

Consumer Perception Towards Green Practices in Hospitality Industry

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Abstract

The adoption of green practices in the hotel industry cannot only benefit the environment, but also contribute to cost savings, enhance the reputation of the hotel, and meet the growing demand of consumers for ecofriendly accommodations. According to a 2020 report by the Confederation of Indian Industry (CII), the Indian hotel industry is estimated to generate 1.3 million tonnes of waste per year. The same report estimates that the industry can save upto INR 3,000 crore (\$400 million) per year by implementing sustainable waste management practices.¹ The researcher has taken effort to study the Consumer perception towards green practices among hospitality industry in Chennai. This research aims to study 1. Consumer perception on green practices with reference to hotel industry 2. Customer attitude towards Green practices of hotel industry 3. to find the perception of environmental concern towards green practices of hotel industry 4. To assess the level of willingness to pay extra by the consumers for green practices in hotel industry 5. To find the relationship between factors of green practices in hotel industry with the demographic factors of the respondents. Convenience sampling was applied with a sample size of 230. Area of the study is Chennai.

Keywords: Consumer; Perception; Green Practices; Hospitality Industry

INTRODUCTION

Green Marketing is to reduce raw materials and minimize energy use, standard certification

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for products and services and participate in events to be sustainable² (Pere Mercade Mele, 2019). Green marketing is well designed to generate and make any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal impact on the natural environment,³ (Polonsky 1994). Green practices in the hotel industry refer to sustainable and environmentally friendly initiatives that aim to reduce the negative impact of the hotel's operations on the environment.⁴ These practices can range from reducing energy and water consumption, to promoting eco-friendly transportation options, to implementing waste reduction and recycling programs, and using sustainable and locally sourced materials in hotel operations.⁵

The adoption of green practices in the hotel industry cannot only benefit the environment, but also contribute to cost savings, enhance the reputation of the hotel, and meet the growing demand of consumer's for eco-friendly accommodations. (J. Consum, Mark, 2001) states that consumers are willing to pay a high cost for the products that are offered by a company that uses green marketing to promote.⁶ The scope of green practices in the hotel industry is broad and encompasses a wide range of activities that aim to minimize the negative impact of hotel operations on the environment. Some of the key scopes of green practices in the hotel industry include: Environmental conservation, Cost savings, Brand reputation, Compliance with regulations, Competitive advantage.⁷

Review of Literature

Woo-Hyuk Kim (2018) consumer attitudes about advertisements, consumer attitudes toward conventions, and consumer intentions to be environmentally friendly.⁸ Stake holder theory is used to understand the needs of consumers associated with CSR practices. The theory helps to identify the affected areas in consumer decision - making also decreases the damage and also be beneficial for the consumer target groups. The product heists core features which explain the functional performance and also other features which is secondary including the environmental performance.⁹

The green sustainable, authentic experiences are the main elements to measure the satisfaction of consumers¹⁰ in the paper Miroslava Malcheva. Communication is the key where managers to do have to look into the employees for better supply (Rajiv Kumar, 2022). Hur and co. 2013 examine how consumer satisfaction from a green perspective influences loyalty and price consciousness in the hotel industry.¹¹ (Hou, HaoWu) The study on importance of green building and consumer environmental concern stated that consumers intention of staying was primary decision makers according to the green design which the hotel has adapted.¹² Chan (2013) examines to foster hotel loyalty using the ideas of a green overall image, a green level of trust, and a green level of satisfaction.¹³

Research Questions

How do consumer perceive green practices towards hotel industry?

What are the Determinants of the customer attitude towards the Green practices of Hotels?

To what extend do demographic factors influence green practices in hotels?

Are the consumers willing to pay extra on hotels for green practices?

Objective of the Study

- To study the consumer perception on green practices with reference to hotel industry.
- To study the customer attitude towards Green practices of hotel industry.
- To find the perception of environmental concern towards green practices of hotel industry.
- To assess the level of willingness to pay extra by the consumers for green practices in hotel industry.
- To find the relationship between factors of green practices in hotel industry with the demographic factors of the respondents.

Research Design

The research tends to be descriptive research and also quantity factors influencing in consumer perception of green practices in the hotel industry. Convenient sampling is used, the area of study is to be covered in Chennai of Tamil Nadu and the sample size is 230. For my research, the data was collected through primary resources data. The data has been collected questionnaire.

Hypothesis

- 01: Consumer attitude towards sustainable practices of eco-friendly amenities, such as green toiletries and energy efficient appliances, is not positively related to their environmental concern.
- 02: There is no significance relationship between the subjective norm influences towards the consumer perception towards the services in the hotel.
- 03: The services provided by the hotel is not association with consumer willing to pay higher for accommodations.

Descriptive Analysis

Interpretation

The mean score for all the statements lies between (1.85-2.17) which denotes moderate agreement towards the statement given by the respondents.

Overall Consumer attitude variable with a mean score of 2.0157 has a low agreement with the statement where the respondents do not strongly agree with the statements towards the variable in

the hotel industry. There is a variation found little for the respondents who answered the statements through a standard deviation value of 0.65319.

Consumer attitude towards green practices

Items	Mean	Std. Deviation
Hotels should prioritize green practices in their operations to minimize their impact on the environment	1.85	.798
The quality and effectiveness of organic products (soap and shampoo) provided by hotels affects my satisfaction	2.19	1.000
The use of reusable dispensers for toiletries in the hotel industry is a positive step towards reducing plastic waste	1.97	.920
Hotels can take specific measures to minimize electricity use during my stay. (Resetting room temperatures for the guests)	2.17	.996
Using recycled water for flushing toilets or watering plants is an effective way to conserve water resources	1.90	.860
Consumer Attitude	2.0157	.65319
Valid N (list wise)	230	

Environmental Concern

Items	Mean	Std. Deviation
The hotel sustainability practices on electricity reduces consumption of power	1.93	.776
Hotels with green decoration (presence of more plants) provides more relaxing and heal their atmosphere.	1.81	.886
Offering more sustainable product sin in-room amenities is an important practice to adopt by the hotels. (Such as Toiletries, reusable water bottles, organic coffee/ tea)	1.98	.906
Actively promoting electric vehicle charging stations and transportation options that reduce environmental impact to guests is an important factor for hotels to consider.	2.00	.923
Environmental concern	1.9304	.66743
Valid N (list wise)	230	

Interpretation

For the variables related to environmental concern the mean score ranges from the 1.80 to 2.00 suggesting that respondents consider it as moderate important in their accommodation decision. The higher level of importance is given to minimizing the electrical consumption during the stay as sustainable practices.

The highest mean score with 2.00 with standard

deviation of 0.923 indicates the respondents are strongly agreed towards “promotion electric charging stations and transportation options to reduce environmental impact”. Some of the respondents have opted “green decoration in hotel” to be low agreement with the mean score of 1.81.

Overall, the analysis indicated environmental concern is mean 1.92 with standard deviation 0.67 is moderately agreed for all statements given by respondents.

Willingness To Pay Extra For Green Practices

Items	Mean	Std. Deviation
I am willing to pay more for accommodations at hotels that prioritize sustainability practices	2.23	0.932
I will recommend the Hotels and restaurants adopting environmentally friendly practices to my friends and relatives	1.91	0.81
I prefer hotels adopting green practices for my present and future needs	1.89	0.805
Willingness to pay	2.0543	0.6405
Valid N (list wise)	230	

Interpretation

The highest mean score of 2.18 for the item "I prefer adopting green practices even there is slight increase in price" indicates that respondents are willing to pay for the sustainable practices if the price is not too high for the accommodation.

Followed by "I will recommend the hotels and restaurants adopting environmentally friendly practices to my friends and relatives" has low score of 1.91 which respondents are less to recommend the green practices hotels to their friends and social

group.

Overall, the result of willingness to pay is with 2.05 means core indicates the average respondents are willing pay more for the stay at green practice hotels.

Overall, the results suggest that while participants are some what willing to pay more for sustainable practices in hotels, there is still room for improvement in terms of their willingness to recommend such hotels to others.

Correlation

		Subject e norms	Consumer attitude	Environmen tal concern	Service s	Willingne ss to pay
Willingne ss to pay	Pearson Correlation	.435**	.551**	.600**	.650**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	
	N	230	230	230	230	230
**.Correlation is significant at the0.01 level (2-tailed)						

H₀: Consumer attitude towards sustainable practices of eco-friendly amenities, such as green toiletries and energy efficient appliances, is not positively related to their environmental concern.

H₁: Consumer attitude towards sustainable practices of eco-friendly amenities, such as green toiletries and energy efficient appliances, is positively related to their environmental concern.

Interpretation

The highest correlation with the dependent variable is with the independent variable Service with a correlation of 0.650 is strongly positively related. The willingness to pay is related with consumer opinions towards services given by the hotel.

The correlation suggests that all variables available is positively correlated with each other

variables with a strong relationship among them.

There is a strong positively correlated between the variable followed:

- For the variable consumer attitude and services is with Pearson correlation of 0.654
- Willingness to pay and services to be 0.650 where a strong tendency for the given variable denotes one increases with another variable in parallel to increase.

The moderate positive correlation is identified with the subjective norms with the consumer attitude = 0.436 and willingness to pay $r = 0.435$.

According to the hypothesis, the correlation r value is 0.723 with the variable's consumer attitude and environmental concern. This indicates it is highly dependent on each other when choosing accommodations with green practices.

Table Correlation among Consumer attitude and Environmental Concern

		Environmental Concern	
Consumer attitude	N	Pearson Correlation	Sig (2-tailed)
	230	.723**	<.001

H₀: There is no significance relationship between the subjective norm influences towards the consumer perception towards the services in the hotel.

H₁: There is a significance relationship between the subjective norm influences towards the consumer perception towards the services in the hotel.

The lowest correlation between subjective norms and services is to be 0.386. The relationship between the variables is weak compared with other variables. The hotel industry must look up into

improving the services which can be conveyed to the social circles of the consumer.

There is a moderate relationship between the variables the alternative hypothesis is accepted.

Table 1: Correlation among Subjective norm and Service

Subjective Norms	N	Service Quality	
		Pearson Correlation	Sig (2 - tailed)
	230	.386**	<.001

Overall, it is understood that service quality is an important factor to pay more for accommodations in hotels. The correlation analysis helps to understand the importance of green practices in the hotel industry and the potential for hotels to attract consumers by following green practices. Hence it is overall provider positive correlation.

One Way Anova Test

H₀: There is no significance difference between Age and Willingness to Pay extra for green practices.

H₁: There is a significance difference between Age and Willingness to Pay extra for green practices.

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
WP01	Between Groups	1.207	3	0.402	0.46	0.71
	Within Groups	197.58	226	0.874		
	Total	198.787	229			
WP02	Between Groups	1.471	3	0.49	0.745	0.526
	Within Groups	148.79	226	0.658		
	Total	150.261	229			
WP03	Between Groups	0.575	3	0.192	0.293	0.83
	Within Groups	147.707	226	0.654		
	Total	148.283	229			
WP04	Between Groups	3.188	3	1.063	1.283	0.281
	Within Groups	187.143	226	0.828		
	Total	190.33	229			

Interpretation

Since $P > 0.05$, Alternate hypothesis is accepted and we find that there is a significance difference between Age and Willingness to Pay.

Chi - Square

H₀: There is no significance association between

Purpose of stay and Consumer Attitude towards green practices.

H₁: There is a significance association between Purpose of stay and Consumer Attitude towards green practices.

Test Statistics						
	Purpose	CA01	CA02	CA03	CA04	CA05
Chi-Square	97.826 ^a	188.565 ^b	101.522 ^b	153.000 ^b	132.043 ^b	169.522 ^b
Df	1	4	4	4	4	4
Asymp.Sig.	.000	.000	.000	.000	.000	.000

Interpretation

Since $P > 0.05$, Null Hypothesis is accepted and we find that there is no significance difference

between Purpose of stay and Consumer Attitude towards green practices.

Findings

- The majority of the respondents (83.5%) are male and younger with the age group under 20-25. Who are employed and followed by entrepreneurs and family business with 75.2% of the respondents, they 47.8% respondents belong to the monthly income under 25,000.
- Most 83 % of respondents choose the purpose of leisure/vacation, indicating that a majority of hotel stays are for leisure purposes opt hotel for leisure/vacation purpose and 56.1% of respondents preferred most to stay for 2-3 nights.
- The study has found the mean score is above 2 for all variable subjective norms, consumer attitude, environmental concern, service, and willingness to pay denotes that moderate level of agreement by the respondents with all the statements. The subjective norm has mean score 2.23 a high impact on booking towards sustainable practices hotel by the consumers.
- The correlation explains that positive correlation between all the factors. The most correlated variables are *Consumer attitude towards green practices and environmental concern* (0.723).
- The hypothesis has been accepted that consumer attitude has a strong relationship with the environmental concern according to correlation r value 0.723.
- The willingness to pay extra and services given by the hotels have strong relationship with the Pearson value of 0.650. The correlation analysis suggests that subjective norms, consumer attitude, environmental concern, and service quality have a significant positive correlation with willingness to pay for green practices in hotels.
- The moderate relationship between the subjective norm and consumer perception towards service which tends to accept the alternative hypothesis.
- The strong positive relationship between the independent variable and dependent variable of the study with the R -value 0.701 in regression.
- It indicates predict or have 48.2% of the variance in the consumer perception towards green practices in hotel industry.

Overall, the findings indicate an encouraging relationship between consumer perception of green

practices in the hotel industry and willingness to pay for sustainable practices. Hotels that priorities sustainability practices may have a competitive advantage in attracting consumers who value sustainability and are willing to pay a premium for environmentally friendly accommodation.

CONCLUSION

Based on the study and findings, it can be inferred that consumers have positive perception of green practices in hotels. According to the survey, consumers are willing to pay more for hotel accommodations that priorities' sustainability practices, and they are more likely to promote and prefer hotels that use sustainable practices.¹⁵ Subjective norms, consumer attitude, environmental concern, and services were shown to have significant positive associations with willingness to pay for green hotel practices.¹⁶

Hotels should continue to implement and promote green practices such as reducing energy and water consumption, utilizing eco-friendly goods, and encouraging recycling and waste reduction in order to attract and retain clients.¹⁷ Additionally, hotels can provide incentives to consumers who prefer to stay at eco-friendly hotels, such as loyalty programmes or discounts.

Overall, the findings indicate that green practices may help not just the environment but also the hotel sector by attracting and retaining environmentally conscious consumers.

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