Exploring customer perceptions of eco-sensitive practises in the Indian lodging industry

Dr. D.P. Sudhagar*
Hospitality Consultant
Chennai, India
E-mail: sudhagar1402@gmail.com

*Dr. D.P. Sudhagar has a PhD in Science & Humanities in Marketing from Anna University and Bachelor degree in Hotel and Catering Management and a Post graduate degree in Hotel and Catering Management from Madras University, Tamil Nadu. His primary research interest focuses on marketing particularly Restaurant Consumer Behaviour. His area of research includes restaurant customer revisit behaviour and Quality factors in the hospitality Industry.

Abstract

The present study investigates customer perception of eco-sensitive practises in the lodging industry in India. The study explores the customer's preference to pay for such practises. The study combined quantitative and qualitative research methodology by using a structured questionnaire for the measurement. A convenience sampling technique was used due to the nature of the data collection. Only agreed eco-sensitive hotels participated in the survey. Eco-sensitive practises which were most important and the least important to the lodging customers were indentified in the study. The eco-practises importance indicated that the customers believed that each practise had an impact on the environment and the customers were willing to pay extra for these services. The Indian lodging industry which implemented eco-practises is preferred by customers and it will gain a competitive advantage in the market. As the lodging industry advances in the product and service offering, the eco-sensitive hotels also need to find ways to enhance their eco-friendly products and services so as to stay competitive in the market. When the environmental damage increases as it is currently doing, one or two environmentally sensitive hotels will not be enough help to conserve the whole environment. The government should thus bring stringent eco-sensitive regulations into the lodging industries practices in India. This is the first exploratory study which investigates customer perceptions of eco-sensitive practises in the real environment after the customers experienced the eco-sensitive practises followed in hotels. As the environment is degraded on a daily basis, it is incumbent on the lodging industry to play a vital role in communicating environmentally considered information to the customers staying in the hotel. This operational practice will also serve to guide people to change the behavioural patterns towards conserving the environment towards global sustainability.

Keywords: Eco-sensitive hotels, green practises, Importance, consumer behaviour, pay preference, India

How green is your hotel room?

Introduction

Protecting the environment and conserving the natural resources is a vital duty of the every individual living in the world. So individuals should be responsible for their own behaviours by making sure the environment is not polluted at any given point in time. The realisation of this personal responsibility has brought changes in the lifestyle and also the purchasing behaviour of people. More and more people are choosing environmentally friendly products and services to exhibit their interest towards protecting the environment. This scenario has provided a great opportunity for marketers to gain a competitive edge by introducing eco-sensitive products and services in their market offerings. The customer preference to these practises enables the market to attract the customers more easily in what is a highly competitive tourism environment. Eco-sensitivity also assists hotel operators by reducing their operational costs.

The lodging industry plays a vital role in fulfilling the basic needs of the people when it comes to the hotel selection; a hotel with eco-sensitive practises creates a distinct image in the minds of the customer when compared to the regular hotels on offer which are not eco-friendly in operational practices. So eco-hotels have added advantages in attracting eco-sensitive customers as well as regular customers. The existing regular hotels started reframing their products and services by introducing a range of eco-sensitivity practises.

Currently many new hotels which are still under construction, begin with eco-sensitive innovations from the inception of their construction stage in order to obtain Ecotel certification and to be classified as eco-sensitive hotels. It also helps to gain an important huge differentiation from the regular hotels. Usually eco-sensitive hotels provide more environmentally friendly products and services when compared to the regular hotels.

There is no study conducted in the Indian lodging industry which particularly investigates customer perceptions of eco-sensitive practises followed in the guest room in real eco-sensitive hotel context. Hence the present study motivated the author to perform research in this particularly important area.

Purpose of the study

Investigating the customer perception of eco-sensitive practise in the lodging industry is an under-explored area in the hospitality literature, especially in an Indian context. Conducting research in this particular area would help to get deeper insights into understanding the customer’s attitudes concerning eco-measures and to know how customers experience the practises followed in hotels. The purpose of the study is thus to ascertain lodging customer perceptions of eco-sensitive practises followed by hotels in the guest rooms and to understand the guest preference to pay additional rates for these services.

Literature review

Eco-sensitive practises in the Indian lodging Industry

Hotels in India are broadly classified into two categories. They are either known as ‘approved’ or ‘unapproved’ hotels. The Department of Tourism (DoT) grants approval and classifies hotels into seven categories. The categories are Heritage hotels, 5-star deluxe, 5-star, 4-star, 3-star, 2-star and 1-star. The classification of the hotel would be based on the infrastructure, facilities and services offered. The DoT reclassifies hotels every three years and provides reclassification to 5-star deluxe, 5-star and 4-star hotels. (Ministry of Tourism, Government of India). The Indian hotel industry has emerged as one of the key industries driving growth of the service sector in India. The Indian hotel industry is sensitive to the needs and desires of the people. The growth of the hotel industry is linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry in India. Foreign tourist arrivals (FTAs) into the country increased steadily from 2002 to 2008. FTAs dipped in 2009 due to the global economic slowdown. However, the impact on the Indian industry was much lower than that on the global counterparts. FTAs were increased from 2010. On the other hand, domestic tourist movement within the country was the highest in 2009.

Considering the evolution of green consumerism around the world, the Indian hotel industry has brought modifications in the purchasing, production and serving procedures with an eco-sensitive twist. The practise includes implementation of 3 R policies in all the hotel...
operational activities for better environmental management, The 3 R’s are ‘reduce, reuse and recycle’. In detail, reduce indicates minimising the usage of energy (e.g. Water, electricity and fuel), reuse indicates (e.g. Using one side used paper, linen reuse option) and recycle indicates (e.g. Segregation of the waste to recycle, used water recycling). Implementing the 3 R policy in all the areas of the hotel would help to reduce wastage and minimise the environmental pollution in the hotel operation. While existing regular hotels adopted the 3 R policy in the hotel operation, there are new upcoming hotels which begin their commitment towards environmental issues right from the project phase. These hotels usually aim for the eco-certification referred to as Ecotel, by adopting five ‘globes’ for the whole establishment. The ‘gloves’ are water management, energy management, waste management, employee education and community involvement, environment commitment. The eco-sensitive hotels develop the standard operating practises based on the guidelines prescribed for an Ecotel. The present study concentrates on the practises followed in an eco-sensitive hotel guest rooms.

Eco-sensitivity research in the hotels

The lodging industry started realising the green shift in hospitality consumer behaviour and the need to provide eco-sensitive products and services to the customers. Many hotels around the world started implementing their environmentally sensitive practises in their overall hotel operations so as to improve their competitiveness in the market (Claver-Cortes et al., 2007; Chan and Wong, 2006; Manaktola and Jauhari, 2007; Wolfe and Shanklin, 2001). Efforts were made to offer environmentally friendly products and service in their lodging operations. By doing this, they not only helped to satisfy the needs and expectations of the customers in the market but also helped to reduce the operational cost by reducing, reusing and recycling the energy and resources in the operational practises (Manaktola and Jauhari, 2007). More and more hotels are participating in the green movements so as to reduce the harmful effects upon the environment. The results of such participation increases the profitability of the hotels by minimising the energy and material usage in the hotel operation. They also attract more customers to select a hotel, and this helps in increasing the overall image of the hotel (Pizam, 2009; Wolfe and Shanklin, 2001; Kirk, 1998; Mensah, 2006; Yim and Penny, 2007). In the lodging industry practising ecological initiatives such as International Hotels Environmental Initiatives (IHEI) in 1993, and the practises like reducing energy consumption, using local goods and controlling the emissions released into the air, water and soil are important considerations. The main activities performed in the green hotels were focused on finding ways to reduce, reuse and recycle in the hotel operations without polluting the environment by any means (Bohdanowicz, 2005; Tzschentke et al., 2004; Wiserearth, 2008; Yim and Penny, 2007).

Hospitality marketers now realise that the number of customers seeking environmentally friendly hotels has increased in the marketplace, so using eco-sensitive practise can be an effective strategy for hotels to gain a differentiating factor in the market. It is also more easy to convince the customers to choose the eco- hotels (Manaktola and Jauhari, 2007).

The research on hospitality operators attitudes towards adoption of environmentally responsible practises has been the main focus of many studies. However a barrier to further enhance the practise was mainly due to hoteliers awareness about consumer attitudes and inactivity in their own behaviour towards the implementation of eco (green) practises Bohdanowicz, 2006 ; Le et al. , 2006 ). The present research helps to overcome the barrier of the industry practitioners.

Eco-sensitive attitudes of the consumer

Understanding the perceptions and attitudes of the lodging customers is essential in order to formulate the products and services based on their needs and expectations. In the lodging industry, customers experience both tangible and intangible factors during their stay in a hotel. The tangible factor refers to the physical appearance of the hotel and the rooms and the intangible factors refer to the service provided to the guest through the service personnel or from the technology available. Customers give importance to each factor based on their needs, interests and their expectations. The important factors may vary or may remain similar between the customers. Understanding the important attributes would help hoteliers to amend or to
enhance the products and services offered in their respective hotels.

Research conducted in the area of eco-sensitivity indicates that there is a rising number of people starting to recognize their concern for the environment due to the environmental pollution and related disasters (Kirk, 1995). Such individuals are becoming more and more aware of the environmental damage caused by various business activities (Manaktola and Jauhari, 2007). As a result, interest towards protecting the environment has led to significant variations in the purchasing behaviour of the customers and their attitudes have turned towards the eco-friendly products and services (Manaktola and Jauhari, 2007; D’Souza and Taghian, 2005). Research conducted by (Kalafatis et al., 1999; Laroche et al., 2001), indicated that customers are becoming more ecologically conscious and are seeking to purchase eco-friendly products and services, preferring firms that favour environmental practices. Now environmentalism has become a major issue in the marketplace (Brown, 1996; Kalafatis et al., 1999). Despite the growth there are some researchers that indicate that only a small portion of environmentally conscious customers actually purchases eco-friendly products in the marketplace because of high monetary and non-monetary costs and apparent related inconvenience (Maibach, 1993). The research findings of Kalafatis et al., 1999; Laroche et al., 2001) indicated that more environmental concern tends to result in more environmentally friendly buying behaviour. In research conducted by Manaktola and Jauhari, 2007) it was verified that customers with ecological concerns prefer to make eco-friendly purchases. A comparative study conducted by Dutta et al., (2008), with restaurant consumers in the United States and India, found that American consumers displayed a higher involvement in environmentally and socially responsible practices, while Indian consumers had a higher degree of involvement in health-related responsible practices.

Results of the previous research clearly indicated that the consumers in the market have realized the importance of protecting the environment and it has led to changes in their purchasing behaviours towards environmentally friendly products and services. In the literature, there is no study which examined the customer’s perception of specific eco-sensitive practises offered in the hotel guest room. Hence the present study seeks to perform research in this vital area.

**Eco-sensitive pricing**

The study which examined the customer’s willingness to pay more for eco-sensitive services in the hospitality industry is very limited. Study conducted by Manaktola and Jauhari (2007) found that despite the positive attitude or behaviour towards green practices, only 15 per cent of respondents were willing to pay extra for environmental initiatives, while the remaining consumers felt that costs should either be paid by the hotel or shared. In the restaurant setting Dutta et al. (2008), found that around half of the study sample would pay up to 3 per cent above regular menu prices if the restaurants were to engage in green practices, and almost 15 per cent of respondents would pay as much as 10 per cent more than regular menu prices.

In the comparative analysis, American customers were more willing to pay for green practices than their Indian counterparts. To get a broader understanding about the customer’s preference to pay for the eco-sensitive practises followed in the hotel, the present study also aimed to investigate this area.

**Methodology**

The study used a convenience sampling method to collect the data from the respondents, since it is an exploratory study and to overcome the time constraints. The sample consists of customers staying in an eco-sensitive hotel. A sample size of 500 respondents was used for the study.

**Measurement**

A focus group discussion was conducted with a group of people consisting of eco-sensitive hotels managers, front office managers, executive house keepers, In-room dining managers and operation level supervisors from housekeeping and front office departments of the hotel. The discussion sought to indentify the eco-sensitive practises followed in the hotel guest rooms. Initial discussions produced all the eco-sensitive practises followed in the hotel and then the discussion began to screen the practises in terms of the guest experiences in the hotel rooms. The screening resulted in 32 eco-sensitive practises being indentified. The
indentified practises were formulated as a structured questionnaire; the refinement of the questionnaire was made through experts’ reviews. The results of a subsequent pilot test with 40 hospitality academics and lodging customers revealed the instrument has an adequate level of reliability and question clarity. The questions was measured with a 7-point Likert-type scale (e.g., ‘Natural guest amenities placed in the guest room is; 1 -very unimportant, 7 -very important). The last question was an open-ended question for respondents to indicate what percentage, if any, they would prefer to pay extra for the eco-sensitive practise followed in the hotel rooms in question.

Data collection

The data was collected from the eco-sensitive hotels which agreed to participate in the study. To appreciate the interest shown in performing the data collection in the hotel premises, all participants were informed about the nature and purpose of the study. All participants were also assured that confidentiality and anonymity would be maintained. The main idea behind choosing the eco-sensitive context was to ensure the reliability of the data gathered in the study and the customer experiences of the eco-sensitive practises so as to evaluate the important practises at the time of check-out in the hotels. Furthermore, participating hotels were located in different places in the city of Chennai. The location of the hotels in different suburbs would enable the researcher to obtain a heterogeneous sample for broader generalization. The questionnaire was presented to the guests at the time of check-out by the receptionist, requesting them to kindly provide valuable responses. It took an average of 10 minutes for the guests to complete the survey.

Analysis

Descriptive analysis with mean score was used to analysis the gathered data for the study. Based on the eco-sensitive practise, the respondents rated the extent to which they consider on each eco-practise. Each practise was aggregated by overall mean score. A higher score on each practise indicates higher importance attached towards that particular practise. A total of 475 responses were taken up for the analysis, 25 responses were screened due to incomplete answers in the survey.

Results

Eco-sensitive practise importance analysis

Table 1 reports the eco-sensitive practise importance ranks and scores. Almost all the practises average scored above five indicating that all the eco- practises in the guest rooms are important to the guests. The seven most important practises were environmentally friendly food, natural guest amenities placed in the room, eco-harvest placed in the room as a give-away, water glass and the flask in the room filled only on the request, fresh fruits served only on the request, newspaper delivered only on request with reusable cloth bags and the linen reuse options.

This ranking indicates the customer preference to use eco-serving options while staying in the hotel rooms and the customers believe that conservation of natural resources and providing environmentally friendly products are very important in the eco-sensitive practise. The five least important practises were eco-friendly room construction, eco-friendly interior decoration in the room, double glazed glass windows in the room, De super heater installed in the guest room and the water in the room produced by the aqua zone method.

It indicates the lodging customers are concern more about the serving options availability than the actual physical room construction. Therefore, when explaining the results of the importance ranking, one should not conclude that the physical room construction is not important to customers’ using eco-sensitive lodging. These practises are simply less important when compared to other eco-sensitive practises as employed and operationalised.
Preference to pay for the eco-practise

Lodging customers who had experienced the eco-sensitive practises in the hotel, expressed their preference of paying for products and services offered in the hotel. In the study population 50 percent of the respondents preferred to pay 12 percent extra for the eco-service provided in the hotel, 45 preferred to pay 15 percent extra and only 5 percent of the respondents preferred to pay 25 percent extra for the service. The findings of the present study support that of previous research (Manaktola and Jauhari, 2007; Choi and Parsa, 2009; Dutta et al, 2008) in the eco-sensitivity context.

There are variations in the percentage of payment for eco-products and services when compared to the previous research, but it provides a clear understanding that the lodging customers express their deep interest in motivating the hotels to continue the performance in conserving the environment. The implications of the findings are that customers hold positive impressions about the eco-practises followed in the hotel and they are willing to pay for the practises. The hotels needs to formulate the standards in the overall service provided to the customers staying in the hotel, which would help in creating a positive impression and good 'word of mouth' communication about the hotel. Also by ensuring
the consistency and uniformity of the service the hotel will gain a long-term advantage through increased guest patronage.

Discussion

Vital implications for the lodging industry can be drawn from the results of the present study. Firstly, the result of the study provides an assurance for the lodging marketers that there is indeed a great preference for eco-sensitive practises on the part of lodging customers. So there is place for greater market presence for eco-sensitive products and services. The result indicates that lodging customers scored more on eco-sensitive service options provided in the hotel. By providing sufficient information to the guest at the time of check-in would enable the guest staying in the hotel to opt for eco-sensitive service during the stay, and it will also increase the number of guest opting for the eco-services. An eco-sensitive booklet in the guest room scored highly as being of importance to the guests. The eco-sensitive booklet should however provide clear information about the eco-sensitive products, service options and other practises followed in the hotel. This would provide increased awareness and communication for the guest staying in the hotel and it creates a unique image about the hotel in the minds of the customers.

As the lodging industry improves day-by-day in terms of products and services offered to the customers, the eco-sensitive hotel should update itself about the latest happenings in the industry and in the main consumer behaviour area. By doing this, the lodging industry can enhance the products and services offering to be on a par with non-eco-sensitive hotels and in the meantime not to comprise on eco-sensitivity quality. In terms of the lodging pricing, the present research provides a happy message for the lodging owners, the hotel customer are happy to pay from 12 percent extra to 15 percent extra for eco products and services offered in a hotel. So the hotel can consider the positive intentions of the lodging customers and frame a reasonable pricing structure in order to provide overall value for money spent during the guests’ hotel stay.

Research implications

To the best of the knowledge, no study has been conducted which particularly examines the lodging customer perception about eco-sensitive practises followed in natural green hotel settings. This is the first study which contributes to the above mentioned research gap. Study findings hold both theoretical and practical implications. First, the investigation of the lodging customer perception on eco-sensitive practise followed in the hotel by an exploratory analysis was well documented. The descriptive mean scores of the eco-sensitive practise indicates that the customer rates the eco-sensitive serving options are more important than other eco-sensitive practise. It explains the customer’s interest in conserving the environment by using the eco-sensitive serving options while staying in the hotel and it indicates the customers are started showing the accountability for their actions. Other eco-sensitive practises are also important to them while staying in the eco-sensitive hotels but the eco-sensitive serving options was deemed to be the most important. The results of the perception study provides a very positive message to the lodging establishments engaging in the eco-sensitive practices and the customer using this service prefer to pay extra. In the study population, 50 percent of the respondents preferred to pay 12 percent extra for the eco-service provided in the hotel, 45 preferred to pay 15 percent extra and only 5 percent of the respondents preferred to pay 25 percent extra for the service. If the customers are ready to pay even 1 percent extra it would be a great profit for the hoteliers in the long run. The hoteliers should understand the mind-sets of the customers and provide the services to the customers which fulfill their overall needs and expectations while staying in the hotel.

Policy implications

The Indian government can create a policy on environmental safety, similar to the food safety policy for the lodging industry in India. The policy should ensure all the hotels apply for a proposed environmental safety certification with the products and services offered in hotels meeting the standard criteria. Environmental safety officers can inspect the lodging premises in order to evaluate the products and services
offered in the establishment. Based on the evaluation results, the officers can recommend for the certification or make suggestions to enhance the standards so as to meet the safety policy criteria. Once the certification is given to the lodging establishments, a sudden spot-check inspection can be conducted to check if the standards are indeed followed in the hotels. Usually for policy certifications the lodging establishment needs to pay a certification fee to the government. For the environmental safety policy, the government can collect low fees or no fees for the certification from the lodging owners in order to motivate them towards an increased interest in protecting the environment. By doing this, hotels would be eager to get certified in a short span of time.

**Study limitations**

The study provided a significant contribution to the research, informing industry and the policy makers but it is not free limitations. Firstly, the investigation was performed only in already eco-sensitive hotels. The objective of the study was to evaluate the customers perceptions of eco-sensitive practises after an experience in the hotels and the measurement consisted of only the practises followed in the hotel in order to be specific in nature. The study did not collect the demographic information of the customers because of time constraints given by the hotel authorities in which to conduct the study. So the demographic relationship was not identified in the study. Secondly, the study used natural eco-sensitivity lodging settings to reduce the extraneous variance and to increase the internal validity. Thirdly, the use of convenience sampling limited the generalizability of the results because of the non-representativeness of the lodging population in Chennai. The present study satisfactorily accomplished the purpose of the study and provides significant inputs for future research in this important area.

**Avenues for future research**

The present study was designed as an exploratory research, which certainly helps to indentify the opportunities for future research from the results of the present study. The measurements of eco-sensitive practise were primarily designed to be sufficient in an eco-lodging setting, generalizing the present study findings to other types of lodging should be performed carefully. So it gives the input; future research should apply the present technique to other types of lodging establishments. Secondly, the study was carried out at the time of check-out in order to get reliable responses from the stay experience of the guests. The participation in the study was purely based on the interest of the guest. Conducting the study during the stay period of the guest may bring differences to the present study findings. So the replication of the study in different phases of the stay would bring difference or similarities in the response of the guest and a similar study can be conducted in different cities in India. Future research can also include a wider range of eco-practises so as to identify other perceptions of the guests. The addition of the demographic information of the guest would be an interesting area of study. Such endeavours would assist by providing more clarity in understanding the eco-sensitive attitudes of the customers.

**Conclusion**

The present study explored the lodging customers perceptions of eco-sensitive practises followed in the guest rooms, considering the descriptive statistics results; this study provided clarity in understanding the perception of the customers experiencing the practises and it will be very helpful for eco-sensitive hotels managers. The findings of the study indicate that eco-sensitive hotels should concentrate more on eco-sensitive products and services for the guests staying in the hotels. By doing this, the hoteliers can ensure the availability of the practises which will help to fulfil the needs and expectations of the eco-sensitive guests and to help in accomplishing all of the eco-sensitive objectives of the hotel. So eco-sensitive hotels should ensure all the required efforts are taken to keep up the quality of the services provided to the guest at all the times. Consistency in service and practice is thus critical.

The prospects for the Indian lodging industry look really bright, with the revival in the global economy, international tourist inflows into the country are expected to increase rapidly. Along with this, the hosting of international sports events, trade fairs and exhibitions in different countries globally are expected to
happen in higher frequencies. This scenario would enable inflows and outflows of people to different parts of the world. When people travel, the main area of concern would be finding the right accommodation. So the lodging industry plays a great role in fulfilling the accommodation needs of the people from different countries. Where there is an eco-sensitive touch in products and services, sustainability will surely follow.

References


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