste management.

Yusie Malida Afrillas Subagyo explained that the waste sorting activity aims to make waste processing easier, even though the hotel's waste is generally classified as ordinary waste. The hotel also shows its environmental care through various campaigns implemented via greeting cards and "go green" efforts, such as reducing plastic use and adopting non-disposable restaurant utensils.

While Hotel H Boutique Jogja is not yet fully focused on community welfare aspects, as their current priority lies in environmental CSR programs, they plan to expand their CSR efforts once the environmental initiatives are effectively implemented. These steps demonstrate that the hotel is not solely focused on business profits but also strives to enhance community welfare and preserve the environment.

In the context of socially responsible business practices, companies are expected to go beyond legal compliance by investing in activities that support social welfare and environmental sustainability. The waste sorting program is an important step in improving waste management but should be integrated into a more comprehensive CSR strategy. This includes measuring and reporting the positive impacts of the program, providing ongoing education to the community,

and collaborating with relevant stakeholders to expand its benefits. Thus, the program becomes not just a symbolic act but a genuine commitment by the company to contribute to sustainable social change.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis of the research on the implementation of Corporate Social Responsibility (CSR) at Hotel H Boutique Jogja in maintaining its brand image, it can be concluded that:

Hotel H Boutique Jogja has demonstrated consistency in fulfilling its responsibilities towards the environment and surrounding communities. Various programs have been carried out, including the Selasa Wage Bersih-Bersih Malioboro activity, charitable activities, community celebrations, social campaigns, and regular waste management. However, there is one area that needs attention, which is the lack of transparency in the management of their CSR budget, which has not been fully disclosed to the public.

Among the various CSR programs implemented by Hotel H Boutique Jogja, one of the main programs that aligns well with both theory and practice is corporate philanthropy. This program defines the company's activities to contribute directly through donations in the form of charitable activities. Through this program, they provide direct assistance to orphaned children in the form of cash donations.

On the other hand, the CSR program that needs improvement is waste sorting. This program does not align with the definition of CSR, as waste sorting is a company's obligation to maintain its environment. Although this program is part of their CSR efforts, in practice, it does not fully comply with the principles of socially responsible business practice. The company should engage in business activities that go beyond their basic obligations to support social causes. Therefore, Hotel H Boutique Jogja needs to review the waste sorting program to better reflect their commitment to social responsibility.

FURTHER STUDY

For further study, future research can explore the impact of Hotel H Boutique Jogja's CSR programs on customer perceptions and brand loyalty. An in-depth analysis of how different CSR initiatives influence guests' trust and preference for the hotel could provide valuable insights for improving brand image. Additionally, a comparative study with other hotels implementing CSR transparently could highlight best practices for budget disclosure and accountability. It would also be beneficial to assess the long-term effects of corporate philanthropy on community well-being and explore more innovative CSR strategies that extend beyond regulatory obligations, such as sustainable tourism initiatives or partnerships with local enterprises.

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