Determinants of the Emerging Terrorist Threats to Luxury Hotels: A Case Study of Pakistan

Rupam Konar, Jeetesh Kumar & Kashif Hussain
Taylor’s University, Malaysia

Abstract: The advent of terrorism has adverse impact on the global tourism industry particularly hotel industry. As the problem arises all over the world, even the well developed countries are also under this catastrophic situation. The current study attempts to identify the determinants influencing terrorism activities in luxury hotels of Pakistan. Considering the current situation of Pakistan as a tourist destination, slowing verging upon the declining stage due to insecurity of the tourists; consequently reflecting on the luxury hotels of Pakistan. Four (4) independent factors, namely, ‘economic instability’, ‘political instability’, ‘safety & security issues’ and ‘religion divergences’, were identified to evaluate one (1) dependent factor ‘terrorism influence’. The current research attempts to use a quantitative research approach. A survey was conducted with 118 employees from the luxury hotels of Pakistan, those have witnessed the consequences of terrorist attacks on the basis of a non-probability judgmental sampling technique. Study was carried out in June – July, 2013. Finding of the study is found to be reliable and valid. Results of the regression analysis evidence that ‘political instability’, ‘safety and security issues’, ‘economic instability’ exerts significant effect on ‘influence on terrorism’ except ‘religious divergences’. Further results are discussed in detail and recommendations are presented.

Keywords: Influence of Terrorism, Tourism, Luxury Hotels, Pakistan


Introduction

According to Soundararajan and Rajan (2006), while act of terrorism fuels rebellious hostility and the hostilities escalates to war become catastrophe, tourism on the opposite hand promotes amity and understanding, friendly relationship associated a universal sense of fraternity. As stated by Chauhan and Khanna (2009, p. 70), “safety and security of tourist could be a necessity for a prosperous tourist destination”. Previously authors have analyzed that act of violence has severe effect on tourism. Chauhan and Khanna (2009) acknowledged that acts of radicalism were usually the reasons behind the cancellations and the withdrawal of travel intention to sure purposes to travel, although the specific tourisms are still strong in their...

Correspondence: Rupam Konar; Email: rupam.konar@outlook.com
positions. Highlighting the confusion associated with the factors like, public and governmental conflicts, religious divergences among the local people of a country, observed in-depth the economic instability of a country also leads to an unstable safety and security issue and as a result tourism industry particularly luxury hotels are becoming the major targets for the terrorist activities. Countless tourists were consequently affected. This paper focuses on factors influencing terrorism in luxury hotels of Pakistan. The foreign and local tourists’ perception towards Pakistan is in the stage of declining, which will directly affect the hospitality products specially luxury hotels. Thus there is certainty of greater impact on the economy of Pakistan in near future as the travelling sensitivity of tourists to Pakistan has always been a fear to the uncertainty.

Background of the Study

Terrorist activities always cause a shock within the mind set of tourists and forces them to change their planned tourist destination. The dark networks of the terrorism (Milwards & Raab, 2009) are in rapid growth towards the places of international business where the business executives, leisure tourists and the regular tourists assemble, such as luxury hotels. No matter what corner of the world it is, whenever there has been a terrorist attack, the most affected industry is always the tourism and hospitality industry of that country. The world has gradually become vulnerable to the violence of terrorist attacks which have increased by a disastrous percentage in the recent years. There is a big influence on the tourist perceptions for choosing destination for and tourism activities, if the destination cannot ensure safety and security for the tourists against terrorism, the majority of the tourists change their plans to different destination. The demand of tourism is sensitive towards the impact of political violence and economic instability, these factors may leads to terrorist attacks since tourists like everyone else value the tranquility and harmony for the enjoyment of the pleasures and activities offered by destination (Hussain, Lema & Agrusa, 2012).

Fleischer and Pizam (2002) stated that the industry can fully recover in a period of six to twelve months, when terrorist attacks are not repeated. In recent days terrorism is continuously wielding the political warfare (O’Connor, Stafford & Gallagher, 2008). The new era of terrorism began with the unfortunate assaults on ‘September 11th 2001’ on World Trade Centre, New York. Besides the 9/11 there are many other major terrorists attacks all over the world which had significant impacts on the tourism and hospitality industry (Milam, Ritt-Olson, Tan, Unge & Nezami, 2005). There are so many example to mention such as, invasion in Afghanistan (October, 2001), ‘The Bali bombings’ (October, 2002), ‘War in Iraq’ (Spring, 2003), ‘Madrid train bombings’ (March 2004), ‘London underground bombings’ (July, 2005), ‘The bombings in Turkey’ (September, 2006), ‘Islamabad Marriot bombing’ (2008), ‘Mumbai attacks’ (November, 2008) and other that are too many to mention (Bakker, 2012). These incidents have shown that the terrorists’ attacks were repeated internationally. Consequently as soon as the hollow effect of the terrorism is over, the tourism has rebounded but travel motivations of the tourists are constantly decreasing until it disappears altogether. Lately, the level of terrorist attacks is increasing in a rapid pace especially in Pakistan’s tourist destinations and in the down-towns. Several bomb blasts in the metropolitan cities have terrified the travelers from local and overseas and have resulted in fear due to the uncertainty of future terrorist activities.

The luxury hotel suffers huge losses due to terrorist attacks worldwide, “every day when you read the newspaper, there’s just one more reason not to travel” (Binkley, 2003, p. 106).
The consequences of these terrorist attacks affected many people’s jobs, it was estimated by the World Travel and Tourism council that over 10 million travel industry jobs were lost worldwide after 9/11 attacks (Travel Trade Gazette, 2002). The effects of the terrorist attacks are engulfing different tourism and hotel organization of Pakistan day by day; eventually, tourism industry of Pakistan fears that one day it might omit Pakistan as a tourist destination from international travelers’ travel intention.

Challenges Affecting the Hotel Industry of Pakistan

Even though Pakistan is a tourist destination with rich culture and heritage and is known around the world for its renowned attractions, it is still suffering. One of the main reasons behind the sluggish tourism industry is lack of safety and security of the tourists due to the terrorist’s activities in Pakistan especially due to the recent number of terrorist’s attacks on the hotels around the major areas of Pakistan has really destroyed the tourism industry. According to one of the Pakistani newspaper edition 2007 ‘Peshawar hotel bombing’ (Dawn News 16th May, 2007) “terrorism has badly hit Pakistan’s tourism industry and has inflicted a loss worth 400 million USD”. The present hotel industry has witnessed the rapid deterioration of all crossways of the country mostly in the Islamabad as the capital city subsequently a disastrous bomb explosion attack in Marriot Hotel Islamabad shattered the tourism industry in with a quite big margin, no matters they are road side shops or five star hotels, small rental rooms or exclusive guest houses, all the segments of the hotel industry were bearing the brunt of the deadly terrorist’s attacks in Pakistan (Dawn News 28th July, 2007).

As a matter of fact, only in the year 2013 there were more than 500 bomb blast terrorist attacks all over Pakistan, which is a disastrous number leading the economy of Pakistan to trouble (including the tourism industry), on an average there were 2 blasts every day in Pakistan. Until 17th November 2013, there were 525 attacks leaving 1555 people killed and more than 3814 injured which clearly explains the current situation of Pakistan and the terrorist activities going on (satp.org). One of the most important and disastrous attack on the hospitality and tourism industry of Pakistan was the Marriot Hotel Islamabad bombing on September, 2008, which really affected the tourism and hospitality industry of Pakistan killing at least 60 people. In addition, there was the five star hotel bombing in the city of Peshawar which killed 5 people and more than 25 injured. The hospitality and tourism industry was targeted because the main target of the terrorist groups was the foreigners coming to the country. As a result of all these attacks, tourists stopped coming to Pakistan and the existing foreigners in Pakistan started to leave the country due to the safety and security issues.

All of the above terrorist activities show that the hotels are in exposed to the terrorist attacks in Pakistan. As a result, hospitality and tourism industry in Pakistan is going through the worse times and the number of tourist’s arrival is equal to nothing. The major luxury hotels around Pakistan are facing losses and tourists are scared of staying in the hotels as they have been constantly targeted by the terrorist groups. Apart from international tourists, even the local tourists of Pakistan are scared of going around and staying in luxury hotels, which has made the tourism and hospitality industry of Pakistan to face huge losses and will continue, if the safety and security issues of the tourists are not ensured in future. The fear of devastating terrorist attacks among the hotel employees has changed their daily activities towards their jobs and for the hotels they are employed (Skogan & Maxfield, 1981; Shahab, 2009).
Factors that Influences Terrorism Activities

Continuation of the terrorist attacks might happen with many different aspects that really affects the society, the economical and the political situation of Pakistan. This continuity of attack will create a major impact on the tourism industry of Pakistan in near future and majority tourism and hotel organization in the Asian countries will be at risk. More importantly this paper focused on four major factors (political instability; safety and security issues; economic instability and religious divergence) derived from previous literatures (Mansfeld & Pizam, 2006; Fletcher & Morakabati, 2008; Crenshaw, 1992; Juergensmeyer, 2000; Gassebner, Lamla & Vreeland, 2012). One of their major believe was that, each of the factor's influences the terrorism and damaging the tourism and hospitality industry in a fearful pace, influencing tourists travel decisions towards a safer destination with a higher GPI (Global Peace Index). Previous researches have observed that terrorism has changed behavior and perception within the employees' resulting a huge loss to the hotel industries of Pakistan. The paper aimed to understand the major factors from this study influencing terrorism within the luxury hotels in Pakistan.

Political Instability

The political disorder in Pakistan is persistent. Recently no organization has achieved its five years tenancy within the government, political condition has become rough and citizens outburst their agony against the current government due this conditions, the variability of the country scenario will be forever unstable as majority of the country people suspects. Strikes, curfew and alternative political tools used on the each day that impacting the economy of the country and the tourism industry as well. Political instability and terrorism are related between each other (Neumayer, 2004). In countries like Lebanon, Italy and former West Germany people has witnessed the eruption in terrorism in time of political crisis. Eventually the same situation has engulfed Pakistan due to the unstable situation in the political condition. The political violence within the country ignites the terrorism making major cities vulnerable to the terrorist attacks affecting the destination image and tourist perception. Previous literatures have established a strong linkage between the political conditions and the terrorism although both are fundamentally different. The intervention of political issues in Pakistan is making the situation worse than the conjunction to its safety and security, as a result the positive perception of incoming tourists towards the destinations of Pakistan is decreasing in a significant level (Mansfeld & Pizam, 2006). The current political situation has changed the socio-demographic and psychographic characteristics of the people in the country, which may be one of the reason for this present worse situation in Pakistan which have diverted people and involved them in such terrorism activities. Different emerging political conditions depends on the people related and operating the political activities, thus political controls behavior are influenced by the religion community they belongs from, where nature of political conditions also differs from each other.

Religion Divergences

The Zia regime has been considered as a major issue and the leading force of the religion in Pakistan. As Islamism in laws and education become the state policy, monolithic laws were
published, which leads to different Sharia law with an addition of violation laws came in to the place. Previous researches have mentioned the support from the Yankee to the jihadist in the fight with the Soviets military work as the autumn of Russia, “a huge numbers of the jihadist those came to Asian nations were affected in terrorist actions” (Shahab-Nama, 2009, p.337). The religious narrowness is also a major issue that was adding ignition to the fireplace in terrorism. The effect, that developed the unfair and close alternative convictions also affected the people belongs from the hotel industry sector in their own race. The catastrophic changes in the socio-demographic conditions motivated the terrorism with the extreme values as they force their own risky concepts and beliefs to their zealotry in a form of terrorist actions. Bernholz and Vaubel (2004) has added that true Islamic believers are associated with the own ideology which is the radical genesis of the Islamic terrorism motivated by the views towards the Islamic religion. The intolerance heats up the society, which is very harmful towards the development of the social peace, political steadiness, and financial procedures (Renzetti, Miller and Gover, 2013).

Safety and Security Issues

“Terrorism and threats to national security are documented to have impacts on tourism demand” (Hussain, Lema, & Agrusa, 2012). Major influence of terrorist act on nation’s economy can be huge. Depression, homelessness, corruption and financial turmoil have become part of our everyday life. As reported by Euromonitor (2013) the investment made by the tourism development authorities in any developing tourist destination in Pakistan are not getting the value outcome from them as the risk of safety and security issues continue to pose a major threat to travel and tourism. Many developed countries are currently going through the same downturn from their value, although these countries’ destinations are perceived as a safe tourist destination, changed the perceived value of tourist, questioning themselves ‘are these destinations really safe to travel?’ which has created a major chance for tourist destination failure. The impact overspills to other tourism-related sectors, particularly airlines, hotels and occupation, so all sectors of the economy are affected to a larger resulting a lesser scope for future.

As stated by Hashwani (Chairman of Asian country service) the nations are facing a ‘war-like situation’ and have to be compelled to drive out the extremists and terrorists out of Pakistan. Further Hashwani mentioned that the no one would visit Pakistan if such things continue (Needs et. al., 2013) so as government should not get into security problems. The multinational hotel companies are obviously delaying investments in Pakistan, inflicting a negative unevenness in the country’s economic activity (Sadruddin, 2008).

Safety threats are the substantial thought to the officials within the tourism organization of Pakistan. Burton (2008) revealed the problems of fear lies within the trustworthiness of general security in the organization which are allocated for the general consumers and hotel tourists. Burton’s (2008) research views hotels as terrorist targets. This is evident as the Islamic terrorist activities in the hotels are considered as common and frequent. Observed in depth the reason the behind the terrorist activity triggers, that these men and women gather freely, drink alcohol, and indulge in entertainments are against the Islamic beliefs, which are very common in the luxury hotels of Pakistan. Recent organization intimidations has exposed that terrorist squads in Pakistan has unendingly targeting 5 star hotel chains in a straightforward cause of assaulting foreigners and to get their belongings. In response, the Pakistan’s
government has heightened its security measures (Burton, 2008), significantly within the main metropolises Islamabad and other necessary foreign government offices. Stated by Hulmes (1989) compared to alternative high positioned hotels in Asian country, security at the Pearl Continental has been evidenced to be extremely poor. As today, this country is suffering with the terrible outburst in grief and sorrow, as lack of securities caused chaos. As reported by HT Syndication (2009), grip of violence with militants tightened implementation of Islamic laws within the country, but the still the attacks on the hotels are going on.

**Economic Instability**

The tourism industry has witnessed a fast decline across Pakistan’s tourist destinations; significantly, within the urban area. The devastating Marriott blast on 20th September, 2008, to the ‘Three Bomb Blast’ in the Old Anarkali market blast on 10th October, 2013 has totally traumatized the tourists and heavy downfall of the economic condition of Pakistan. The representatives of the tourism industry additionally specified that whenever the state protection affairs is getting ready to quiet down, one more guerilla action takings into place which continues the disappointment in hotel business time over time. As many organization owner previously said that the customers had to step back visiting hotels once the recent blast in Quetta is the another example of one more discouragement to them. “People are thus panicky here in Islamabad when recurrent blasts that wherever a pressure may occur. It is an immediate impact within the capital,” as discovered by (Shaheen, 2008). Measuring the cost of loss and the cost to recover those are just beyond the imagination, such frequent attacks and with huge losses has stunned the economic conditions of Pakistan. Such numerous major attacks in the hotels caused losses to the hotel owners and the investors. The impact of the recession along with the poor tourism infrastructure and economy in Pakistan – such as a lack of hotel rooms, road network and transportation facilities – and hygiene issues will discourage tourists in 2014. In this respect, “capable facilities for guests ought to be improved and awareness programs should be commended globally” (Daily Times, 2008). Collier and Hoeffler (2004) has mentioned that rapid destruction of country capital due to terrorist activities is hampering the economic stability causing a stagnant economic condition without any improvements for future.

**Methodology**

The sample of the study consisted of employees working in luxury hotels in Pakistan, study was carried out in June – July, 2013. Ten (10) hotels were selected by using purposive sampling technique (Amick & Walberg, 1975). After getting approval from the hotels management, 150 structured questionnaires were distributed to permanent and Pakistani national employees. Of these, 118 questionnaires were returned representing (79%) response rate to the original sample of the study. The survey instrument consisted of 3 sections. In the section one, two general questions were asked regarding the terrorism information and the luxury hotels in Pakistan. Section two comprises of 25 items having four (4) independent variables, ‘Political instability (6-items)’, ‘Safety & security issues (7-items)’, ‘Economic Instability (5-items)’, ‘Religious Divergence (6-items)’ and one dependent variable ‘Influence of Terrorism (1-items)’ with ratings scales ‘(1) strongly disagree to ‘(5) strongly agree’. Section three was based on demographics of the respondents mainly about ‘gender’, ‘age’, ‘income’, ‘current department’ and ‘working experience’.
Hypothesis of the Study

H1. Political instability exerts significant effect on influence of terrorism.
H2. Safety & security issues exert significant effect on influence of terrorism.
H3. Economic instability exerts significant effect on influence of terrorism.
H4. Religious Divergence exerts significant effect on influence of terrorism.

SPSS 21.0 for windows was employed in order to access the particular results required for the scale measurement. Descriptive analysis such as means, standard deviation and frequencies are calculated. Reliability of the scale is tested, correlations and regression analysis of study variables is to test the hypotheses.

Findings

The Sample

Demographic breakdown of the sample in Table 1 shows that (82.2%) of the respondents were males. Majority of the respondents fall under the age group ‘21-40’ (44.9%) and ‘41-60’ (24.6%), which represents a mature respondent (hotel employee) in age. In the case of income level, most of the respondents had monthly income ranging between ‘US$ 501-1,000’ (42.2%) and ‘less than 500’ (31.4%). In terms of respondents’ education level, majority of the employees were diploma, undergraduate and postgraduate (29.7%), (23.7%) and (25.4%) respectively. Majority of the respondent were working in operational department (32.2%) and administrative department (28.8%). Regarding experience (30.5%) employees were working for less than one year and (27.1%) were working for more than 10 years, which shows most experience persons in the industry.

The respondents were asked regarding general information about terrorism and hotel industry in Pakistan, where (50%) replied with NO, that hotels are not safe and almost (23%)
said YES hotel are safe. With regards to reason of the terrorist attack to hotels (54.2%) respondents said YES, hotels are being attacked due to high number of tourist arrival and (16%) replied with NO opinion.

**Reliability of the Study**

The overall reliability of the study is deemed acceptable as we can see in Table 3 coefficient alpha is 0.96, which expresses that all the variables were free from random error thus reliability coefficients estimate the amount of systematic variance and high alpha value for the overall scale indicates to convergent validity. It is also confirmed that there is high internal consistency in between both variables, attitude and experience; as the individual reliability for all independent

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**Table 1. Demographics of the respondents**

<table>
<thead>
<tr>
<th></th>
<th>Frequency (F)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>21</td>
<td>17.8</td>
</tr>
<tr>
<td>Male</td>
<td>97</td>
<td>82.2</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>100.0</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 20</td>
<td>28</td>
<td>23.7</td>
</tr>
<tr>
<td>21 – 40</td>
<td>53</td>
<td>44.9</td>
</tr>
<tr>
<td>41 – 60</td>
<td>29</td>
<td>24.6</td>
</tr>
<tr>
<td>61 and above</td>
<td>8</td>
<td>6.8</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>100.0</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 500</td>
<td>37</td>
<td>31.4</td>
</tr>
<tr>
<td>501 – 1000</td>
<td>50</td>
<td>42.4</td>
</tr>
<tr>
<td>1001 – 2000</td>
<td>28</td>
<td>23.7</td>
</tr>
<tr>
<td>2001 and above</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>100.0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
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<tr>
<td>Diploma</td>
<td>35</td>
<td>29.7</td>
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<tr>
<td>Undergraduate</td>
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</tr>
<tr>
<td>Postgraduate</td>
<td>30</td>
<td>25.4</td>
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<tr>
<td>Others</td>
<td>25</td>
<td>21.2</td>
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<td>Total</td>
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<tr>
<td>Current Department</td>
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<tr>
<td>Operational</td>
<td>38</td>
<td>32.2</td>
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<tr>
<td>Administrative</td>
<td>34</td>
<td>28.8</td>
</tr>
<tr>
<td>Security</td>
<td>23</td>
<td>19.5</td>
</tr>
<tr>
<td>Marketing</td>
<td>23</td>
<td>19.5</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>100.0</td>
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<tr>
<td>Working Experience</td>
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<td></td>
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<tr>
<td>Below 1 year</td>
<td>36</td>
<td>30.5</td>
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<tr>
<td>1 - 5 years</td>
<td>24</td>
<td>20.3</td>
</tr>
<tr>
<td>5 – 10 years</td>
<td>26</td>
<td>22.0</td>
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<td>10 years or above</td>
<td>32</td>
<td>27.1</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>100.0</td>
</tr>
</tbody>
</table>
variables is also more than 0.70 at aggregate level, cut-off point (Nunnally, 1978; Parasuraman, Berry & Zeithaml, 1988).

**Correlations of the Study Variables**

In this research correlation analysis was engaged since “correlation analysis involves measuring the closeness of the relationship between two or more variables; it considers the joint variation of two measures” (Churchill, 1995). Table 4 shows the outcomes of correlation analysis are significant at 0.01 level. As when correlation and coefficient matrix are between the two constructs are being examined, no correlation coefficient is equal to 0.90 or above in the table. Below analysis delivers the provision for the discriminant validity about this research, which reveals that all the constructs are diverse (Amick & Walberg, 1975). As can be seen from Table 4, all the means for each construct are in between 0.66 - 0.8, which refers to quite high social appeal effect. It means that the respondents understood the question very well and evaded marking the positive response.

**Regression Analysis**

The results in Table 5 validate that there was a positive correlation with a R2 of 0.62 and ‘F’ value of 46.03 at a significance level of p<0.001. Political Instability ($\beta = 0.10$), Religious Divergence ($\beta = 0.00$), Safety & Security Issues ($\beta = 0.50$), Economic Instability ($\beta = 0.27$). The Political instability, Safety & Security Issues and Economic Instability has positive significant
Table 4. Correlation of the study

<table>
<thead>
<tr>
<th>Variables</th>
<th>Political Instability</th>
<th>Religious Divergences</th>
<th>Safety &amp; Security Issues</th>
<th>Economic Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Instability</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious Divergences</td>
<td>.720**</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety and Security Issues</td>
<td>.668**</td>
<td>.799**</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Economic Conditions</td>
<td>.661**</td>
<td>.729**</td>
<td>.721**</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: **All correlations are significant at the 0.01 level (2-tailed).

Table 5. Regression analysis

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>βa</th>
<th>t-value</th>
<th>pb</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Instability</td>
<td>0.10</td>
<td>1.14</td>
<td>0.009</td>
<td>Accepted</td>
</tr>
<tr>
<td>Religious Derivations</td>
<td>0.00</td>
<td>-0.04</td>
<td>0.997</td>
<td>Rejected</td>
</tr>
<tr>
<td>Safety &amp; Security issues</td>
<td>0.50</td>
<td>4.80</td>
<td>0.005</td>
<td>Accepted</td>
</tr>
<tr>
<td>Economic Instability</td>
<td>0.27</td>
<td>2.88</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Notes: $R^2 = 0.62$, $F = 46.03$, $P < 0.000$

The effect on ‘Influence of Terrorism’. Moreover, constructs jointly explains 62% of the variance ($R^2$) which is considered as very good. Overall, the results indicate that Political instability, Safety & Security Issues and Economic Instability are positive predictor of ‘Influence of Terrorism’. ‘Safety & Security Issues’ stands out with the highest t-value, which indicates that this factor considered as the main leading factors of all, followed by ‘Economic Instability’ and ‘Political Instability’.

Conclusion

Terrorism attacks set to continue as the 21st century begins and the hotel industry will stay weak and unsafe. The quality and quantity of the security provided by hotels is very much linked with the size of funds allocated for the security concerns. As the most of the hotel chains are private and their main objective is to maximize their profits so there will always be a tension between cost saving and expenditure, security should be given a financial priority which replicates its importance. Further hiring of the employees and their training with regards to latest technology and way to respond to terrorist threats should be first priority. Planners and architecture should give consideration to security while designing hotel buildings especially on higher risk locations. Findings of the current study highlighted the factors which influence terrorism in the luxury hotel of Pakistan. The current study was aimed to see the future of luxury hotels with regards to terrorist’s activities. Results shows that overall reliability of the study is at an acceptance level, political instability, economic instability and safety & security issues are the major factors which have direct influence of terrorism on luxury hotels in Pakistan. Tourism industry in Southeast Asian is increasing very fast and it is estimated to grow more. According to the UNWTO (2000) the quantity of international tourists worldwide
would reach 1.6 billion by 2020 and tourism receipts would reach US$ 2 trillion. As most of the countries in Asia are promoting tourism as a serious interchange wage earner and employment supplier (Hall, 1997; Yamashita, Din and Eden, 1997). As per current research results (50%) of the employees (respondents) working in luxury hotel in Pakistan believe that hotels are not safe as it supposed to be, and hotels are being targeted by terrorist attacks due to high number of tourists arrival. Thus safety and security issues constitute the leading factor which is forcing tourists to change their mind to visit Pakistan. In short tourism is growing but it totally depends on political and economic stability and safety and security issues in the country (Hall, 2000; Musa, 2000; Higham, 2000). Hence it is very important for the government and authorized department to make changes and come up with the strategies to make stability economically and politically in Pakistan to attract tourists. Findings of the study are very useful for government, state government and other stakeholders in the hotel industry to improve the system.

Recommendations

The results of the current study have a number of practical implications for government, state level government, hoteliers and other stake holders/intermediaries, who are directly or indirectly engaged with hotel industry.

• The findings of this study are important for the enforcement authorities to come up with strict laws and make sure of the applicability of the laws.
• Government/State Government should adopt policies in the way to helps hoteliers to reduce the crime rate especially terrorist attack.
• Government should keep check and balance on authorized department concerned with safety and security issues.
• Planner and architecture should give special considerations while designing the hotel building design.
• Hoteliers should come up with particular department in case of any emergency.
• Hoteliers should follow the rule and regulation and also make sure that guests/tourists should follow them as well.

One of the apparent limitations of this study is the sample size, which is very small and also limited to employees of the luxury hotels in Pakistan. A study with different sample size with several locations in Pakistan and can focus on different level of hotels may provide fruitful results for the terrorism observation in hotel sector.

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TEAM Journal of Hospitality and Tourism, Vol. 11, Issue 1, December 2014
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