

Consumers' Perception on Green Hotels

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Abstract

In the past decade, the concept and values of green economy have become a topic of interest for both academics and practitioners. The tourism industry made no exception, taking into account its great negative impact on the environment. As a result, the paper presents a survey focused on 443 customers of tourism services, aiming at determining their perception towards green hotels. In this regard, several aspects have been taken into account, such as: attitude towards green behavior, trust in green hotels, intent to visit green hotels and willingness to pay for their services, influence of the external environment in choosing the services of green hotels. The results offer hoteliers a valuable insight on this subject that could be used in establishing future investments in green practices or environment management systems.

Key words: green hotels, green practices, sustainability, tourism

J.E.L. classification: Z32, Q57

1. Introduction

Green economy is a concept strongly brought into light starting with 2010, although it was first mentioned in the literature in 1989 (Loiseau et al., 2016). The growing interest in green economy, suggested by large international bodies such as European Commission (2008, 2010), United Nations (with the United Nations Environment Program - UNEP, 2003, 2010) or the World Bank (2012) has also gained the attention of the hotel industry, as all large international hotel groups have started to set sustainability objectives and have increased their efforts to change their operational activities in order to address environmental issues. Having these in mind, the paper focuses on customers' perception on green hotels. After presenting a literature review on this matter, the paper highlights the results of an empirical study including 443 customers of tourism services in Romania. The findings may be of great interest for both academics and hoteliers.

2. Literature review

Despite the growing concern regarding sustainable tourism, Kang et al. (2012) highlight that a considerable percentage of hoteliers are still not convinced to invest in green practices, since they find it hard to see the return on such investments. In this regard, Dascalaki & Balaras (2004) and Karagiorgas et al. (2006) focused as well on the reasons why hoteliers tend to be skeptical in investing and implementing green practices, while Alonso-Almeida et al. (2017) and Hsiao et al. (2018) researched the barriers encountered by hotel managers in implementing environmental practices. One of the barriers suggested by Alonso-Almeida et al. (2017) was customers' skepticism, as hoteliers have the perception that communicating the green practices implemented in the hotel would negatively impact customers' visit intention, as they would expect a lower level of quality service. A similar conclusion has been reached by Nimri et al. (2017), who have proven that tourists associate green hotels with a lower comfort level, which definitely does not address the requirements imposed by the luxury sector.

Green practices usually bring a positive change in the brand's reputation, but whether the customers are willing to pay a premium for a stay in a green hotel has not yet been established, since the results presented by academics have not reached a consensus. For example, Kang et al. (2012) have showed in their research that customers from mid-priced and luxury accommodation units tend to be more willing to pay a higher rate for a stay in a green hotel, compared to customers of economy accommodation units. Moreover, Verma et al. (2019) concluded in their own research that values and personal beliefs have a strong weight in determining a positive attitude towards green hotels and in influencing the visit intention to such accommodation units. Other studies (Han et al., 2009; Wang et al., 2018) indicate that young customers (such as Millennials) and female customers are more likely to choose and recommend the services of green accommodation units, compared to male customers or older ones, who have a lower concern towards environmental issues. Han et al. (2009) even concluded that older customers tend to be more willing to pay a premium for green hotels' services. However, this may be correlated not necessarily to their higher concern in sustainability, but rather to their higher level of income, compared to younger customers. The literature also focuses on how the green economy principles may be applied in order to attract customer support and trust in green hotels, as Han et al. (2018), Lee și Cheng (2018), Wang et al. (2018), Gupta et al. (2019), Yadav et al. (2019) and Verma et al. (2019) draw attention to those green practices and strategies that hotel managers can implement to attract customers, as well as to the correct ways of communicating and signaling the implementation of green practices in accommodation units. Furthermore, there are studies (Kim et al., 2016; Lee și Cheng, 2018; Wang et al., 2018) proving a relationship between the implementation of green practices in hotels and customer satisfaction, the latter having a better perception of the relative quality of services offered by the accommodation units.

3. Research methodology

Based on the literature review, it was considered appropriate to develop an empirical research on consumer attitudes towards green hotels. This type of research was decided to be useful due to the fact that based on the findings presented by academics in the literature, as well as based on the author's informal discussions with hoteliers and tourism professionals in Bucharest and around Romania, there has been identified a reluctance and hesitation among hospitality professionals regarding the aligning with green economy standards. Thus, implementing green practices requiring a number of initial investments is a process that must be based on the proof that they are financially beneficial and efficient. In this regard, identifying consumers' views on green hotels, as well as identifying their willingness to pay extra for a stay in a green hotel were considered of interest.

This research was initiated in January 2019 and was ended in May 2019. Firstly, the research instrument – a questionnaire, was tested on a group of 25 students, to ensure that the questions have a logical fluency, are easy to understand, and the respondents do not encounter any difficulties in going through the items. In addition, for an easier understanding of the concepts approached, starting from the definitions agreed by Han et al. (2009) and Verma et al. (2019), the questions in the research instrument were preceded by a small section of instructions, providing a conceptual clarification for the terms „green hotel” - „a green hotel is an environmentally friendly hotel, which has implemented green principles and programs, with the aim of lowering its impact on the environment and increasing its own efficiency” and „green practices” – „practices designed to take care of the use of resources and minimize the impact on the environment (for example, in the case of a hotel: recycling water and waste, energy conservation, avoiding the use of disposable products, charitable donation of used products – but still in good condition, use of organic products, organic food, etc.)”. The use of an academic definition was avoided, offering instead an explanation in a friendly and easy-to-understand language by the respondents.

Furthermore, the research instrument was composed of several sections, focusing on the following variables: attitude towards green behavior (4 questions), trust in green hotels (3 questions), intention to visit (4 questions), influence of the external environment (3 questions), willingness to pay (3 questions), and demographic profile of the respondent (6 questions). Thus, in total, the questionnaire presented 23 items to which a response was requested. The variables

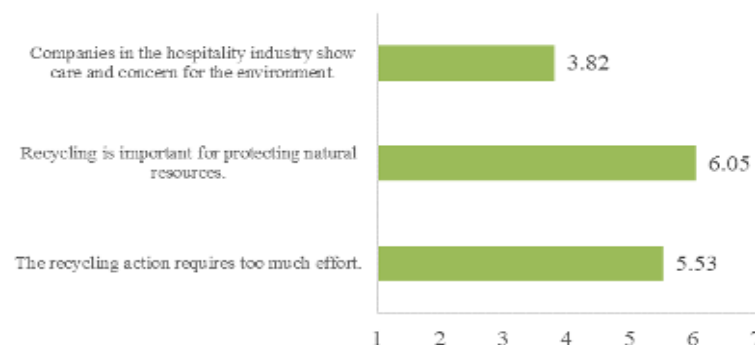
included in the research were selected based on the review of the literature, as follows: attitude towards green behavior (Han et al., 2009; Kang et al., 2012), trust in green hotels (Yadav et al., 2019), visit intention (Han et al., 2009), influence of the external environment (Yadav et al., 2019), willingness to pay (Han et al., 2009; Kang et al., 2012). In drawing the demographic profile of the respondent, the questionnaire included items regarding the consumption behavior of hotel services, their sex, level of education and monthly income. The questionnaire was distributed to consumers of tourism products in Romania by using isondaje.ro platform, collecting 443 valid responses. The main findings of the research shall be presented and discussed in the following section on the paper.

4. Findings

The 23 items to be answered in the questionnaire contained closed questions, either multiple choice questions, or questions using a 7-point Likert scale, from 1 – “strongly disagree” to 7 – “strongly agree”. All 443 respondents had been in a travel in the past 12 months (including at least one night spent in a hotel), but the survey also registered 46 responses from persons who had not traveled in the last year – these were not considered valid and were not taken into account in the analysis. Considering their travelling behavior, 44.5% of the respondents stated they prefer to stay in economy hotels, while 48.8% usually choose the services of mid-priced hotels, while only 6.8% of the ones questioned prefer to stay in luxury, 5-star hotels. Most of the respondents were female (67.7%) and 32.3% were male. Also, it should be mentioned that the survey targeted mainly highly educated persons, as 95.7% of the respondents have at least a bachelor degree. Surprisingly, although highly educated, most of the respondents (74.4%) stated that they have a monthly earning of less than 2000 lei, while 12.6% declared they earn between 2001 and 3000 lei/month, only 12.9% of the respondents earning more than 3000 lei every month. This is an important aspect to take into account when discussing customers’ willingness to pay extra for staying in a green hotel. Also, the survey targeted all age groups: as 22.7% of the respondents were less than 20 years old, 33.1% were between 20 and 39 years old, 23.9% were between 40 and 59 years old, while 20.2% were older than 60.

As mentioned in the research methodology, the **attitude towards green behavior** has been studied through 4 items. The first of them surveyed customers’ concern regarding the resources still available in their country. The respondents were asked to express their opinion using a 7-point Likert scale, from 1 – “totally agree” to 7 – “totally disagree” (the only case in the questionnaire where this reversed scale was used) on the statement “In our country, we benefit from sufficient resources of electricity, water and wood, as a result we do not have to worry about the conservation of these resources.”. The average score of all responses – 4.96 indicates that the ones questioned show a real concern regarding the resources still available in Romania, these situation arising the need to focus on resource management and conservation. This could be considered a good prerequisite in developing customers’ interest towards green hotels. The other 3 statements indicating customers’ attitude towards green behavior are presented in Figure no. 1.

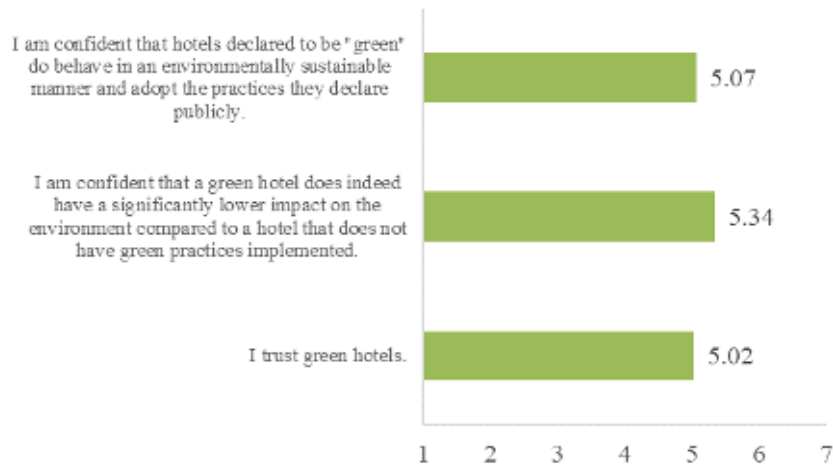
Figure no. 1. Customers’ attitude towards green behavior



Source: own representation, based on research results

The results are surprising: although the respondents agree that recycling is crucial for protecting natural resources, they find this action to be very difficult, as it requires too much effort. This could be based on the fact that the infrastructure for recycling in Romania is probably not very developed and the parties involved in this activity sector should make this practice friendlier. More interesting is the fact that the customers involved in the survey mostly agree that the companies in the hospitality industry do not show care and concern for the environment (3.82 average score on a 7-point Likert scale, 1 – “strongly disagree”, 7 – “strongly agree”). Correlated to this aspect, the next three questions in the survey were focused on identifying customers’ **trust in green hotels**, the results being presented in Figure no. 2.

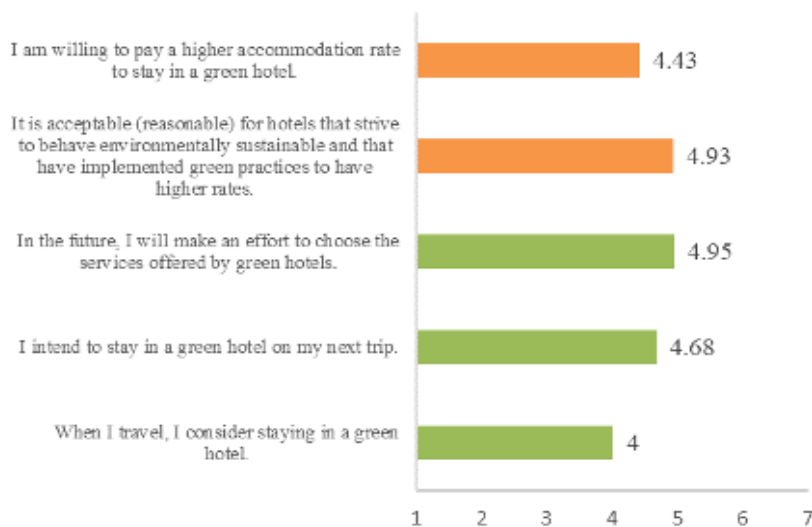
Figure no. 2. Customers’ trust in green hotels



Source: own representation, based on research results

As easily observed, the average scores, all higher than 5 (on a 7-point Likert scale, 1 – “strongly disagree”, 7 – “strongly agree”) indicate positive results regarding the level of trust customers have in green hotels, considering their sincerity in implementing a green behavior and in lowering their impact on the environment, compared to hotels that do not have implemented environmental-friendly practices. Considering that 84.9% of the respondents had never been accommodated in a green hotel, the study also aimed at identifying customers’ **visit intention to a green hotel** and their **willingness to pay** for the services of a green hotel (Figure no. 3).

Figure no. 3. Customers’ visit intention to a green hotel and their willingness to pay for its services



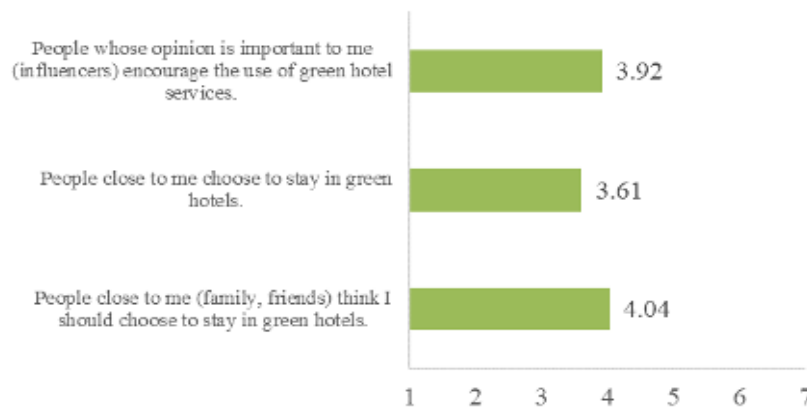
Source: own representation, based on research results

The customers involved in the survey do not always consider staying in a green hotel (average score - 4, on a 7-point Likert scale, 1 – “strongly disagree”, 7 – “strongly agree”), as only 7.9% of the respondents strongly stated that they take this option into account when travelling. On the opposite, 10.61% of the respondents never take this action. The situation is somehow similar when discussing their intention to stay in a green hotel in future trips (average score – 4.68, on a 7-point Likert scale, 1 – “strongly disagree”, 7 – “strongly agree”), 16.7% of the respondents being absolutely convinced of doing so, while 6.1% stated they will definitely not look for a stay in a green accommodation unit in their next trip. However, the respondents seem to agree on declaring the intention to make an effort to choose the services offered by green hotel in the future (average score – 4.95). A truly positive result for hoteliers is the fact that the customers involved in the survey agree that it is reasonable for hotels that strive to behave environmentally sustainable and that have implemented green practices to have higher rates (average score – 4.93). However, the customers are only somehow willing to pay a higher accommodation rate to stay in a green hotel (average score – 4.43). These results could be correlated to the relative low monthly income the respondents declared to have, as only 12.9% of them earn more than 3000 lei each month.

These being said, the respondents were also asked how much more they would be willing to pay compared to the usual rate, in order to support the hotel’s efforts in conducting a sustainable behavior towards the environment and in implementing green practices. Interesting – 7% of the customers involved in the survey do not agree to pay anything extra to the regular room rate, while 29.6% would be willing to pay for a room rate with 1-5% more than the regular one, most of them – 35%, being willing to pay for a rate higher with 6-10% than the standard one. Almost a quarter of the respondents would pay up to 20% more for a room rate, in order to support the behavior of a green hotel, only 3.6% of the respondents being willing to pay a room rate higher with more than 20% than the standard one. These results are valuable for hoteliers aiming to invest in green practices, as they offer an overview on their possibilities to recoup the investments made in this regard. However, they should not lose sight of the fact that the study mainly addressed people with a rather low income, which may have influenced the results.

Last, but not least, the study took into consideration the **influence of the external environment** in choosing the services of green hotels, the results being highlighted in Figure no. 4.

Figure no. 4. The influence of the external environment in choosing the services of green hotels



Source: own representation, based on research results

Taking into account the rather low average scores obtained (from 3.62 to 4.04 on a 7-point Likert scale, 1 – “strongly disagree”, 7 – “strongly agree”), one can conclude that the external environment (through the opinion and behavior of family, friends and influencers) does not have a strong positive influence in determining the respondents to change their behavior and choose the services of green hotels. The opinion and behavior of close ones is extremely important, especially is the case in which the respondents spend their vacations together with families and friends. However, it should be taken into account that the declared attitude of the respondents towards green hotels is more positive than the declared attitude of their close ones and it should weight more in their purchase decision.

5. Conclusions

The present paper presented an empirical research focusing on consumers' perception regarding green hotels. The results could be considered rather encouraging for hoteliers, as understanding the need for a sustainable behavior in all sectors is a matter of education that can no longer be left in the shade. The respondents showed an interest in the matters regarding environment protection, considering that the hospitality industry is definitely not conducting a strong sustainable behavior. However, green hotels are perceived in a positive note by the customers involved in the study, although customers' intent in choosing the services of such a hotel and willingness of paying for the services of an accommodation unit of this type could be strongly enhanced. The research has its limitations, starting from the rather low number of responses collected to the demographic profile of the respondents, which may have influenced the findings. Moreover, since the subjects related to sustainability and environment protection could be considered rather sensible, respondents may have been tempted to declare a more "responsible" behavior and perception in this regard. These being said, the correlations between the variables used in the study shall be presented in a future, more elaborate article. However, the results offer a valuable insight on this subject, being a good starting point for a more comprehensive study, which could take into account more variables that may determine customers' perception and behavior towards green hotels.

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