

Investigating Green Credence of Indian Hotels: A Study

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Abstract

Purpose: The purpose of this paper is to comprehensively study the developing concept of Green Hotels and customers perception of green hotels. The paper reviews the concept of green hotels and identifies different variables related with green services and practices at selected hotels in India to identify customer's perception.

Design/methodology/approach: Authors have done descriptive research while analyzing the data gathered through secondary and primary sources and discussed their viewpoints.

Findings: The key findings highlight that customers concern for several factors in green hotels such as conservation of electricity & water, waste management programs, recycling & reuse, price etc and they don't mind paying extra for green services availed.

Originality/value: This is a fairly original paper which discusses the concept of green hotels and customers perception towards green Hotels.

Keywords: Green Hotels, Customers Perception, Reduce, Reuse, Recycle.

Paper type: Case study and viewpoint

I. Introduction

Man is a rational being. The effects of rationality of man can be seen and felt in almost all disciplines of life. Man has understood the needs of the society and has accordingly developed concepts and practices that were most suitable for the sustenance and development of all stakeholders. Initially the natural resources available to mankind were utilized by man in the name of development and its consequences were seen in the form of alterations in the environment which was characterized by severe natural calamities. Munier (2005) indicated that the ambitious economic goals of mankind has put excessive pressure on natural resources which has caused irreversible damage to natural environment in terms of depletion of forest cover, contamination of natural environment and alterations in the form of climatic changes. The rational behavior of man made it essential for human race to think in terms of sustainability. The concept of sustainability undertakes the development of practices which will ensure the maintenance of ecological balance by minimizing the depletion of environmental resources by its cautious uses. However United Nations World Commission on Environment and Development (1987) in its publication "Our Common Future" propounded the most used definition of sustainable development which states that "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The concept of sustainable development has been translated in practice across various fields.

Business houses all over the globe have engaged themselves in understanding and implementing practices which will enable them to part of the futuristic vision of sustainable development. Esty & Simmons (2011) highlighted that business houses can contribute towards sustainable by conducting business in manners that will ensure cautious usage of natural resources and reduction of pollution of environment. The initial concept of sustainable development progressed in theory when the companies highlighted themselves as green companies by using the elements of promotion mix. In the latter stages the companies understood that theoretical practice and only promotion will not make them sustainable companies they need to make investments in alterations of procurement, processing and delivery process in order to make themselves sustainable companies. Jonker & De Witte (2006) opined that the singular economic goal of profit must be correlated with people and planet in order to make a more operational goal covering the three important parameter of development "Profit, people and planet". The operational feasibility of three P principles can be seen in hospitality and tourism industry in India. The hospitality industry in India have understood the negative impact of certain practices related with unreasonable usage and pollution of natural resources and are taking conscious efforts to develop sustainable practices by using better green technology, following governmental norms and investing in employee and customer education to reduce stress on the environment. Sharma and Kukreja (2013) highlighted that the Indian Hospitality industry contributes around 2.2 percent of India's GDP. The Industry is expected to reach INR 230 billion growing at a compound growth rate of 12.2 percent. Further Joseph (2016) studied the employment-generation potential of hotels and highlighted that World Travel & Tourism Council (WTTC), indicates that India's travel and tourism sector is expected to be the second-largest employer in the world, employing approximately 50 lakhs people, directly or indirectly by 2019. In the above backdrop the researchers felt it essential to understand the sustainable practices of hotel industry which is

making a suitable contribution to GDP of India and is one of the biggest employers of the country and is the window of the world in terms of tourist influx to understand the myths and realities related with sustainable practices of hotels with following objective:

- (a) Concept of Green Hotels
- (b) Customers perception towards green Hotels

Further the concept of sustainability is studied in terms of green practices undertaken by hotels in India and the perception of customers is judged in terms of these green practices to understand the response of customers towards green practices.

1.1 Concept of Green Hotels

The concept of green hotels is novel in nature as planting a tree in hotel campus is also a green practice. The concept of environmental friendly practice encompasses all activities which will reduce stress on the environmental attributes like land, air, water, sound, ecology, human aspects, economics and resources. In practice green hotels are *environmentally friendly lodging facilities which employ management that participate in and initiate environmentally sustainable programs. Programs such as water saving techniques, energy reduction, and waste consolidation are frequently used within green hotels* (Green Hotel Association [GHA] 2008). A large number of studies have been conducted to understand the reasons why hotels are converting themselves into green hotels. Bohdanowicz (2006) highlighted that feeling of social responsibility, governmental regulations, and economic benefits are the major driving force behind converting a hotel into green hotel. Alexander (2002); DeLollis (2007); Graci & Dodds (2008); and Butler (2008) have highlighted in their studies that application of green practices reduces the operations cost of the hotels by reducing the electricity and water bill by installation of appropriate and necessary appliances in hotels thereby increasing the per occupant revenue and decreasing the cost.

Further green practices adopted by hotels are also instrumental in providing a competitive advantage to hotels in comparison to its competitors. Honey (2002) highlighted that customers in Europe consider environment or proximity to natural places as an important parameter or reason while choosing a hotel. Initiatives which were initially a part of ambiance or landscaping like availability of gardens are also evaluated by customers while comparing hotels as lush green gardens reduces temperatures and provides fresh uncontaminated air. Further Gustin and Weaver (1996) highlighted that the positive image created by adoption of green practices increases customer occupancy in hotels. Shaw (2000) also opined that customers of today's market are environmental friendly and they prefer and relate to companies and hotels which are environmentally conscious with respect to their liability. Millar & Baloglu (2008) indicated that green hotels are basically associated with Efficient/Efficiency; followed by Recycling, Environmental/Environmentally Friendly, Sustainability, Clean, Conservation, Responsible, Healthy, Conscious/Conscientious and Air Quality, respectively.

1.2 Customer Perception about Green Hotels

The researchers conducted an extensive literature survey to study the perception of consumers regarding green hotels. The researchers have tried to study the perception of customers regarding green hotels with respect to their attitudes and beliefs, demographic profiles and willingness to pay. Bohdanowicz, Simanic & Martinac (2004) indicated that promotion mix must be optimally used in order to establish and promote a hotel as a green hotel. Manaktola & Jauhari (2007) opined that a positive brand association of hotel with green practices in the mind of consumers propagate them to choose a green hotel again and again in comparison to other hotels. Gustin and Weaver (1996) highlighted that participation of hotels in green management programs helps a hotel in increasing revenue per customer by reduction of cost. Davidson and Freudenburg (1996) professed that females are more conscious while choosing a green hotel in comparison to their male counterpart. Diamantopoulous, et al. (2003) indicated that it is apposite sign that younger generation are more environmentally conscious and they prefer to stay in green hotels more in comparison to older generation. Lyons and Breakwell (1994) highlighted that customers of high income bracket give more preference to green hotels. Haanpää (2007) educated pay, Fairweather et al. (2005) highlighted that hotels must use of eco labels and eco certifications to establish it as green hotels. The customers link eco certifications and labels with green practices. Keefe & Chandler (2009) made an interesting conclusion by highlighting that customers are willing to pay more money in order to stay in green hotels.

II. Research Methodology

The researchers conducted an empirical study in order to understand the concept of green hotels and to identify the perception of customers towards green hotels. The researchers have selected 10 hotels in the state of Chhatisgarh to identify the green practices used by green hotels and 10 customers each of the respective hotels were selected to understand the perception of customers towards green hotels. Two sets of schedule were prepared to collect information from hotels and respective customers. The data was collected with the help of a schedule and Factor Analysis was conducted using SPSS 21.

III. Data Analysis And Interpretation

The researchers conducted the KMO and Bartlett's Test to see whether data is suitable for factor analysis or not. Table 1, shows that sample adequacy is 0.725 and an approximate chi-square value 36.251 was obtained with an observed significance level 0.000. Therefore it can be concluded that the data may be grouped into a smaller set of underlying factors and relationship among variables is significant for factor analysis.

Table No. 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.725
Bartlett's Test of Sphericity	Approx. Chi-Square	36.251
	df	14
	Sig.	.000

Table 2, exhibit summary of factor analysis. Total 24 variables were identified and loaded by the researcher and after Varimax Rotation with Kaiser Normalization using extraction method Principal Component Analysis eight factors were extracted. These eight factors explain 69.34 percent variance.

Table 2: Factor Analysis Summary

Factors	Description	Factor Loading	Eigenvalue	% of variance	Cummulative %
Factor 1 Conservation of Electricity	Use energy efficient bulbs in sleeping areas	.634	9.296	22.13	22.13
	Use of energy efficient bulbs in the bathroom areas	.705			
	Use of key cards	.749			
	Use of occupancy sensors	.736			
Factor 2 Plan to Stay	Willingness to stay	.763	4.872	11.60	33.73
	Planning to stay	.754			
	Make efforts to stay	.635			
	Encourage others to stay	.655			
	Promote green hotels so that others can stay	.740			
Factor 3 Price of Green Hotels	Offers good value for money	.604	3.881	9.23	42.97
	Prices charged are reasonable	.616			
	Offers good quality at affordable price	.738			
Factor 4 Willingness to Pay	Acceptable to pay a premium to stay at a hotel that engages in green practices	.691	3.075	7.32	50.29
	Willingness to pay more to stay at a green hotel	.610			
Factor 5 Conservation of Water	Use of low flow shower heads	.658	2.646	6.29	56.59
	Use of low flow sinks faucets	.649			
	Use of low flow tillers	.724			
Factor 6 Waste Management Program	Use of shampoo dispenser	.641	1.929	4.59	61.18
	Use of a body wash dispenser	.613			
Factor 7 Recycle & Reuse	Recycling programs	.689	1.907	4.54	65.72
	Towel reuse programs	.603			
	Sheet reuse programs	.624			
Factor 8 Awareness	Provide information about the green practices they engage in	.743	1.518	3.61	69.34
	Publish information hotels provide about the green practices they engage in	.650			

‘Conservation of Electricity’ came out as the first dimension/ factor accounted for highest percentage variance of 22.13 among all the eight factors. The first factor includes attributes like use energy efficient bulbs in sleeping areas, bathroom areas, use of key cards, use of occupancy sensors. The second factor identified as ‘Plan to Stay’ which accounted for 11.60 percent variance. This factor includes attributes like willingness to stay, planning to stay, make efforts to stay, encourage others to stay and promote green hotels so that other can stay. The third factor identified as ‘Price of Green Hotels’ accounted for 9.23 percent variance which includes good value for money, reasonable prices, good quality at affordable price. The fourth factor identified as “Willingness to Pay” accounted for 7.32 percent variance which includes paying premium to stay at green hotels and willingness to pay more to stay at a green hotel. The fifth factor identified as “Conservation of Water” accounted for 6.29 percent variance which includes use of low flow shower heads and sinks faucets. The sixth factor identified as “Waste Management Program” accounted for 4.59 percent variance which includes use of shampoo & body wash dispensers. The seventh factor identified as “Recycle and Reuse Program” accounted for 4.54 percent variance which includes recycling programs, sheet & towel reuse programs. The eighth factor identified as “Awareness” accounted for 3.61 percent variance which includes providing & publishing information about green practices.

IV. Managerial Implications

The green hotels must understand the concept of sustainable environment and exercise practices which will protect the environment. The practices of green hotels can be summed up with the help of three 'R' of environmental protection namely Reduce, Reuse and Recycle.

Reduce: The hotels can make policy decisions related with conservation of Electricity, Conservation of water conservation of soil, and conservation of air. The green hotels can promote the usage of LED lights to decrease their power consumption. Installation of Solar panels will lead to lesser pressure on thermal and hydro electricity procurement. The use of human sensors in hotel rooms can also be initiated so that electrical appliances will automatically switch off in absence of human presence. Further low water pouring bathroom fittings will also reduce the wastage of waters in hotel rooms. The policy related with change of Linen and bath towels in hotel rooms on the choice of guest will lead to conscious usage of water on part of the guest. The hotels must maintain the natural habitat of its surrounding causing minimum depletion to forest cover and green plants in its vicinity. The policies with respect to (i) use both sides of the paper when making copies, (ii) substitution reusable items with disposable ones (iii) making discarded paper into scratch pads; (iv) equipping guest rooms with a bulk dispensing system to replace individual plastic soap and shampoo bottles; (v) use two-way shipping containers (ones that can be returned and refilled); (vi) Install cloth roll towels or hand dryers in public restrooms; (vii) use of worn towels and linens as cleaning rags (viii) choosing a low-maintenance landscape design that uses few chemicals and little water.

Reuse: Programmes like Towel reuse and sheet reuse will decrease the water usage of hotels ensuring better usage of water resources. The practice of reusing foam packaging pellets or bubble wrap will lead to clean environment and reduction of forest cover depletion.

Recycle: hotel policy with respect to water recycle programme, Waste management program will minimize pollution in the environment. There are many opportunities to recycle cardboard, newspaper, other paper, glass, metals, plastics, and printer and toner cartridges.

Further the hotel needs to design environmental protection plans which will help in evaluating cost-effectiveness of such programmes in comparison to present practices to decide the magnitude of actions to be taken. Further employee participation in providing green offerings will ensure proper implementation of green programmes. The hotels must take necessary steps to keep employees informed about the best recycling procedures by issuing memos and periodically reviewing procedures. It must monitor procedures on a regular basis to make sure that proper routines have become habit and continue to educate the employees if necessary. Always encourage feedback from employees for suggestions or observations as a means of continuing to improve waste management and recycling programs. Periodically designate a few trusted employees to be the eyes and ears for management in pinpointing areas where participation or cooperation is not taking place by departments or certain staff members then communicate with those who are not participating or cooperating to determine if they understand the importance of the programs and the desired procedures. The hotels must also publicize its green practices to consumers so that they can understand the sensitivity of green practices and cooperate with hotel staff. The willingness of consumers to stay in green hotels must be developed to ensure the continuity of green practices. The hotels must develop special packages for tourists who wish to stay at green hotels. Consumer willingness and desire to stay in green hotels whose offerings are little expensive in comparison to other hotels will ensure the future of green hotels in India. Therefore, the consumers must also understand the efforts made by green hotels for environmental protection and favor them with repeated stay.

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