

**A STUDY ON GUESTS' PERCEPTION OF GREEN
HOTEL PRACTICES AND ITS RELATION TO
GUEST'S BEHAVIOURAL INTENTIONS.**



**DISSERTATION SUBMITTED TO V.M. SALGAOCAR INSTITUTE OF
INTERNATIONAL HOSPITALITY EDUCATION**

For the partial requirement for the award of B.Sc International Hospitality Management

completed by

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submitted on

18th April 2023

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DECLARATION

We, Adwait Kelkar, Avinash Ajay, Azriel Gracias, Chiara Pereira, Jolan Pereira, and Vidheyesh Prabhu declare that this dissertation and the work presented in it are our own and has been generated by us as the result of our own original research under the supervision of Dr Semele Sardesai, visiting faculty- Dissertation

We also declare that this dissertation or any part thereof has not been submitted by us for the award of any Degree, Diploma, Title or Recognition before.

Research Title: **A STUDY ON FACTORS AFFECTING A GUEST'S WILLINGNESS TO PAY A PRICE PREMIUM AT GREEN HOTELS**

We confirm that:

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2. Where we have quoted from the work of others, the source is always given. With the exception of such quotations, this dissertation is entirely our own work;
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This certificate is awarded to Adwait Kelkar, Avinash Ajay, Azriel Gracias, Chiara Pereira, Jolan Pereira and Vidheyesh Prabhu on successful completion of their dissertation titled “**A STUDY ON FACTORS AFFECTING A GUEST’S WILLINGNESS TO PAY A PRICE PREMIUM AT GREEN HOTELS**” as one of the partial requirements for the award of B.Sc. degree in International Hospitality Management.

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ACKNOWLEDGEMENT

We would like to express our deep and sincere gratitude to our Supervisor **Dr Semele Sardesai**, who guided us very patiently, and for her constant support and valuable insights into our research throughout the course. We thank her for the help she extended in each and every stage of my research. We shall remain grateful to her forever. Special thanks to Ms **Deepika Malaviya** who motivated and guided us on how to go about our research.

We extend our gratitude to **Professor IRFAN MIRZA**, Director/Principal, V.M. Salgaocar Institute of International Hospitality Education for giving us the opportunity to conduct our research study on the topic: **A study on factors affecting a guest's willingness to pay a price premium at green hotels** and for his valuable suggestions and timely support. Special thanks to all faculty members for their help and support. We would also like to express our gratitude to V.M. Salgaocar Institute of International Hospitality Education for giving us this opportunity to conduct and carry out this research study.

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ABSTRACT

A Study on Guests' Perception of Green Hotel Practices and Its Relation to Guest's Behavioural Intentions.

Sustainability has become an important consideration for guests when choosing hotels. Sustainable hotels are hotels with environmentally friendly practices and social responsibility. However, sustainable hotels often charge higher prices for their services. This study aims to investigate customer willingness to pay a price premium at sustainable hotels and to study guests perception of green hotel practices and its relation to guests' behavioural intentions.

OBJECTIVES OF THE STUDY: The main objective of this study is to examine customer willingness to pay a price premium at sustainable hotels. We also aim to understand guest loyalty and satisfaction of guests at sustainable hotels.

HYPOTHESIS:

H1: Hotel environmental practices has a positive and significant influence on guest satisfaction

H2: Hotel environmental practices has a positive and significant impact on guest loyalty

H3: Guest satisfaction has a positive and significant impact on guest loyalty

H4: Hotel environmental practices has a positive and significant impact on hotel environmental image.

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METHODOLOGY: This study will use an exploratory qualitative & quantitative research approach. The qualitative data collection was done through in-depth interviews with hotel guests and managers. The quantitative data collection was done through a survey questionnaire (google form) administered to customers who have stayed at sustainable hotels.

DATA ANALYSIS: qualitative data was analysed by cross-tabulation of all the interview questions. The tabulated data was used to make summary pie charts. Data from google forms was downloaded into an Excel sheet and then coded. The coded data was loaded into IBM SPSS. Regression analysis was used to test the hypothesis.

RESULTS: The study's results has provided insight into customer willingness to pay a price premium for sustainable hotels and the impact of customer environmental concern on this willingness.

IMPLICATION: The study's results may encourage hotel managers to invest in sustainable practices to attract environmentally conscious customers. The findings may also encourage the industry to adopt sustainable practices as a standard and promote their benefits to customers.

LIMITATIONS OF THIS STUDY: The study's limitations include the potential bias of self-reported survey data. The sample may also not be representative of all hotel customers.

FUTURE RESEARCH DIRECTION: Future research could include larger sample size and more diverse customer groups to increase the study's generalizability. More in-depth qualitative data collection could provide better insights into customer behaviour regarding sustainability practices.

CHAPTER 1
INTRODUCTION

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

The hospitality industry is a continuously growing industry focused on providing guests with basic necessities with the addition of top-notch facilities and services. Today hospitality goes hand in hand with luxury and is seen as one of the most profitable industries worldwide. Sustainability is a growing concern for our depleting resources today. The hospitality sector is a major contributor to the depletion of these resources and it is the need of the hour for hotels to adopt sustainability practices in their operations.

With the need to conserve the environment came the existence of sustainable practices. Hotels all over the world have started incorporating environmentally friendly ways to carry out daily operations and these hotels are widely known as sustainable hotels or more commonly known as green or eco-friendly hotels. India is at the top of its game when it comes to following trends and hence in the recent past there is a widespread awareness that is being spread about the need for sustainability. Hotel chains in India have also started following the trend and are making changes in their practices wherever possible to help sustain the environment.

In India, the well-known company ITC Hotels has pioneered sustainable practices in the Indian hospitality sector and is headed towards 100% sustainability in their practices towards the end of this decade. Their first step towards this initiative was by having the world's first 11 LEED zero carbon certified hotels.

1.1.1 Hotels

A hotel is a complex, experience-based product. In hotel management, Hotels are a specialized type of business that attracts many successful entrepreneurs and managers. Hotels are businesses with their own products, markets, technology and methods which require special education and training for their staff in order to be able to run this kind of operation smoothly.

Green hotels can be defined as *“pro-environmental lodging properties which implement different green practices such as saving water and energy, reducing solid waste, and recycling and reusing the durable service items (e.g., bins, towels, etc.) to protect the earth we live in”* (Han & Kim, 2010)

1.1.1.1 Classification of hotels

Hotels can be classified on the basis of services and facilities provided, location, type of guests, the purpose of visit, duration of stay, size, star rating, etc into different types like luxury, resorts, commercial, residential, transit, business and many more.

Fig. 1.1

CLASSIFICATION OF HOTELS AND OTHER TYPES OF LODGING							
Standard Classification (by the government committee)	Size	Location	Clientele	Duration of Guest Stay	Level of Services	Ownership	Alternative Accommodation
One star	Small	Downtown	Commercial	Commercial	Upmarket	Propriety ownership	Sarai
Two star	Medium	Suburban	Transient	Resort	Mid-market	Franchise	Dharamshala
Three star	Large	Airport	Suite	Semi-residential	Budget	Management contract	Dak bungalow
Four star	Very large	Resort	Residential	Residential		Time-share	Circuit house
Five star		Motel	B & B Hotel			Condominium	Lodge
Five star deluxe		Floatel	Time-share				Youth hostel
Heritage			Casino				Yatri niwas
Heritage Classic			Conference				Forest lodge
Heritage Grand			Convention Motel				

[Source; Front Office Management by J. Tewari, 2007]

1.1.1.1.1 Sustainable hotels

Sustainable hotels are businesses that significantly reduce their environmental impact through green best practices in maintenance, services, logistics, products, and supplies. The core elements revolve around reducing waste, saving energy, and cutting down on water usage.

The concept of sustainable hotels is relatively new and the need for this type of hotel has arisen due to the growing concern for our environment and to help preserve our planet.

The term sustainable hotel is interchangeably used with terms like eco-hotels and green hotels.

1.1.2 Hotel environmental practices

Consumers growing attention toward environmental issues and sustainability has fostered hoteliers to transform their business by implementing green practices in hospitality management. This is a great opportunity for hotel managers to exploit this differentiation factor in the market (Cronin, Smith, J. S., Gleim, M. R., Ramirez, E., & Martinez, 2011). Therefore green activities have a strategic value for companies, and not only represent the "right thing to do" but "the smart thing to do" to succeed in the marketplace (Luo & Bhattacharya, 2018).

Several definitions of green practices in the hospitality context have been proposed. Kim et al. defines them as “a value-added business strategy that benefits a hospitality operation that engages in environmental protection initiatives”, embracing the evidence that is commercially-driven actions that provide both financial and commercial added value while reducing environmental impacts (Kim & Lee, 2017).

Therefore, in order to be economically valuable, green initiatives have to reduce operational costs and create perceived value for customers (Robinot & Giannelloni, 2010). Scholars have dedicated numerous studies exploring hotel green practices’ role in determining guest behavioural intentions (Gao, Gao , Sun, & Hu, 2016). Showing that hotel commitment towards sustainability is a significant determinant of guest satisfaction (Gao & Mattila, 2014).

Hotels benefit from green practices implementation mainly from two sources. First, the potential gains of resource efficiency and the related savings in consumption (e.g. water and energy consumption). Second, the market opportunities derive from the growing attention of consumers toward sustainability. Even though the demand for green hotels is still comparatively low (Levy & Park, 2011), previous studies have shown a positive relationship between green practices implementation and hotel guest behavioural intentions (Han & Kim, 2010). The more hotel guests are able to perceive and appreciate the hotel’s commitment toward sustainability, the higher the results in terms of satisfaction and willingness to pay, return and spread of positive word of mouth (Gao, Gao , Sun, & Hu, 2016).

When contextualizing green hotels, an important differentiation factor is the adoption of environmental certifications, such as eco-labels (Erick Leroux & Pupion, 2018). However, even certified hotels adopt different approaches towards the environment, regarding its effective integration in the hotel general management, leading to different levels of environmental performance improvement (Priego, Najera, J, & Font, 2011).

1.1.3 Willingness to pay a price premium

Through this research, we aim to study factors that influence a customer to pay a price premium at green hotels. Most green hotels charge their guest a higher price in this case referred to as a price premium since they are providing a service which is different from a normal hotel as they are going the extra mile to be sustainable.

The study of consumers' WTP premiums has received major attention from the research community as it is key to understanding how attitudes toward differentiated products transform into monetary values. The study of product attributes and consumer characteristics influencing different levels of WTP has included the application of contingent valuation (Gil, Garcia, & Sanchez, 2000).

Willingness to pay a price premium refers to the amount of money a consumer would be willing to pay for perceived additional features of a product or service, in this case in relation to environmental benefits. (Han & Kim, 2010)

A brand obtains a price premium when the sum that customers are willing to pay for products from the brand is higher than the sum they are willing to pay for similar products from other relevant brands. (Aaker, 1996)

Willingness to pay is used as a measurement of purchase behaviour as it was the closest approximation of the actual behaviour. (Pelsmacker, Drissen, & Rayp, 2005)

The willingness to pay concept originated in the pricing and consumer behaviour domain of the marketing (Bredert, Hansler, & Reutterer, 2006). It accurately predicts buyers' purchasing behaviour and ultimately assists organisations to develop their pricing strategies (Pelsmacker, Drissen, & Rayp, 2005)

A price premium is defined as the additional amount that is paid over the average price and represents improvements in the quality of a product or service (Rao & Bergen, 1992)

1.1.4 Hotel environmental image

A company's image is commonly defined as a mental representation, or perception, that customers hold of that company (Ha, Jeong, Day, & Jang, 2014).

An organisation's image results from the perceptions that stakeholders have, in relation to the expectations they previously had of the company (Pomeroy & Dolnicar, 2009). An organisation's image exerts an impact on its customers' perceptions of the communications and operations of that organisation (Kang & James, 2004). The image is affected by tangible

and intangible aspects of the organisation, including the stakeholders' perceptions of the organisation's values and motives.

A hotel's eco-friendly image refers to customers' perceptions of its eco-friendly environmental practices and performance; these factors are critical to differentiate one hotel from another (Chen & Chen, 2010), associate customers' perceptions of a brand with the brand's environmental commitments and environmental concerns.

1.1.5 Guest satisfaction

Guest satisfaction can be defined as a cognitive process that compares customer experience and its initial reference base (Xu & Gursoy, 2015), resulting in a feeling of pleasure or disappointment from comparing a product's perceived performance in relation to expectation. (Cronin Jr, Brandy, & Hult, 2000) (Oliver, 1993).

Customer satisfaction is considered a crucial element to sustain a competitive business. It is also a critical indicator in evaluating firms' performances (Oliver, 1993) and financial success (Lehmann, Anderson, & Fornell, 1994).

1.1.6 Guest loyalty towards green hotels

According to Oliver (Oliver, 1993), guest loyalty towards green hotels is defined as "*a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour.*" Loyalty may be split into behavioural loyalty and attitudinal loyalty. Behavioural loyalty refers to a repeated transaction over time. Attitudinal loyalty refers to an emotional link, that also generates positive word of mouth (Saleem & Raja, 2014).

Even though there is no common agreement on what generates loyalty, these two aspects of loyalty should be considered in hospitality research (Han & Kim, 2010). In the sustainability management of hotels, improving guest loyalty is pivotal in assuring hotel long-term success.

Guests' perceptions of green practices are significant contributors to the hotel's green image which enhances guest loyalty for green hotels. Investigations identify a positive relationship between environmental practices and guest loyalty, hence displaying greater customer willingness to return and use of positive word of mouth. These results help conclude a more

specific consideration: do environmental practices contribute to generating loyalty toward green hotels? Green practices positively influence a guest's intention to revisit, this suggests that hotel managers must find efficient strategies to communicate their environmentally friendly initiatives to their guests. (Han & Kim, 2010).

1.1.7 Customer environmental concern

The environmental behavioural intention has been commonly defined as a manifestation of multiple individual actions, namely political and social, recycling, and green consumption and knowledge (Thapa, 2010).

Environmental behavioural intention generally refers to the likelihood of customers recommending, revisiting, and paying a premium for environmentally friendly products and services.

The environmental behavioural intention has been measured through factors such as willingness to behave in an environmentally responsible way (e.g. green consumerism), eco-management, involvement in civic actions and environmentally friendly practices, intentions to return, willingness to recommend, and willingness to pay a price premium for a product (Handriana & Ambara, 2016).

P Schultz pioneered the study of customers' environmental concern in 2001. The need for his study was the increasing number of people expressing their concern for environmental issues. Today is it difficult to find a person who is openly anti-environmental. In his paper, P Schultz distinguishes between different types of environmental attitudes that stem from 3 sets of valued objects; self, other people and the biosphere. The customer's environmental concern is dependent on these 3 valued objects. (Schultz, 2001)

1.1.7.1 Self

Self is the first valued object that is the base for environmental concern. It studies an individual's egoistic concerns for the environment. The factors that determine environmental concern arising from self are; concern for the environment because of its consequences for me, my health, my lifestyle and my future. (Schultz, 2001)

1.1.7.2 Social

Social is the second valued object that is the base for environmental concern. It studies an individual's altruistic concerns for the environment. The factors that determine environmental concern arising from social are; concern for the environment because of its consequences for all people, all children, my children and people in my country (community). (Schultz, 2001)

1.1.7.3 Biosphere

The biosphere is the third valued object that is the base for environmental concern. It studies an individual's biospheric concerns for the environment. The factors that determine environmental concern arising from the biosphere are; concern for the environment because of its consequences for plants, marine life, animals and birds. (Schultz, 2001)

1.1.8 Background theory

- Social identity theory
- Value belief norm theory

Social identity theory and VBN theory will be used in this research to constitute a social-environmental, psychological framework for the analysis of the relationship between customers' environmental concern and their willingness to pay a price premium. In the context of this study, and according to social identity theory, customers strongly identify with organizations with similar environmental concerns. Accordingly, VBN theory complements social identity theory to capture the role played by customers' value-oriented environmental concerns in evaluating hotels' environmental practices and, thereby, their willingness to pay a price premium to stay at those hotels. Hence, we assume that customers declaring a high degree of concern about environmental issues are more likely to choose a hotel that promotes its environmentally friendly initiatives and more likely to report a willingness to pay a price premium for environmentally friendly services. (Gonzalez-Rodriguez & Diaz Fernandez, 2020)

1.1.9 Stakeholders

Stakeholders are the shareholders of sustainable hotels and owners, the employees and the management. The stakeholders also include guests of these hotels, the government, the general public affected by the hotel's activities, investors, suppliers, the locals of the area and wider community, the media and in the case of sustainable hotels major stakeholders are the environment and environmental activists.

1.2 OPERATIONAL DEFINITIONS

- Willingness to pay a price premium

The amount of money a consumer would be willing to pay for perceived additional features of a product or service, in this case in relation to environmental benefits. (Han & Kim, 2010)

- Hotel environmental practices

A value-added business strategy that benefits a hospitality operation that engages in environmental protection initiatives. (Kim & Lee, 2017)

- Guest satisfaction

A cognitive process that compares customer experience and its initial reference base resulting in a feeling of pleasure or disappointment from comparing a product's perceived performance in relation to expectation. (Cronin Jr, Brandy, & Hult, 2000)

- Hotel environmental image

Refers to customers' perceptions of a hotels eco-friendly environmental practices and performance; these factors are critical to differentiate one hotel from another and associate customers' perceptions of a brand with the brand's environmental commitments and environmental concerns. (Chen & Chen, 2010)

- Guest loyalty towards green hotels

Loyalty can be defined as a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour. In this case the customer loyalty is towards green hotels. (Oliver, 1993)

- Customer environmental concern

The environmental behavioural intention has been commonly defined as a manifestation of multiple individual actions, namely political and social, recycling, and green consumption and knowledge. (Thapa, 2010)

1.3 SIGNIFICANCE OF STUDY

The purpose is to investigate the influence of customers' environmental concerns, customers' perceptions of a hotel's environmental practices, guests satisfaction at hotels with environmental practices, guest loyalty towards these hotels and of the hotels' environmentally friendly images, on customers' willingness to pay a price premium to stay at environmentally friendly hotels.

1.4 RESEARCH GAP

After reviewing past research papers on guests' perceptions of sustainable hotels we have found a clear major research gap which points out a list of limitations in the past research that can be covered in our study. Firstly, segmentation of the population according to independent and dependent variables, in particular, whether the three types of environmental concern (self, others, and biosphere) result in a different willingness to pay a price premium. Secondly, conducting the research in different socio-demographic groups and locations. This helps examine if guests in other cities or countries with different socio-demographic characteristics (for example; age, education, income, etc) perceive the green benefits of hotels similarly or differently. In our research we will be covering these research gaps.

1.5 OBJECTIVES OF STUDY

Through this research, we are studying guests' perception of "green hotel" practices and testing the relationship between guest perceptions of hotel green practices and behavioural intentions. We are also testing the impact of green practices in determining a specific loyalty towards green hotels. Finally, the study investigates the role of guest satisfaction as a mediator for guest loyalty.

1.6 RESEARCH QUESTIONS

1. Does customer environmental concern positively influence: their willingness to pay a price premium to stay at an eco-friendly hotel and their evaluation of the hotel's environmental practices?
2. Is the influence of environmental concern on willingness to pay a price premium enhanced when a customer has a good perception of a hotel's eco-friendly practices?
3. Does the perception of a hotel's eco-friendly practices influence a customer's view of that hotel's image and, correspondingly, their willingness to pay a price premium?
4. Is the influence of the perception of environmental practices on willingness to pay a price premium reinforced when a hotel has a favourable image?
5. What is the impact of guest satisfaction at hotels with green practices and how it affects the guest's loyalty to these green hotels.
6. Does guests' loyalty towards green hotels influence their willingness to pay a price premium to stay at these green hotels?

1.7 HYPOTHESIS

H1: Hotel environmental practices has a positive and significant influence on guest satisfaction

H2: Hotel environmental practices has a positive and significant impact on guest loyalty

H3: Guest satisfaction has a positive and significant impact on guest loyalty

H4: Hotel environmental practices has a positive and significant impact on hotel environmental image.

H5: Hotel environmental image has a positive and significant impact on willingness to pay a price premium

H6: Hotel environmental practices has a positive and significant impact on willingness to pay a price premium

H7: Guest loyalty has a positive and significant impact on willingness to pay a price premium

H8: Customer Environmental Concerns has a Positive and Significant Influence on Willingness to pay a Price Premium

H8a: Customer environmental concerns (self) has a positive and significant impact on willingness to pay a price premium

H8b: Customer environmental concerns (Social) has a Positive and significant Impact on Willingness to Pay a Price Premium

H8c: Customer Environmental Concerns (Biodiversity) has a positive and significant impact on Willingness to Pay a Price Premium

1.8 RESEARCH METHODOLOGY

The research design is in two stages to achieve the objectives of this research study.

Section I presents case studies following an exploratory qualitative data collection. Section 2 describes the quantitative methodology used for testing the hypotheses based on the proposed conceptual model. Both these sections focus on collecting primary data for the purpose of this study.

Section 1

Case studies were done on 6 different sustainable hotels in Goa, namely Heritage Village, ITC Grand Goa and Alila Diwa from South Goa and Goa Marriot resort & spa, Grand Hyatt Goa and ITC Fortune from North Goa. Also, an exploratory study was conducted with 12 sustainable hotel guests. The findings of these exploratory qualitative studies reinforced our study. For this convenience sampling method was used and the tool for data collection was an in-depth interview. The period of data collection was from 2nd January to 6th January 2023.

The procedure for the data collection was as follows:

- Step 1; We identified our unit of analysis and selected hotels to visit.
- Step 2; We made 2 sets of questionnaires; one for the hotel managers and one for the guests
- Step 3; We took appointments with the hotel managers to interview them.
- Step 4: We interviewed these managers and a few hotel guests.

Section 2

The data for the quantitative study were collected through questionnaires. The questionnaires were sent online to the respondents and the period for this data collection was from 23rd January to 23rd February 2023. The sampling method used was random sampling method and the sample size was 300 respondents.

The procedure for the data collection was as follows:

- Step 1; We created an online questionnaire to collect the data for each of our constructs. The questionnaire was made using the scale of each construct from our proposed model.
- Step 2; This questionnaire was sent to 300 respondents through email at random. The filter question used to filter out the respondents was “Have you ever stayed at a sustainable hotel?”
- Step 3; Since the survey was conducted through an online questionnaire all responses were automatically recorded by Google.

1.9 SCOPE OF STUDY

To study the impact of the hotel’s environmental image on the customer’s willingness to pay a price premium and the effect of guests’ environmental concern on their willingness to pay a price premium.

Through this research, we will explore how guests perceive “green hotel” practices and to test the relationship between guest perceptions of hotel green practices and behavioural intentions. Additionally, the impact of green practices in determining a specific loyalty towards green hotels has been tested. Finally, the study investigates the role of guest satisfaction as a mediator for guest loyalty.

The study intends on providing managers of hotels, especially sustainable hotels with insights from guests staying in green hotels and their perceptions about the hotel’s environmental image and the customers’ environmental concern and their effect on the customer’s willingness to pay a price premium at these hotels.

1.10 LIMITATIONS

The paper is based on customers staying at environmentally friendly hotels in India. Due to this, the findings cannot be generalised to include other locations without further research. Second, this study reports on behavioural intentions, and therefore an experimental study is needed to test if the model would be a priority, especially to test the impact that raising awareness of environmental practices has on behavioural intentions. Lastly, we research the role of environmental concern from VBN theory but our study does not extend to a consideration of the awareness of environmental adverse consequences. As these two constructs measure different perspectives, further research into the comparison of the explanatory value of each would also be beneficial.

1.11 MANAGERIAL IMPLICATIONS

Our study will help hotel managers gain insight into the hotel's environmental image and customers' environmental concern and their effect on the customer's willingness to pay a price premium at these hotels.

It will help the hospitality industry as a whole to understand the need for sustainability in their practices and the guest's outlook on the approach towards sustainability. It will also help hotels to understand customers' psychology towards willingness to pay a price premium by understanding their environmental concerns.

The paper contributes to the literature by highlighting those cognitive processes that influence the customers' willingness to pay a price premium to stay at environmentally friendly hotels. Hence, the study provides valuable information to hotel managers

1.12 THE ORGANISATION OF CHAPTERS

Chapter 1 – Introduction

It is a brief introduction to the topic of green hotels and the sustainability practices carried out in different hotels. It also discusses the various variables taken based on the VBN theory and social identity theory on which the various goals to be achieved on the performance undertaken at the end of the research.

Chapter 2 – Literature Review

Our literature review includes of research paper of which we have identified the aim, findings, the future research and the various factors that contribute to the research of our respective papers which are on the green practices on the hospitality industry. We have also studied the models provided in the papers and then constructed a new model with hypothesis'. We proposed a model for our studies and we created the objectives and then formulated the hypothesis, using the proposed model we explained all the constructs using different mediators and variables.

Chapter 3 – Research Methodology

The chapter undertakes the step-by-step research methods and provides an overview of the research. The research is divided into qualitative exploratory study and quantitative study. The main target here will be sustainable hotel guests and it is an integral component of the research.

Chapter 4 – Data Analysis

The data was analysed using SPSS software. Regression analysis has been carried out to test each hypothesis and the significance of these hypotheses were identified.

Chapter 5 – Findings, Managerial Implications and Limitations

This chapter analysis the significance of the results of the previously discussed elements. It also notes the contributions of the study and the managerial implications of the research, along with the limitations and conclusion of the study.

CHAPTER 2
LITERATURE REVIEW

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

2.1.1 Hotels

The hospitality industry can probably be termed one of the pioneering commercial undertakings of this world. The term 'Hospitality' means the cheerful welcoming of people, who may be known or may be strangers. It is the relationship between a guest and host. The hospitality industry is a service industry. From the beginning, hospitality has been an important element in enriching the experiences of guests through its consistent service quality. (Tewari, 2007)

A hotel is a complex, experience-based product. In hotel management, Hotels are a specialized type of business that attracts many successful entrepreneurs and managers. Hotels are businesses with their own products, markets, technology and methods which require special education and training for their staff in order to be able to run this kind of operation smoothly.

2.1.1.1 History

There may be many reasons for which an individual may travel: business, leisure, studies, medical treatment, pilgrimage etc. When an individual travels for a few or more days, he may carry clothing but it would be impossible for him to carry food and shelter. This is where the hospitality industry steps in.

The concept of inns and lodging houses came into being to satisfy this need of the travellers. Inns at first were usually managed by families, or husband-wife teams who offered large halls to travellers to make their own beds and sleep on the floor. They also provided modest food and drinks. They were the earliest form of hospitality service.

Such inns and lodging houses were known as taverns & inns in Europe, ryokans in Japan, Dharamshalas & sarais in India, cabarets and hostelryes in France, and katalumas in Greece. They were created in the homes of the local people, who made their living by providing accommodation and other services. Changing travel patterns resulted in the upgrading of these facilities. (Tewari, 2007)

History, Growth and Development of the Hotel Industry in India. The hotel industry in India existed even in the era of the Indus Valley Civilization as people travelled then primarily for the purpose of trade as well as religious pilgrimages. The old texts and literature, including Hindu mythology, has references to the provision of accommodation and food to travellers.

(Tewari, 2007) stated that the history, growth & development of the hotel industry in India can be studied on the basis of three definite eras,

1. The Ancient & Medieval Era; existed from the days of the Indus Valley Civilization to the 1600s.
2. The Colonial Era; was when the British ruled India which lasted up to 1947.
3. The Modern Era; existed from the year 1947 onwards, after India gained independence.

Ancient Indian philosophy says that ‘Atithi devo bhava’ means that the guest is god is the most important element of Indian hospitality.

During the colonial period, The Racquet Court and the Portuguese Georges were the earliest hotels that opened in Mumbai, Maharashtra, (known as Bombay at that time) in the 1800s. The Victoria hotel, also known as the British hotel was a famous property of that era. Watson’s, which catered exclusively to the Europeans & The Auckland Hotel in Kolkata were some other famous properties. (Tewari, 2007)

It was in 1903 that the Taj Mahal Palace & Tower opened its doors to the public in Mumbai. It was built by Mr Jamshetji Tata after he was not allowed to enter Watson’s Hotel, as he was an Indian. This was the first luxury hotel for Indians, started by an Indian and is amongst the country’s best hotels to date, a landmark in Mumbai and remains one of the places that a tourist in Mumbai must visit on his trip to the financial capital of the country. (Tewari, 2007)

Mr Shapurji Sorabji built the Grand Hotel in Mumbai in 1923 which was the second Indian luxury hotel started by an Indian. The Oberoi group of hotels was founded in the 1930s by Mr Rai Bahadur Mohan Singh Oberoi. He was the first Indian hotelier to enter into an agreement with an international hotel chain and opened The Oberoi Inter Continental in Delhi. This was New Delhi’s first grand hotel open to Indians started by an Indian similar to the Taj Mahal Palace & Tower in Mumbai

2.1.1.1.1 Evolution

After the invention of air transport and commercial passenger flights, international travel received a boost, as tourists started travelling longer distances and stayed at destinations for a longer period of time. This resulted in a greater turnover for both the hospitality, as well as the tourism industry.

The needs of leisure as well as travellers increased and they demanded better facilities, which led to the building of large hotels in cities and towns to satisfy them. The world's first ski resorts opened in the Swiss towns of St. Moritz & Gstaad in the early, which saw a lot of foreign tourists making their way to these places. This was followed by the emergence of destinations like Spain, Greece & Yugoslavia, as well as Portugal and the Scandinavian countries (Norway, Sweden, Denmark, Finland, and Iceland) as popular tourist destinations. (Tewari, 2007)

2.1.1.1.2 Classification

Broadly speaking, a hotel is a managed building or establishment, which provides guests with a place to stay overnight on a short-term basis in exchange for money. Next, it is important to answer the question: what is the hotel industry? Put simply, the hotel industry is the section of the service industry that deals with guest accommodation or lodgings. By most definitions, the hotel industry refers not only to hotels but also to many other forms of overnight accommodation, including hostels, motels, inns and guest houses. However, it does not usually include long-term or permanent forms of accommodation. (Tewari, 2007)

Need for classification

1. Lends uniformity in services and sets general standards for a hotel.
2. Provides an idea regarding the range and type of hotels available within a geographical location.
3. Acts as a measure of control over hotels with respect to the quality of services offered in each category.

Hotels can be classified on the basis of services and facilities provided, location, type of guests, the purpose of visit, duration of stay, size, star rating, etc into different types like luxury, resorts, commercial, residential, transit, business and many more.

Figure 2.1

CLASSIFICATION OF HOTELS AND OTHER TYPES OF LODGING							
Standard Classification (by the government committee)	Size	Location	Clientele	Duration of Guest Stay	Level of Services	Ownership	Alternative Accommodation
One star	Small	Downtown	Commercial	Commercial	Upmarket	Propriety ownership	Sarai
Two star	Medium	Suburban	Transient	Resort	Mid-market	Franchise	Dharamshala
Three star	Large	Airport	Suite	Semi-residential	Budget	Management contract	Dak bungalow
Four star	Very large	Resort	Residential	Residential		Time-share	Circuit house
Five star		Motel	B & B Hotel			Condominium	Lodge
Five star deluxe		Floatel	Time-share				Youth hostel
Heritage			Casino				Yatri niwas
Heritage Classic			Conference				Forest lodge
Heritage Grand		Convention					
			Motel				

[Source; Front Office Management by J. Tewari, 2007]

In India Star Rating of hotels is given by a central government committee called Hotel & Restaurant Approval and Classification Committee (HRACC). The members of HRACC comprise Officials from the Central and State Tourism ministry.

In this study, it is very important to understand sustainable hotels. Also known as green and eco-friendly hotels. Sustainable hotels are businesses that significantly reduce their environmental impact through green best practices in maintenance, services, logistics, products, and supplies. The core elements revolve around reducing waste, saving energy, and cutting down on water usage. The concept of sustainable hotels is relatively new and the need for this type of hotel has arisen due to the growing concern for our environment and to help preserve our planet. Green hotels can also be defined as “*pro-environmental lodging properties which implement different green practices such as saving water and energy, reducing solid waste, and recycling and reusing the durable service items (e.g., bins, towels, etc.) to protect the earth we live in*” (Han & Kim, 2010)

2.2 VARIABLES

2.2.1 Hotel Environmental Practices

Definition

Consumers growing attention toward environmental issues and sustainability has fostered hoteliers to transform their business by implementing green practices in hospitality management. This is a great opportunity for hotel managers to exploit this differentiation factor in the market (Cronin, Smith, J. S., Gleim, M. R., Ramirez, E., & Martinez, 2011). Therefore green activities have a strategic value for companies, and not only represent the "right thing to do" but "the smart thing to do" to succeed in the marketplace (Luo & Bhattacharya, 2018).

Several definitions of green practices in the hospitality context have been proposed. Kim et al. defines them as “a value-added business strategy that benefits a hospitality operation that engages in environmental protection initiatives”, embracing the evidence that is commercially-driven actions that provide both financial and commercial added value while reducing environmental impacts (Kim & Lee, 2017).

Therefore, in order to be economically valuable, green initiatives have to reduce operational costs and create perceived value for customers (Robinot & Giannelloni, 2010). Scholars have dedicated numerous studies exploring hotel green practices’ role in determining guest behavioural intentions (Gao, Gao , Sun, & Hu, 2016). Showing that hotel commitment towards sustainability is a significant determinant of guest satisfaction (Gao & Mattila, 2014).

Hotels benefit from green practices implementation mainly from two sources. First, the potential gains of resource efficiency and the related savings in consumption (e.g. water and energy consumption). Second, the market opportunities derive from the growing attention of consumers toward sustainability. Even though the demand for green hotels is still comparatively low (Levy & Park, 2011), previous studies have shown a positive relationship between green practices implementation and hotel guest behavioural intentions (Han & Kim, 2010). The more hotel guests are able to perceive and appreciate the hotel’s commitment toward sustainability, the higher the results in terms of satisfaction and willingness to pay, return and spread of positive word of mouth (Gao, Gao , Sun, & Hu, 2016).

When contextualizing green hotels, an important differentiation factor is the adoption of environmental certifications, such as eco-labels (Erick Leroux & Pupion, 2018). However,

even certified hotels adopt different approaches towards the environment, regarding its effective integration in the hotel general management, leading to different levels of environmental performance improvement (Priego, Najera, J, & Font, 2011).

2.2.2 Willingness To Pay A Price Premium

Definition

Through this research, we aim to study factors that influence a customer to pay a price premium at green hotels. Most green hotels charge their guest a higher price in this case referred to as a price premium since they are providing a service which is different from a normal hotel as they are going the extra mile to be sustainable.

The study of consumers' WTP premiums has received major attention from the research community as it is key to understanding how attitudes toward differentiated products transform into monetary values. The study of product attributes and consumer characteristics influencing different levels of WTP has included the application of contingent valuation (Gil, Garcia, & Sanchez, 2000).

Willingness to pay a price premium refers to the amount of money a consumer would be willing to pay for perceived additional features of a product or service, in this case in relation to environmental benefits. (Han & Kim, 2010)

A brand obtains a price premium when the sum that customers are willing to pay for products from the brand is higher than the sum they are willing to pay for similar products from other relevant brands. (Aaker, 1996)

Willingness to pay is used as a measurement of purchase behaviour as it was the closest approximation of the actual behaviour. (Pelsmacker, Drissen, & Rayp, 2005)

The willingness to pay concept originated in the pricing and consumer behaviour domain of the marketing (Braidert, Hansler, & Reutterer, 2006). It accurately predicts buyers' purchasing behaviour and ultimately assists organisations to develop their pricing strategies (Pelsmacker, Drissen, & Rayp, 2005)

A price premium is defined as the additional amount that is paid over the average price and represents improvements in the quality of a product or service (Rao & Bergen, 1992).

2.2.3 Guest Satisfaction

Definition

Guest satisfaction can be defined as a cognitive process that compares customer experience and its initial reference base (Xu & Gursoy, 2015), resulting in a feeling of pleasure or disappointment from comparing a product's perceived performance in relation to expectation. (Cronin Jr, Brandy, & Hult, 2000) (Oliver, 1993).

Customer satisfaction is considered a crucial element to sustain a competitive business. It is also a critical indicator in evaluating firms' performances (Oliver, 1993) and financial success (Lehmann, Anderson, & Fornell, 1994).

2.2.4 Hotel environmental image

Definition

A company's image is commonly defined as a mental representation, or perception, that customers hold of that company (Ha, Jeong, Day, & Jang, 2014).

An organisation's image results from the perceptions that stakeholders have, in relation to the expectations they previously had of the company (Pomeroy & Dolnicar, 2009). An organisation's image exerts an impact on its customers' perceptions of the communications and operations of that organisation (Kang & James, 2004). The image is affected by tangible and intangible aspects of the organisation, including the stakeholders' perceptions of the organisation's values and motives.

A hotel's eco-friendly image refers to customers' perceptions of its eco-friendly environmental practices and performance; these factors are critical to differentiate one hotel from another (Chen & Chen, 2010), associate customers' perceptions of a brand with the brand's environmental commitments and environmental concerns.

2.2.5 Guest Loyalty Towards Green Hotels

Definition

According to Oliver (Oliver, 1993), guest loyalty towards green hotels is defined as “*a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour.*” Loyalty may be split into behavioural loyalty and attitudinal loyalty. Behavioural loyalty refers to a repeated transaction over time. Attitudinal loyalty refers to an emotional link, that also generates positive word of mouth (Saleem & Raja, 2014).

Even though there is no common agreement on what generates loyalty, these two aspects of loyalty should be considered in hospitality research (Han & Kim, 2010). In the sustainability management of hotels, improving guest loyalty is pivotal in assuring hotel long-term success.

Guests’ perceptions of green practices are significant contributors to the hotel’s green image which enhances guest loyalty for green hotels. Investigations identify a positive relationship between environmental practices and guest loyalty, hence displaying greater customer willingness to return and use of positive word of mouth. These results help conclude a more specific consideration: do environmental practices contribute to generating loyalty toward green hotels? Green practices positively influence a guest’s intention to revisit, this suggests that hotel managers must find efficient strategies to communicate their environmentally friendly initiatives to their guests. (Han & Kim, 2010).

2.2.6 Customer Environmental Concern

2.2.6.1 Definition

The environmental behavioural intention has been commonly defined as a manifestation of multiple individual actions, namely political and social, recycling, and green consumption and knowledge (Thapa, 2010).

Environmental behavioural intention generally refers to the likelihood of customers recommending, revisiting, and paying a premium for environmentally friendly products and services.

The environmental behavioural intention has been measured through factors such as willingness to behave in an environmentally responsible way (e.g. green consumerism), eco-management, involvement in civic actions and environmentally friendly practices, intentions

to return, willingness to recommend, and willingness to pay a price premium for a product (Handriana & Ambara, 2016).

P Schultz pioneered the study of customers' environmental concern in 2001. The need for his study was the increasing number of people expressing their concern for environmental issues. Today is it difficult to find a person who is openly anti-environmental. In his paper, P Schultz distinguishes between different types of environmental attitudes that stem from 3 sets of valued objects; self, other people and the biosphere. The customer's environmental concern is dependent on these 3 valued objects. (Schultz, 2001)

2.2.6.2 Dimension

2.2.6.2.1 Self

Self is the first valued object that is the base for environmental concern. It studies an individual's egoistic concerns for the environment. The factors that determine environmental concern arising from self are; concern for the environment because of its consequences for me, my health, my lifestyle and my future. (Schultz, 2001)

2.2.6.2.2 Social

Social is the second valued object that is the base for environmental concern. It studies an individual's altruistic concerns for the environment. The factors that determine environmental concern arising from social are; concern for the environment because of its consequences for all people, all children, my children and people in my country (community). (Schultz, 2001)

2.2.6.2.3 Biosphere

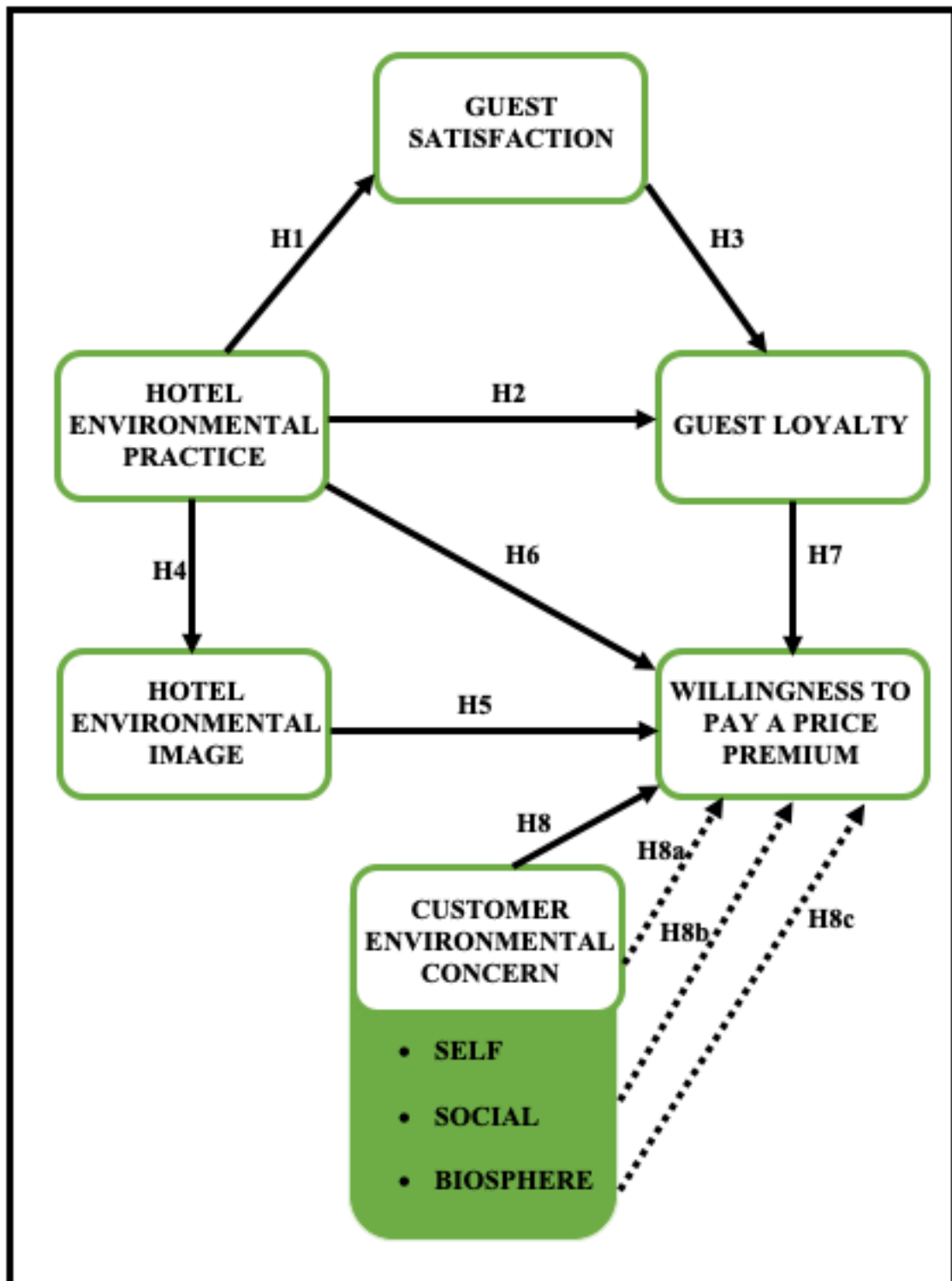
The biosphere is the third valued object that is the base for environmental concern. It studies an individual's biospheric concerns for the environment. The factors that determine environmental concern arising from the biosphere are; concern for the environment because of its consequences for plants, marine life, animals and birds. (Schultz, 2001)

2.6 THEORETICAL LENSE

- Social identity theory
- Value belief norm theory

Social identity theory and VBN theory will be used in this research to constitute a social-environmental, psychological framework for the analysis of the relationship between customers' environmental concern and their willingness to pay a price premium. In the context of this study, and according to social identity theory, customers strongly identify with organizations with similar environmental concerns. VBN theory complements social identity theory to capture the role played by customers' value-oriented environmental concerns in evaluating hotels' environmental practices and, thereby, their willingness to pay a price premium to stay at those hotels. Hence, we assume that customers declaring a high degree of concern about environmental issues are more likely to choose a hotel that promotes its environmentally friendly initiatives and more likely to report a willingness to pay a price premium for environmentally friendly services. (Gonzalez-Rodriguez & Diaz Fernandez, 2020)

2.7 MODEL



2.8 OPERATIONAL DEFINITIONS

Willingness to pay a price premium	(Han & Kim, 2010)
The amount of money a consumer would be willing to pay for perceived additional features of a product or service, in this case in relation to environmental benefits.	
Hotel environmental practices	(Kim & Lee, 2017)
A value-added business strategy that benefits a hospitality operation that engages in environmental protection initiatives.	
Guest satisfaction	(Cronin Jr, Brandy, & Hult, 2000)
A cognitive process that compares customer experience and its initial reference base resulting in a feeling of pleasure or disappointment from comparing a product's perceived performance in relation to expectation.	
Hotel environmental image	(Chen & Chen, 2010)
Refers to customers' perceptions of a hotels eco-friendly environmental practices and performance; these factors are critical to differentiate one hotel from another and associate customers' perceptions of a brand with the brand's environmental commitments and environmental concerns.	
Guest loyalty towards green hotels	(Oliver, 1993)
Loyalty can be defined as a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour. In this case the customer loyalty is towards green hotels	
Customer environmental concern	(Thapa, 2010)
The environmental behavioural intention has been commonly defined as a manifestation of multiple individual actions, namely political and social, recycling, and green consumption and knowledge.	

2.9 HYPOTHESIS

H1: Hotel environmental practices has a positive and significant influence on guest satisfaction

H2: Hotel environmental practices has a positive and significant impact on guest loyalty

H3: Guest satisfaction has a positive and significant impact on guest loyalty

H4: Hotel environmental practices has a positive and significant impact on hotel environmental image.

H5: Hotel environmental image has a positive and significant impact on willingness to pay a price premium

H6: Hotel environmental practices has a positive and significant impact on willingness to pay a price premium

H7: Guest loyalty has a positive and significant impact on willingness to pay a price premium

H8: Customer Environmental Concerns has a Positive and Significant Influence on Willingness to pay a Price Premium

H8a: Customer environmental concerns (self) has a positive and significant impact on willingness to pay a price premium

H8b: Customer environmental concerns (Social) has a Positive and significant Impact on Willingness to Pay a Price Premium

H8c: Customer Environmental Concerns (Biodiversity) has a positive and significant impact on Willingness to Pay a Price Premium

CHAPTER 3
**RESEARCH
METHODOLOGY**

CHAPTER 3: RESEARCH METHODOLOGY

The research methodology is a systematic approach to investigate a research problem by identifying the unit of analysis, collecting data, analysing the data, and arriving at certain conclusions. This chapter presents the details of the research methodology adopted for the study, including the research design adopted, the unit of analysis, the sampling technique, the description of the tools, the data collection procedure, and the data analysis procedure.

3.1 RESEARCH DESIGN AND APPROACH

The design of this research is in two stages to achieve the objectives of the research.

Section 1 presents case studies and describes the qualitative methodology where the objective is to confirm our proposed model

Section 2 describes the quantitative methodology used for testing of hypothesis based on the proposed model.

3.2 SECTION 1: QUALITATIVE STUDY – CASE ANALYSIS

The overall aim of the study was to examine the impact a hotel's environmental practices have on the willingness to pay a price premium of guests of sustainable hotels and if the guest's satisfaction, guest loyalty towards green hotels and the hotel's environmental image, obtained by the managers and guests of sustainable hotels in Goa, explain the relationship between hotels environmental practices and willingness to pay a price premium by sustainable hotel guests.

This was initially gained through a systematic literature review which pointed to the possibility of relationships between the constructs under study, namely, Hotel Environmental Practices, Guest satisfaction, Hotel Environmental Image, Guest Loyalty towards green Hotels, Customer environmental concerns and Willingness to pay a price premium. However, to capture the hypothesised relationship in fuller context, a qualitative study of sustainable practices was undertaken at the following hotels:

- 1) Alila Diwa, Goa
- 2) ITC Grand, Goa
- 3) The Heritage Village, Goa
- 4) Grand Hyatt, Goa
- 5) ITC Fortune, Goa
- 6) Goa Marriot Hotel and Spa

After the Case studies, cross-case analysis was done to compare the answers from the different units of analysis.

3.2.1. PROTOCOL FOR THE CASE STUDIES:

A protocol was first designed and followed in carrying out the Case Study of the above-mentioned hotel managers and for analysis as follows:

3.2.1.1 Objective:

To capture the hypothesised relationship in a fuller context

3.2.1.2 Methodology:

Holloway (2008) advocates the use of simple semi-structured interviews as they can be employed to ascertain the thoughts, feelings and perceptions of participants, which was found to be relevant in this research. Exploratory interviews were conducted with Managers and Guests. The Guests and managers were encouraged to be descriptive in their responses. The semi-structured interviews included questions about the place of residence, age, gender, occupation, the establishment of hotels environmental concerns, customer satisfaction with the hotel and loyalty. The researcher explicitly asked the guests to explain why they would pay a price premium.

3.2.1.3 Unit of analysis:

There are 2 units of analysis for this qualitative exploratory study.

- i. 3, 4 & 5 star sustainable hotels (hotel managers) in Goa
- ii. Customers/ guests of sustainable hotels

3.2.1.4 Sample Frame:

The sampling frame of this study consists of a set of semi-structured interviews of managers and guests of sustainable hotels in Goa, Conducted from 2nd January 2023 to 6th January 2023. Polit and Beck (2003) say that the main purpose of the qualitative study is to have a holistic view of the subject under study and to have a small sample and extract the maximum information from it, hence the correct choice of sampling may not be a convenience sample. The respondents were purposively selected from among the population.

3.2.1.5 Questions Asked:

i. To the Managers: -

- 1) What special initiatives does the hotel take towards sustainability?
- 2) Do you'll have a separate committee that works only on the hotel's sustainable practices?
- 3) Are there chances that in the near future, the hotel can totally convert its operations in a 100% sustainable manner?
- 4) Is single-use plastic allowed/available/used on the hotel premises?
- 5) Does running a hotel with sustainable practices cost more than running a normal hotel? After the initial installation cost has been overcome, does the cost of operation become lower than normal?
- 6) Organic or seasonal food is available for breakfast.
- 7) The hotel implements water and energy-saving practices (e.g. new linen only when necessary).
- 8) The hotel tries to avoid disposable or single-dose products.
- 9) In the hotel separate waste collection is available. (Waste segregation takes place)
- 10) The hotel informs the guests about the good environmental practices implemented.
- 11) The hotel provides its guests with information on how they can contribute to reducing the hotel's environmental impact.

12) The hotel provides its guests with information on the environmental and cultural activities available in the area.

13) The hotel provides information on public transportation.

14) The hotel provides its guest's bicycles for free or for rent.

15) Does the hotel use green labelled products?

16) In your opinion, are guests willing to pay a price premium at sustainable hotels? Is it a major role-playing factor? If not, what do you feel are the major factors that affect willing to pay a price premium?

ii. To the Guests:-

I. About yourself

a. Age

b. Qualification

c. Profession

II. Have you ever stayed at a sustainable hotel?

III. How was your experience?

IV. Would you return to this hotel? Why?

V. What do you understand by the word “green hotels”

VI. Did the hotels educate you about the sustainable practices they follow?

VII. Do you think there is a need for hotels to adopt sustainability?

VIII. Are you willing to pay a price premium to stay at these sustainable hotels?

IX. Do you think there is a certain level of customer loyalty that is created between customers and hotels when the hotel is following sustainable practices?

X. What do you feel about the customer’s environmental concern, and does it play a role in the type of hotel they will choose to stay at?

XI. The sustainable hotel you stayed at? Did they recycle the same linen during your stay? Did they provide cycles to guests? Did they provide you with eco-friendly amenities? (Instead of the normal 1-time use amenities)

3.2.1.6 Case Analysis Procedure: Cross-tabulation and pie charts

3.2.2 CASE ANALYSIS

3.2.2.1 Alila Diwa, Goa



History of the hotel.

The hotel was opened in 2009. Alila diwa is an Indonesian brand with headquarters in Indonesia. In 2015, when Park Hyatt Goa was taken over by ITC, the hotel merged with Hyatt. The hotel is spread across an area of 14 acres. There are 2 banquet halls at the hotel which are said to be the biggest party venues in south Goa. The hotel is a 5-star retreat and has pristine outdoors.

Number of employees.

Approximately 300 employees.

Number of rooms in the hotel.

There are 153 rooms at the hotel. Divided into 2 sections the ‘Alila’ section (118 rooms) and the ‘diwa’ (35 rooms) section. Concept of a resort within a resort. The operation of both these

sections is separate however they are running under the same resort property. The Diwa section is called the Diwa club and is mainly for guests who are looking for a luxury spa experience. The rooms have a Goan design and ambience.

Number of restaurants in the hotel.

- Spice studio – this restaurant is built around banyan tree and serves Indian costal food. The restaurant serves delicious Goan, Kerala & Karnataka cuisine.
- Courtyard bar – this is a speakeasy styled retro inspired cocktail bar. The bar has indoor and outdoor seating and serves a range of drinks.
- Vivo – Vivo is an all day diner that offers a relaxed ambience with both indoor and outdoor seating. The menu is oriental and continental.
- Bistro – this is located at the Diwa club and offers guests with a la carte breakfast, and bistro style lunch & dinner.

3.2.2.2 ITC Grand, Goa



History of the hotel.

The hotel was known as Park Hyatt until 2015 when the hotel was taken over by ITC to run. The hotel is a 5 star property run under the ITC group and is hidden away in a tranquil, unspoilt corner of south Goa, this exquisite resort holds out the promise of an invigorating or intimate relaxed getaway. With direct access to the pristine Arossim Beach, this resort sprawls over 182108 m² of lush landscaped area. The resort offers multiple outdoor & indoor venues for bespoke banqueting, special events and weddings. Kaya Kalp - The Royal Spa weaves its own brand of magic on mind, body & soul. The hotel is the first luxury resort in India to receive the LEED certification and ITC brand is the first, largest & greenest hotel chain in the world to receive the LEED certification for all its hotels. (LEED – Leadership in energy & environmental design).

Number of employees - Approximately 260 employees with a majority of men.

Number of rooms in the hotel. - 246 room

Number of restaurants in the hotel - There are 6 restaurants

- Ottimo Cucina italiana – Italian luxury restaurant
- Kebabs & kurries – Causal Indian restaurant open for lunch 7 dinner
- Tempero – Goan Portuguese restaurant open for dinner
- The Royal Afghan Seaside Barbeque & Grill – Beach side shack
- Pavilion At The Village Square – multicuisine all day dining restaurant
- Farol – poolside bar and restaurant serving finger food and classic timeless drinks

3.2.2.3 The Heritage Village



History of the hotel.

The hotel was opened in 1997. The USP of the hotel was that they were the first hotel to introduce the all-inclusive concept in India. This concept was only seen in the Caribbean before this. Guests would be provided with all meals inclusive, alcoholic and non-alcoholic drinks inclusive, activities and entertainment, there was no additional charge to be paid. This concept was followed till 2007. In 2007, the hotel started getting different requests for only breakfast included or only 1 main meal included and slowly the hotel adapted to these needs. Then the online booking concept started in 2014 and sales suddenly boomed and picked up. In the Indian market there are different demographics present and hence all the plans became flexible to meet these needs. Today, the hotel offers all different types of packages to guests. People are now looking experiences and marketing strategies have to keep these needs in mind. For stand-alone properties the hotel website should be well designed with lots of information.

Number of employees. - 150 employees

Number of rooms in the hotel. - 97 rooms in the hotel with different room categories.

Number of restaurants in the hotel. - 3 restaurants.

- Mango terrace – Continental
- Mama miso – Pan Asian restaurant
- Chutney – Indian restaurant

3.2.2.4. Grand Hyatt, Goa



History of the hotel.

Situated in the heart of Goa, the hotel overlooks the bambolim bay. This hotel in Goa is spread across 28 acres of garden and lawns.

Number of employees. - The hotel has 280 employees

Number of rooms in the hotel. -There are 313 rooms and 16 suites

Number of restaurants in the hotel.

There are 7 restaurants in total

- The verandah – Italian restaurant
- The dining room – all day dining multicuisine restaurant featuring 5 live kitchens
- Chulha – Indian casual restaurant
- The tea room – pastry shop serving gourmet pastries and tea
- Capiz bar – cocktail bar
- Pool bar & grill – pool bar serving Asian food
- Bay view lounge – this the hotel lounge where guests can relax and have finger food

3.2.2.5 ITC Fortune, Goa



History of the hotel.

The hotel was built in 2016 and the owner is Causmy Costa. It is a business hotel

Number of employees.

98

Number of rooms in the hotel.

45 rooms

Number of restaurants in the hotels - 3 restaurants

3.2.2.6 Goa Marriot Hotel & Spa



History of the hotel.

Goa Marriot Hotel & Spa was the first flagship Marriott to open in India in 1999. The Unique selling point of this property is that it was the first Marriott hotel and spa opened I India and it has an ideal location right next on the Miramar beach.

Number of employees.

There are a total of 300 employees working at the hotel, out of which 35% are females divided equally across all departments.

Number of rooms in the hotel. – 190 rooms

Number of restaurants in the hotel. - There are 5 restaurants at the hotel

- Waterfront
- Azur
- Wok by the bay
- Simply grillz
- Goa baking company

Note; Apart from these 6 hotels, we also visited another 3 hotels that were reluctant to speak to us about their sustainability practices. These hotels were Fairfield by Marriott, Benaulim, Taj Exotica, Benaulim & Park Plaza, Bogmalo.

3.2.3 DATA ANALYSIS AND INTERPRETATION

3.2.3.1 Hotels

3.2.3.1.1 Cross tabulation of all the hotels

Table 3.1

Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5	Hotel 6
Question1; What special initiatives does the hotel take towards sustainability?					
<p>The hotel follows sustainable practices.</p> <p>Own water bottling plant in the resort that uses only glass bottles. Hence plastic bottles are eliminated. Only for check in guests there are pet bottles available at the reception. These plastic bottles are recycled.</p> <p>Food waste is converted into compost in a composting machine. This manure is used by the hotel and excess manure is given to local farmers for free.</p>	<p>ITC as a brand believes in Responsible luxury. It is providing guests with a luxury experience while being conscientious about the environment.</p> <p>Responsible luxury keeps in mind the wellbeing and safety of the environment.</p> <p>We as a hotel harness renewable energy, recycle water, treat solid waste, source consumables locally, we have adopted eco-sensitive architecture & design protocols</p>	<p>We have 100% no plastic-in-rooms policy. Even in F&B operations, we have completely removed plastic. Stirrers, straws, bottles have all been replaced to wooden, glass or paper.</p>	<p>The hotel has a zero-plastic policy. They have a waste treatment plant and water treatment.</p> <p>We try to use less paper in all operations.</p>	<p>We don't use plastic bottle in the restaurants.</p> <p>For packed lunches we used bamboo cutlery & avoid plastic</p>	<p>The hotel promotes sustainability.</p> <p>Using less paper by carrying out all verification and application processes using appropriate software's. The hotel is heading towards converting all operations to 100% paperless.</p> <p>Changing linen on alternate days after guests approval. To save water.</p> <p>No single use plastic is used on property, this includes kitchen single use plastic like cling wrap, etc.</p> <p>Bislery bottles are used in guest rooms</p>

<p>There were many trees at the property before building the hotel. While building it was ensured not to harm any of these trees and the hotel is designed incorporating these trees.</p>	<p>like having designs which allow natural light to enter during the day which eliminates use of lights during the day.</p> <p>We reduce our carbon footprint by doing all these activities. Our recycled water is used to irrigate trees. We have adapted to a single use plastic free environment.</p> <p>SunyaAqua - Zero Mile water is treated & purified within the hotel property using advanced technology, while conforming to Indian standards for safety and purity.</p>				<p>but these are bottle are sent for recycling.</p>
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Question 2; Do you'll have a separate committee that works only on the hotel's sustainable practices?

<p>No, the entire management team is responsible for the sustainable</p>	<p>Yes, the ITC brand has a corporate</p>	<p>Yes. We have a CSR committee that handles all sustainable</p>	<p>No</p>	<p>No</p>	<p>No, sustainable practices are managed by the engineering department with the</p>
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practices at the hotel.	sustainability committee	practices in the hotel. The Environmental initiatives include Mangrove forest cleaning.			help of the security department.
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Question 3; Are there chances that in the near future, the hotel can totally convert its operations in a 100% sustainable manner?

100 % sustainability is not possible at any hotel because wastage is present everywhere. If the hotel is fully converted this means that there is no food wastage, harnessing solar and wind energy for electricity and having solar heaters, etc. a hotel running at such a large scale this is not 100% possible as there is always some wastage or the other.	Yes, ITC as a brand already has been able to convert 10 of its hotels to have zero carbon emissions and in the near future the hotel will definitely also be converted to have zero carbon emissions	Yes, it is a difficult journey but we will surely get there in the near future. The plan of action is to introduce many initiatives slowly and steadily.	No, 100% sustainability is not possible in the hotel industry no matter how much you try.	No 100% there will be few aspects which will not be able to be changed	Yes, there are chances of this happening in the future. In the next 2 years.
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Question 4; Is single-use plastic allowed/available/used on the hotel premises?

No, other than the pet bottles at the reception there is no other single used plastic available.	No, single use plastic is not purchased by the purchase department under any circumstances be it pet bottles,	No, even if guests are seen using a plastic bag we provide them with our hotels cloth bag.	No	No	No plastic is used on the hotel premises, except bislery bottle. All other plastic equipment (housekeeping caddy) have been replaced
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<p>Even pens used in the hotel are biodegradable.</p> <p>The hotel concentrates on generating least waste possible.</p>	<p>pens, plastic foil, etc</p>				<p>with wooden equipment.</p> <p>All these new wooden equipment are made by the engineering department.</p> <p>(Note; manager being interviewed was using a plastic pen, many plastic water bottles were found lying around the hotel.)</p>
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Question 5; Does running a hotel with sustainable practices cost more than running a normal hotel? After the initial installation cost has been overcome, does the cost of operation become lower than normal?

<p>As of now the hotel is doing well with respect to the costs involved in sustainability</p>	<p>Yes, as of now ITC is on a journey towards sustainability hence the costs are currently high but once all the operations are converted to a sustainable manner, everyday operation costs will drastically go down. Example; less water bills, less electricity bills, no wastage, reusing most previously single use items, etc</p>	<p>Yes it is slightly expensive but times have changed and we must adapt. And it is important to look at the big picture. In the long run for our future it is definitely needed. There is a separate budget for sustainability so it is managed well.</p>	<p>Maybe, I am unaware of this.</p>	<p>Initially, yes the cost is higher but over a few months the cost is overcome because we charge accordingly.</p>	<p>It is cheaper to follow sustainable practices as all new sustainable equipment can be built by with engineering department which cost nearly nothing. Also for other larger equipment, like solar heaters, once the installation cost is overcome it is cheaper and also reduces initial costs of electricity/ heating bills.</p>
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Question 6; Organic or seasonal food is available for breakfast.

Yes, even in other restaurants we use seasonal food and organic ingredients on guest request.	Yes we provide these food options to our guests.	Yes, we grow our own organic vegetables at our property. We also have a mini market at the hotel which sells organic products. It helps to lower food costs and guests are also taken for a tour to this garden to see how food they are eating has been grown. So this practice is a win win for the hotel. Sometimes we need to buy vegetables from outside and we contact local vendors and farms this also works as a CSR but in the end we are serving our guests with wholesome ingredients.	Yes, we provide guests with both these options.	Yes, most of our food is grown on our own farm and remaining is outsourced.	Yes, organic and seasonal food is available in the buffet.
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Question 7; The hotel implements water and energy-saving practices (e.g. new linen only when necessary, use of solar energy).

Yes, All flushes & showers have a water lock	Yes as mentioned earlier our hotel is doing its best to save water an energy as much as	Yes, we have a water treatment plant and the water is used in the WC and to water the	Yes, we reuse water in toilets and for watering garden purposes.	No, I have no information much on this. But Yes, we do have solar water heating but	Yes Solar panels are used for water heating but the hotel doesn't
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<p>installed to reduce the amount of water used. The hotel has a water treatment plant on premises which is used to recycle the water which is then used for watering the plants.</p> <p>To keep up with the hotel standards and policy the linen is changed every day unless asked by guests not to.</p> <p>There is no use of solar energy as of now at the property.</p>	<p>it can and trying its best to do more all the time.</p> <p>Yes we do provide guests the option to reuse the same linen. We use glass bottles in rooms which are refilled at our bottling plant. We harness solar energy.</p>	<p>garden. We also have RO filtration everywhere. We have looking to install solar water heating this year but we first have to make changes to the hotel roof structure.</p>		<p>we don't rely fully on it.</p> <p>Reusing linen doesn't work in our hotel because of complains.</p>	<p>completely depend on these solar heaters.</p> <p>Water is saved by changing linen on alternate day but this depends on the customers - references.</p>
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Question 8; The hotel tries to avoid disposable or single-dose products.

<p>Yes</p>	<p>Yes we avoid on our side and try to request guests to do the same</p>	<p>Yes, we don't use single use products.</p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p> <p>For example,</p> <ol style="list-style-type: none"> 1. Instead of using single use amenities like shampoo, conditioner, etc. Decanters are installed, this reduces the number of small single use plastic bottles generated. This method also works as a cost cutting method.
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					2. Instead of using cling wrap to cover food, boxes are used.
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Question 9; In the hotel separate waste collection is available. (waste segregation takes place)

Yes, there is a separate team that segregates waste and is responsible for the decomposing of organic waste.	Yes, we segregate our waste while disposing. We also have a waste treatment plant which converts waste into fertilizers.	Yes, every department segregates their waste into plastic, organic, glass and electric waste. Even the waste collection happens in a similar manner. Organic food waste is converted into manure which is used in the organic garden.	Yes	Yes and organic waste is converted into manure	Yes, there is a separate dedicated area for waste segregation. Waste is collected 2 times daily.
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Question 10; The hotel informs the guests about the good environmental practices implemented.

Yes, first time visiting guests are taken on a property tour where they are told about the environmental practices implemented by the hotel. On the following visits guests are already aware of the practices.	Yes, our brand is the pioneer for green hotel label in India and we proudly inform our guests about this and about how they can contribute.	Yes, we keep information in the room for guests to read	Yes we do during property tours	Yes	Yes, there is no stationary and paper placed in rooms and linen is changed on alternate days. This is informed to the guests through post cards placed in the room during check in.
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Question 11; The hotel provides its guests with information on how they can contribute to reducing the hotel's environmental impact.

<p>Yes, we share details to the guests but it is up to them to follow it. During check ins we always inform guests about the sustainable practices and in the end it is based on their intention to do good.</p>	<p>Yes we do.</p>	<p>Yes, we do not provide guests with light cards anymore. Now we encourage guests to turn of the light switches when leaving the room. This is the guests personal contribution to good environmental practices.</p> <p>Guests have also option of alternate day tumble down service that is changing linen and most guests do it.</p>	<p>Not really</p>	<p>Not much is discussed with the guests since it is a business hotel.</p>	<p>Yes (same as previous answer as guests are given the option to be sustainable by providing information)</p>
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Question 12; The hotel provides its guests with information on the environmental and cultural activities available in the area.

<p>Yes, it is the responsibility of the leisure concierge team.</p>	<p>Yes, this is done by guest relations. They also book local Goan experience tours</p>	<p>Yes, we also plan day tours for them through the guest relations team.</p> <p>We also have beach cleaning twice daily</p>	<p>Yes we do, our hotel focuses on selling experiences and activities to guests. During this</p>	<p>No not necessarily</p>	<p>Yes, through concierge and guest relations</p>
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	for the guests if guest is interested. We also educate our guests about the environmental practices taking place as mentioned earlier	and guests are invited to join.	we do promote local cultural activities and sustainability activities like gardening and cooking with these ingredients.		
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Question 13; The hotel provides information on public transportation.

For airport pickups the hotel vehicles are used. For other activities we book taxis for the guest.	Yes, since transport in goa is not easily available we do help our guests with travel around Goa.	Yes, we do	Yes	Yes through concierge	Hotel books taxis for guests if and when needed
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Question 14; The hotel provides its guest's bicycles for free or for rent.

Yes, we provide Blive electric bikes to guests for rent.	Yes, we have cycles for free and we also have electric buggies for guests to use since the property will very huge and it can get tiring to walk around.	Yes we have belive E bikes for rent and normal cycles for free. We also provide E tuk tuk for free to the beach	No, we have buggies to take guests around if needed.	Yes normal cycles are provided for free	Normal manual cycles available for rent
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Question 15; Does the hotel use green labelled products?

Yes, the products used in the washrooms like shampoo, soap, etc are from Ma earth company which is a green sustainable brand. Which are	Yes, we are an ITC hotel it is compulsory for us to only source and use products with the green seal.	Our purchase team makes sure to buy products with E labels.	Yes we are obligated to do so by the government.	Since the hotel is a part of ITC it is mandated to use only green labelled products	Yes, the hotel uses green labelled products as it is mandated by the government. Timely checks and audits are conducted for all hotels and if any hotel fails the audit it can
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naturally made products. Apart from this the purchase team tries their best to procure products with green labels.					lead to temporary shutdown of the hotel.
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Question 16; In your opinion, are guests willing to pay a price premium at sustainable hotels? Is it a major role-playing factor? If not, what do you feel are the major factors that affect willing to pay a price premium?

There are different categories of guests mainly divided according to budget of the guest. First, the guest sets their budget bracket then they have many options to choose from after this if the guest is educated about sustainability then yes it is one of the major factors which leads them to choose a certain hotel and they might even be willing to pay a extra price knowing the practices of this hotel.	Yes, educated guest with the intention to protect the environment do not think twice to pay a price premium. This market segment was very small a few years ago but as people are seeing sustainability highlighted everywhere this market segment is growing drastically. Since our brand promotes sustainability we market our services to customers with a positive environment intention hence yes for most of our	We mainly market our sustainability practices on the website. According to me, I feel yes they are willing to pay a price premium. However, there is a market who is very budget sensitive but many customers are highly influenced to choose a hotel based on sustainable practices and they will pay extra for these practices.	I cannot mention much on this topic. But yes maybe because it depends from guest to guest.	Most guests don't mind paying a price premium because they are aware that it is slightly more expensive to run a hotel when there are environmental practices. Most customers understand the reason for the premium cost added.	In India at the moment no. but in the future once people are more educated about sustainability (younger generation) they will understand the need and would not mind paying a premium in order avoid having a negative effect on the environment.
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	<p>guests it is an important factor. However there are other guests also who are more concerned about location, budget, etc. But yes, to answer your question, Yes sustainability does affect a guests willingness to pay a price premium.</p>				
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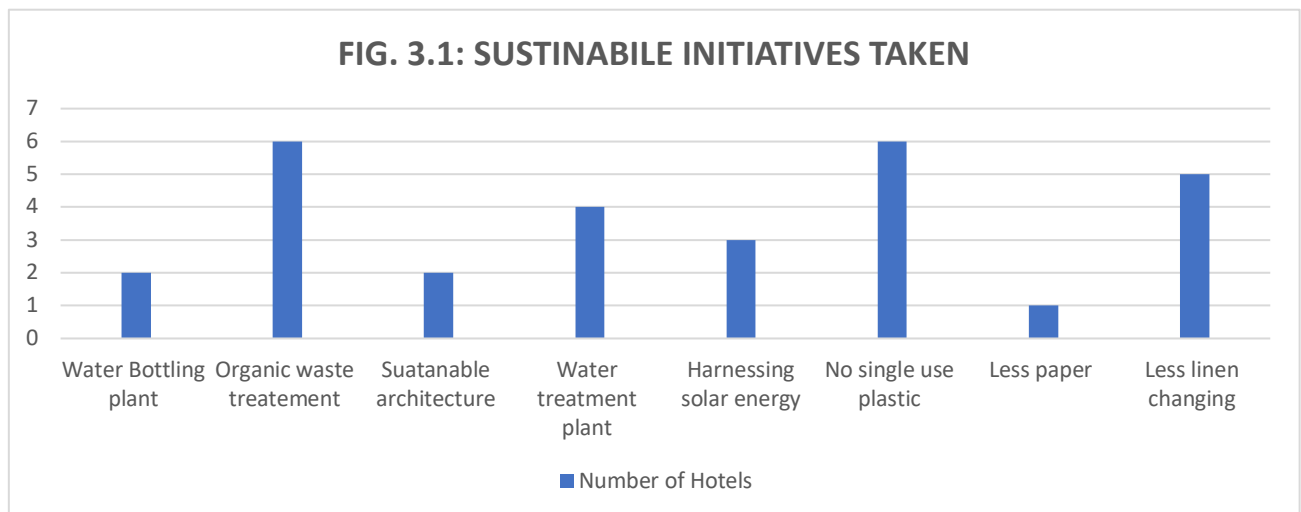
Observation;

<p>The manager we spoke to was very informative and knew about the hotels sustainability practices and was well informed. He was happy to speak to us and was warm. He took us on a property tour which helped us confirm all the details that he gave us.</p>	<p>Although we has taken an appointment we were made to wait for a long time. ITC as a brand is doing a lot towards sustainability and the manager we spoke to was passionate about sustainability and gave us all the information we were looking for.</p>	<p>The manager has a lot of experience working at the hotel and knew everything that he hotel does in all departments and aspects. He spoke about their sustainability in depth and gave us a lot of his personal opinions too. This interview has a very good outcome as we learnt how other than the normal sustainability practices being followed there are various other small initiatives that can be taken.</p>	<p>The hotel was very reluctant to speak to us about their sustainability practices and we feel this could due to an underlying issue that the hotel is not sincerely following sustainability practices. The manager we spoke to had little to no knowledge on the sustainability topic. She informed us that only the HR, Marketing & engineering department know what is happening wrt to</p>	<p>This hotel being a business hotel doesn't do much for sustainability. However the manager we spoke to knew about all the practices taking place at the hotel even if they were few. Initially he was reluctant to answer the interview however after we explained our aim he was happy to help. Most of his answer were not elaborated to much and we to the point.</p>	<p>This was the longest interview we had, the respondant answered questions and gave examples and his opinions. However, we feel his information was not 100% reliable and he made up parts to put the hotel in good light. We can confirm this because we were served water in pet bottles and he mentioned plastic is 100% not used, he also mention plastic wrap for food is not used however we visited the coffee shop and noticed that plastic wrap was used here. Even the take</p>
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			sustainability which we felt was suspicious because according to us all hotel employees especially managers must have this kind of information.		away boxes were plastic. This being said the manager had a lot of information about sustainability and shared his views about the future of sustainable hotels in India and about sustainability in the Indian market.
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2.2.6.2.1 Pie charts

Question 1 - What special initiatives does the hotel take towards sustainability?



The hotels in Goa have begun to take a step for the environment. All the hotels have taken the basic steps for making their hotel sustainable. The trend of reducing the carbon footprint has created a ripple effect among all these hotels. A large majority of our selected hotels have begun to eliminate the use of single-use plastics in their hotels. This goes for the room amenities, water bottles, and packaging of foods. One hotel took the initiative of having its own bottling plant to reduce the cost but more importantly reduce the environmental impact. The hotels have cut out non-degradable materials in places where it is possible such as cutlery. These responses show that the hotels are beginning to show awareness of their environmental impact and show that this effort is not just for the environment but also for drawing in environment-loving guests.

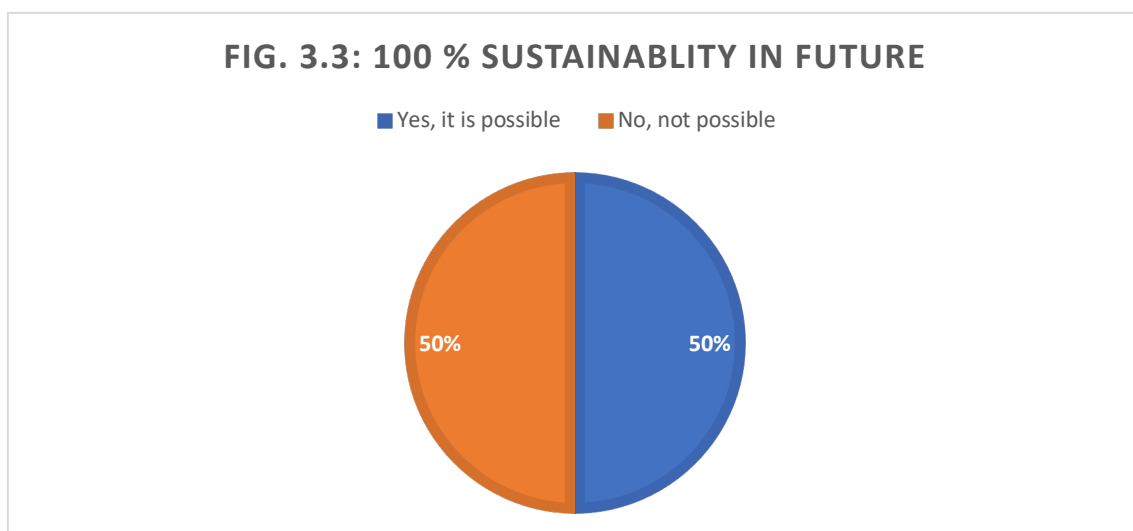
Question 2 - Do you'll have a separate committee that works only on the hotel's sustainable practices?

Two of our hotels have a separate committee for sustainable practices while the others do not.



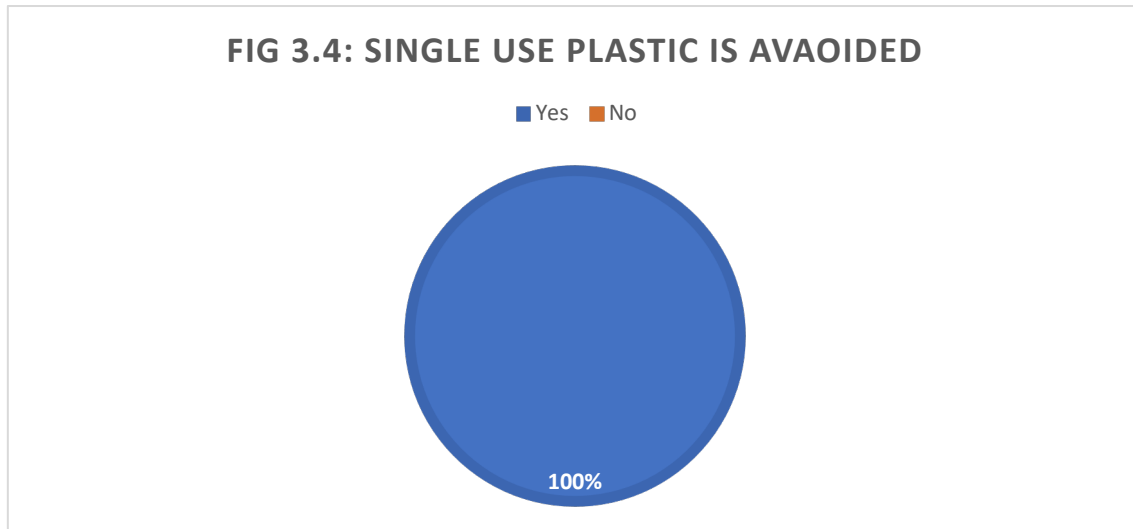
Question 3 - Are there chances that in the near future, the hotel can totally convert its operations in a 100% sustainable manner?

Most of the Hotels believe that the business as they go forward will turn completely sustainable. Hotel 5 feels like there will always be parts of the business that will not be sustained and will create some form of footprint. We as a group to believe that there will always be segments of the industry which will always create waste and not be environmentally friendly.



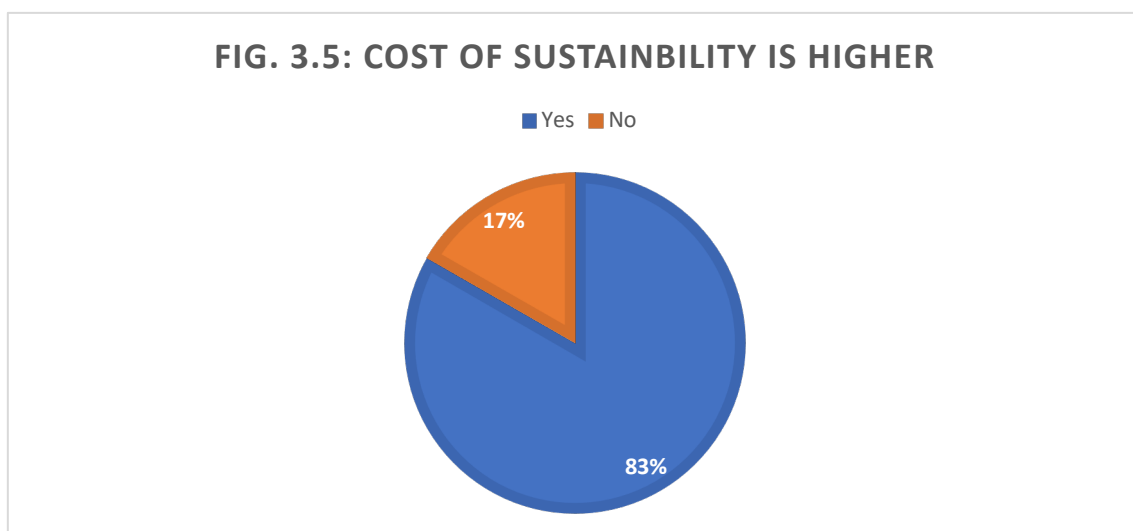
Question 4 - Is single-use plastic allowed/available/used on the hotel premises?

None of the hotels use single plastics on the premises. In our opinion, this is the first step to making hotels sustainable.



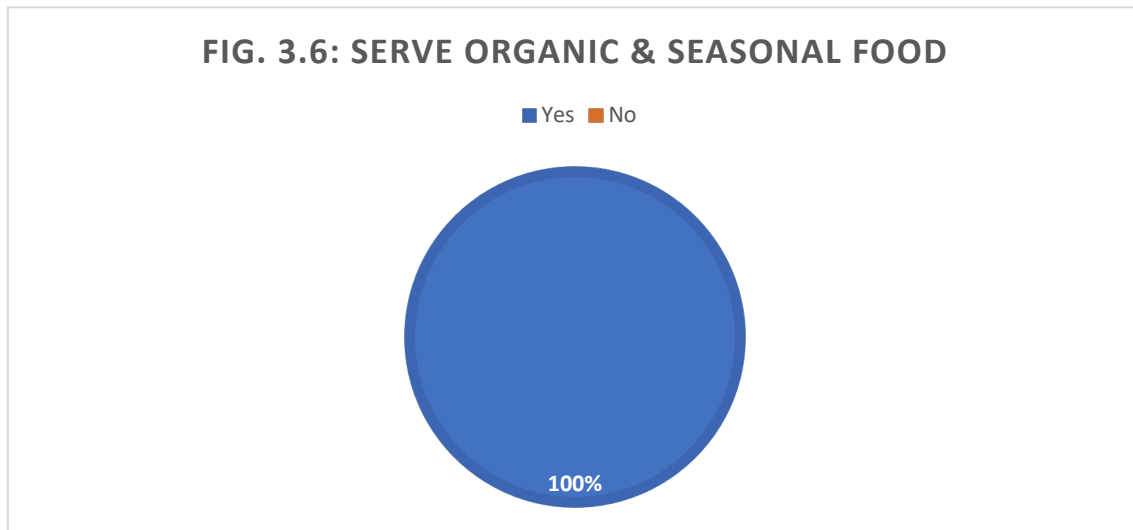
Question 5 - Does running a hotel with sustainable practices cost more than running a normal hotel? After the initial installation cost has been overcome, does the cost of operation become lower than normal?

According to the hotels, it is more expensive but then they all also believe that it is better for everyone in the long run. The installation cost is more in the beginning but then it ends up falling in place.



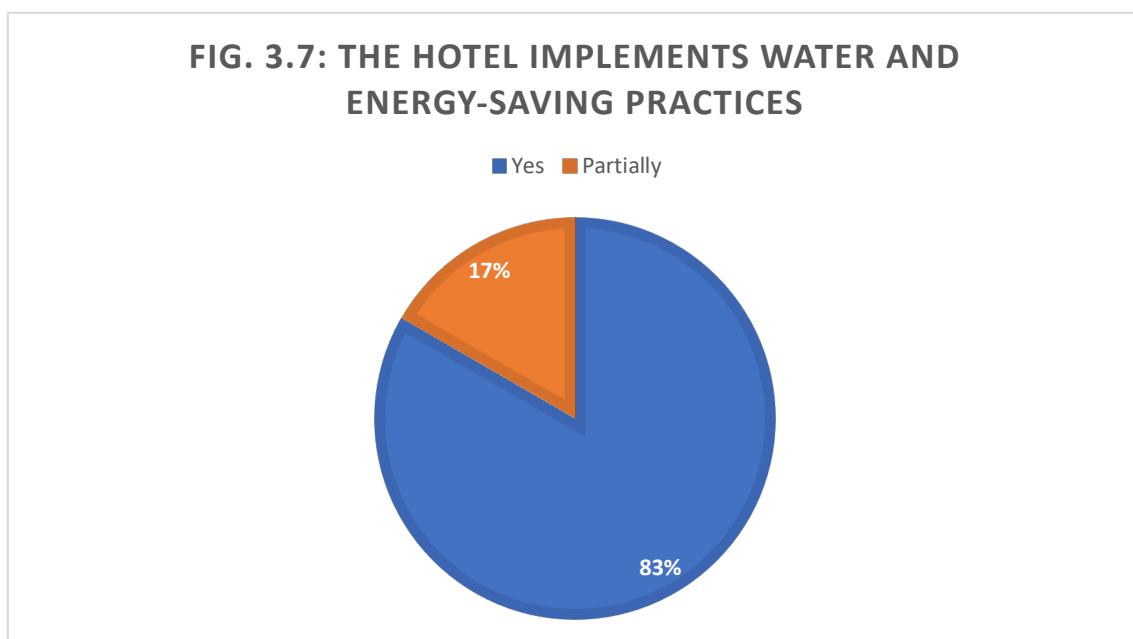
Question 6 - Organic or seasonal food is available for breakfast

All the hotels we selected serve organic and seasonal food to the guests for breakfast.



Question 7 - The hotel implements water and energy-saving practices

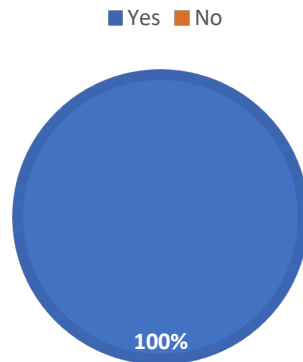
Apart from Hotel 5, all of them have implemented energy and water-saving practices in their properties. Things such as recycling linen only when the guests ask are some of the common practices among them.



Question 8 - The hotel tries to avoid disposable or single-dose products.

All of the hotels try and avoid these products.

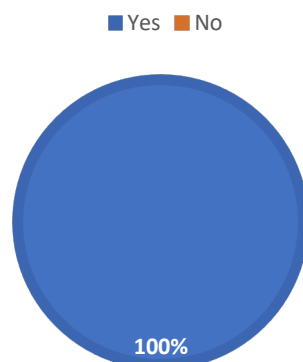
FIG. 3.8: THE HOTEL TRIES TO AVOID DISPOSABLE OR SINGLE-DOSE PRODUCTS.



Question 9 - In the hotel separate waste collection is available

All the hotels take the initiative to segregate their waste into different categories such as degradable and non, electrical, etc. The majority of the hotels turn their wet waste into fertilizer.

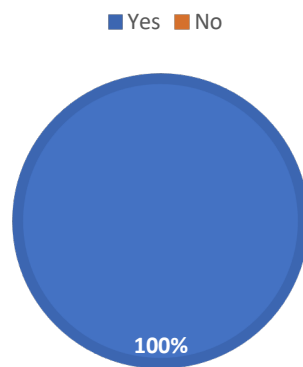
FIG. 3.9: IN THE HOTEL SEPARATE WASTE COLLECTION IS AVAILABLE



Question 10 – Hotel informs guests about environmental practices implemented

All the hotels try to inform the guests about sustainable and environmental practices either through a property tour or via place cards and online ads.

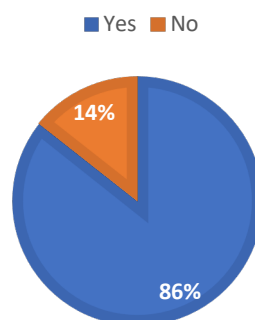
FIG. 3.10: HOTEL INFORMS GUESTS ABOUT ENVIRONMENTAL PRACTICES IMPLEMENTED



Question 11 - The hotel provides its guests with information on how they can contribute to reducing the hotel's environmental impact.

All the hotels do inform the guests on how they can contribute to reducing the hotels environmental impact.

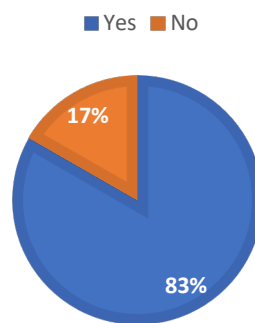
FIG. 3.11: THE HOTEL PROVIDES ITS GUESTS WITH INFORMATION ON HOW THEY CAN CONTRIBUTE TO REDUCING THE HOTEL'S ENVIRONMENTAL IMPACT.



Question 12 - The hotel provides its guests with information on the environmental and cultural activities available in the area.

Majority of the hotels give information on the cultural and environmental activities available via guest relations and concierge. Hotel 3 hosts a beach cleaning and welcomes the guests to join them.

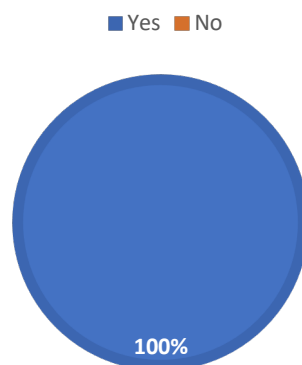
FIG. 3.12: THE HOTEL PROVIDES ITS GUESTS WITH INFORMATION ON THE ENVIRONMENTAL AND CULTURAL ACTIVITIES AVAILABLE IN THE AREA.



Question 13 - The hotel provides information on public transportation.

All the hotels provide the required information to the guests. We feel that this is a must because it is important for the guest to know about the local facilities to save money and support the local community.

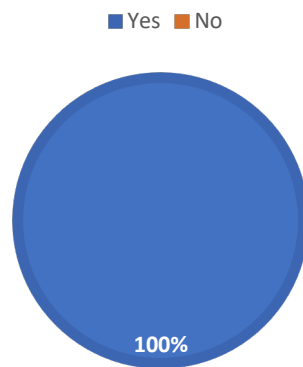
FIG. 3.13: THE HOTEL PROVIDES INFORMATION ON PUBLIC TRANSPORTATION.



Question 14 - The hotel provides its guest's bicycles for free or for rent.

All the hotels in our study sample provide bicycles to guests on a rental basis. Hotel 1&3 gives electric bikes.

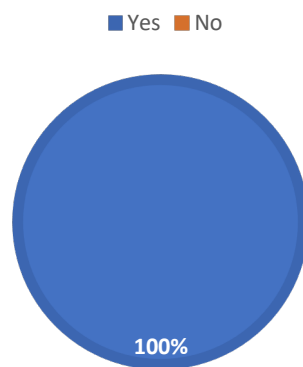
FIG. 3.14: THE HOTEL PROVIDES ITS GUEST'S BICYCLES FOR FREE OR FOR RENT.



Question 15 – Does the hotel use green labelled products

All the hotels in our analysis purchase green-labelled products to use.

FIG.3.15: DOES THE HOTEL USE GREEN LABELLED PRODUCTS



Question 16 - In your opinion, are guests willing to pay a price premium at sustainable hotels? Is it a major role-playing factor? If not, what do you feel are the major factors that affect willing to pay a price premium?

Hotel 2 feels like educated guests with the right information will be willing to pay a price premium while others are a bit sceptical about the willingness but all of them are waiting for sustainable hotels to become the norm so the “premium” won’t exist anymore. For now only those guests who are concerned about the environment will not mind paying the extra amount that comes with the green tag on hotels.

3.2.3.2 Hotel Guests

3.2.3.2.1 Cross tabulation of Guests

Table 3.2

Question 1; About yourself	
<ul style="list-style-type: none"> • Age • Qualification • Profession 	
Customer 1	<ul style="list-style-type: none"> - Age ; 55 - Qualification; B.Com - Profession; Business
Customer 2	<ul style="list-style-type: none"> - Age; 35 - Qualification; not mentioned - Profession; full time mother of a 5 year old
Customer 3	<ul style="list-style-type: none"> - Age; 21 - Qualification; B.Sc - Profession; Restaurant Business
Customer 4	<ul style="list-style-type: none"> - Age; 19 - Qualification; Undergraduate - Profession; Student
Customer 5	<ul style="list-style-type: none"> - Age; 59 - Qualification; graduate

	<ul style="list-style-type: none"> - Profession; civil contractor
Customer 6	<ul style="list-style-type: none"> - Age; 52 - Qualification; Graduate - Profession; Business
Customer 7	<ul style="list-style-type: none"> - Age; 20 - Qualification; psychology major - Profession; student
Customer 8	<ul style="list-style-type: none"> - Age; 49 - Qualification; Graduate - Profession; business
Customer 9	<ul style="list-style-type: none"> - Age; 46 - Qualification; B.Sc - Profession; Fashion designer
Customer 10	<ul style="list-style-type: none"> - Age; 16 - Qualification; 9th standard - Profession; student
Customer 11	<ul style="list-style-type: none"> - Age; 68 - Qualification; graduate - Profession; housewife
Customer 12	<ul style="list-style-type: none"> - Age; 44 - Qualification; graduate - Profession; civil engineer

Table 3.3

Question 2; Have you ever stayed at a sustainable hotel?	
Customer 1	Yes
Customer 2	Yes
Customer 3	Yes
Customer 4	Yes
Customer 5	Yes

Customer 6	Yes
Customer 7	Yes
Customer 8	Yes
Customer 9	Yes
Customer 10	Yes
Customer 11	Yes
Customer 12	Yes

Table 3.4

Question 3; How was your experience?	
Customer 1	It was good. It is nice to see hotels adapting their operations to have a more sustainable effect on the planet.
Customer 2	It was comfortable & relaxing
Customer 3	It was amazing
Customer 4	It was a good experience
Customer 5	Bad, too woke
Customer 6	Good
Customer 7	It was good
Customer 8	It was nice
Customer 9	Superb, best service I have ever received.
Customer 10	Okay
Customer 11	Very good
Customer 12	It was rubbish. They lie. They don't care about the environment. It's all about following a trend.

Table 3.5

Question 4; Would you return to this hotel? Why	
Customer 1	Yes, because of the services offered and the experience created. However sustainable practices would be an added reason to return to the hotel.
Customer 2	Not necessarily, because when I choose a hotel it's because of its ambience or its location or the free breakfast.
Customer 3	Yes, returned to it many times. Because it was comfortable, near the city centre, amazing view, good service.
Customer 4	Yes, because they have a good quality of service
Customer 5	No
Customer 6	Yes, good service, cleanliness
Customer 7	Yes, had a good experience
Customer 8	Yes because overall the experience was good. Good service, clean hotel, etc
Customer 9	100%, because of the experience provided.
Customer 10	Yes, because it was good
Customer 11	Yes, overall experience was good
Customer 12	If it improves, then yes

Table 3.6

Question 5; What do you understand by the word "green hotels"	
Customer 1	A hotel that practices environmentally safe practices in their operations and has practices which help in the wellbeing of the planet and help fix the earth like growing plants.
Customer 2	An eco-friendly hotel that follows practices which would include saving water through recycling or energy saving.
Customer 3	A green hotel is one that is sustainable, they care about the environment try reduce harm on the environment. They give back to the environment.
Customer 4	The word green hotels means a hotel which focuses on sustainability in their business practices.

Customer 5	I think, they use sustainable energy, try to reduce carbon footprint.
Customer 6	Taking care and prevention of the environment by hotels
Customer 7	Hotels that are eco- friendly
Customer 8	Hotels that take care of the environment rather than harming it
Customer 9	That an effort has been made to conserve easily depleted resources like water, paper, energy, etc.
Customer 10	That these hotels are sustainable and use recycling practices
Customer 11	Hotels that follow green practices
Customer 12	I think it means hotels that try and care about the environment

Table 3.7

Question 6; Did the hotel educate you about the sustainable practices they follow?	
Customer 1	Yes partially, like the reusing of bedroom linen through an information poster kept in the room.
Customer 2	They may have had a brochure informing about the adoption of their eco-friendly practices.
Customer 3	Yes, through a brochure
Customer 4	Not really
Customer 5	No
Customer 6	Yes, it's put up in the room
Customer 7	Not really but there were boards all over.
Customer 8	Yes, information is available in the room
Customer 9	No, but they had a brochure in the room stating that it is a sustainable hotel and the steps a guest can take to help their vision.
Customer 10	Yes it was displayed in the rooms
Customer 11	Yes, during property tour (check in)
Customer 12	No, they did not inform me

Table 3.8

Question 7; Do you think there is a need for hotels to adopt sustainability? Elaborate.	
Customer 1	Yes because our earth is deteriorating and hotels are one of the major reasons for this as they generate a lot of waste and use a lot of earth's resources un mindfully.
Customer 2	Yes
Customer 3	Yes, it is the need of the hour to conserve our environment. Hotels are a leading cause of environmental harm hence they must rethink their operations and reverse the negative effect they have been having in the past on the environment.
Customer 4	Yes
Customer 5	Yes
Customer 6	Yes
Customer 7	Yes, it would definitely be beneficial for the environment and right now that's what we need.
Customer 8	Yes
Customer 9	Yes, because natural resources are limited and it is our duty to conserve them and replenish them for the next generations
Customer 10	Yes, because paper is important
Customer 11	Yes, conserving the environment is important today
Customer 12	No, they do not have a need as such

Table 3.9

Question 8; Are you willing to pay a price premium to stay at these sustainable hotels?	
Customer 1	Yes to a certain extent of premium. Maybe 10 - 15% extra.
Customer 2	No, I will choose what is affordable when the need arises.
Customer 3	Yes, but definitely not double or triple. A slight increase in price is acceptable.
Customer 4	Yes
Customer 5	No, I would not
Customer 6	No

Customer 7	Yes but Depends on my budget
Customer 8	No
Customer 9	No
Customer 10	Yes
Customer 11	Yes
Customer 12	No, I would go to the option that is more suitable to my wallet.

Table 3.10

Question 9; Do you think there is a certain level of customer loyalty that is created between customers and hotels when the hotel is following sustainable practices?	
Customer 1	Not necessarily, there are other factors that also play a role in determining guest loyalty.
Customer 2	Regardless of the practices the hotels choose to follow, customer loyalty depends more on personal relationships created with a high level of professionalism displayed by the staff, how well-maintained a hotel is and the comfort experienced.
Customer 3	Yes, if a hotel is giving back to the environment it definitely creates a good impression on the customer's mind. But this isn't the only reason for customer loyalty. There are other aspects also such as experience, service, etc
Customer 4	Yes
Customer 5	I am unsure
Customer 6	Yes
Customer 7	I suppose so
Customer 8	Yes
Customer 9	Yes, customers would like to be a part of their conscious effort
Customer 10	Not really, price is the main factor
Customer 11	Yes
Customer 12	Not really, loyalty come whenever there is good service and a personal feeling to the whole experience. Not fancy environmental practices

Table 3.11

Question 10; What do you feel about the customer’s environmental concern, and does it play a role in the type of hotel they will choose to stay at?	
Customer 1	Yes 100%
Customer 2	While I do care about the environment and the issues we are facing globally I'm unable to answer this question as I mentioned earlier for me personally it's about an affordable & comfortable stay. Just my opinion.
Customer 3	Yes it is a major factor. If a customer doesn't have any concern for the environment then they would not consider sustainable practices of the hotel at all while making their decisions.
Customer 4	Yes, a customer’s concern towards the environment plays a very important role in the type of hotel they choose to stay at.
Customer 5	Yes of course
Customer 6	Yes
Customer 7	It would definitely be viewed as a positive
Customer 8	Yes
Customer 9	Not right now but probably in the future when people are made aware with sustainable education that starts at school level. Hence, making it a part of life and a way of living.
Customer 10	Yes
Customer 11	Yes but only in environmentally educated customers
Customer 12	Some care about this stuff, some don't

Table 3.12

Question 11; The sustainable hotel you stayed at? Did they recycle the same linen during your stay? Did they provide cycles to guests? Did they provide you with eco-friendly amenities? (instead of the normal 1-time use amenities)	
Customer 1	<p>Yes they changed the linen with fresh linen only when requested</p> <p>Yes they provided cycles for 3 hours for free</p> <p>No, normal single-use amenities were provided. However, the small soap bottles were reusable not single-use plastic.</p>

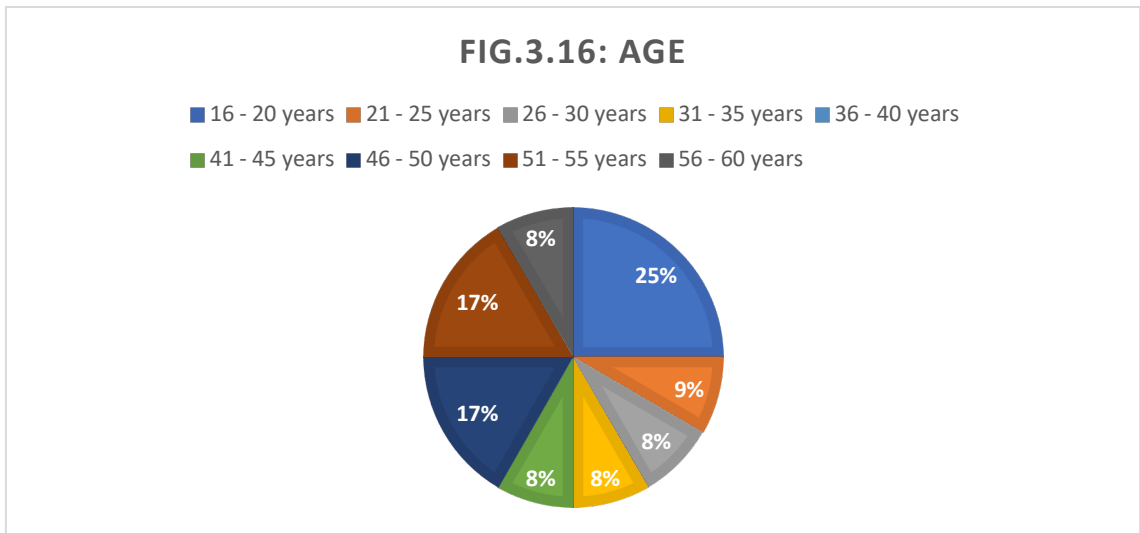
Customer 2	I'm uncertain if the same linen was recycled, but no cycles were provided.
Customer 3	Yes they used the same linen for the entire stay, they offered linen changes but I preferred using the same linen as it is unnecessary to change it every day. No cycles were provided. Idk about eco-friendly amenities but shampoo & soaps were available in a dispenser probably to reduce plastic bottle waste.
Customer 4	Yes, they followed all of the above practices
Customer 5	They asked us to inform them when to change the linen. Otherwise they would only do turn down service.
Customer 6	Stayed at Taj. They provided cycles. They gave a choice to recycle linen. There was minimum use of plastic. Jute was used largely, cotton bags were provided for news papers, etc.
Customer 7	They had cycling facilities, the pool water was also rain harvested and taken from a waterfall nearby.
Customer 8	Yes all of the above was followed. They also don't use plastic. Glass bottles were provided, cloth bags were used, etc
Customer 9	Yes they did all of the following. Linen recycling was guest's choice.
Customer 10	Yes
Customer 11	Yes they did these and many more practices.
Customer 12	They recycled the linen when I informed them because I'm responsible like that. And I don't really like them entering my room every day.

3.2.3.2.2 Pie charts

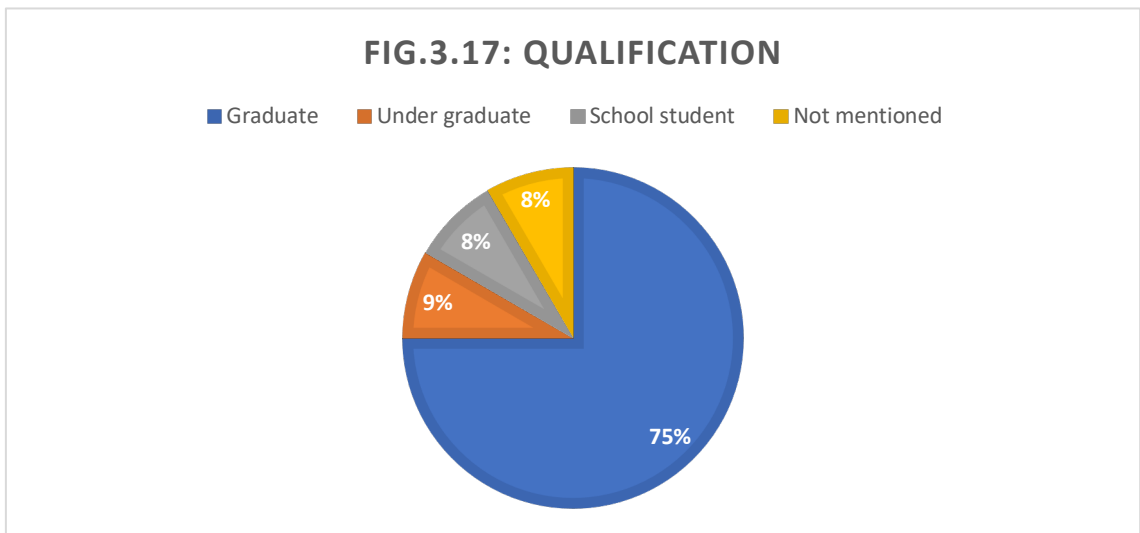
1. About yourself

Our study sample included people from age 15-68. All of our customers were post graduates excel for one who was still in school. All of them had a business or a job and none were unemployed except the school student.

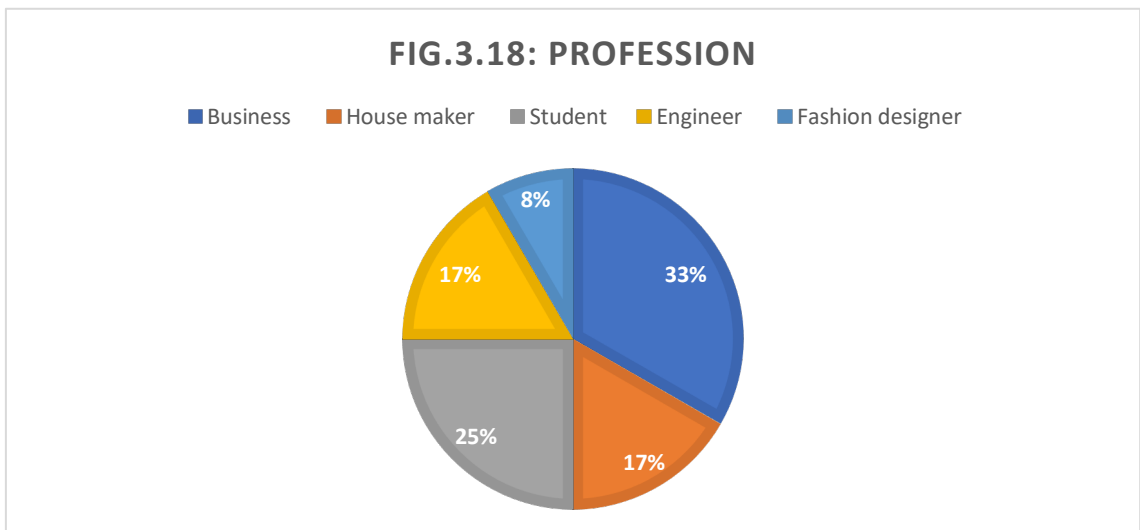
- Age



- Qualification

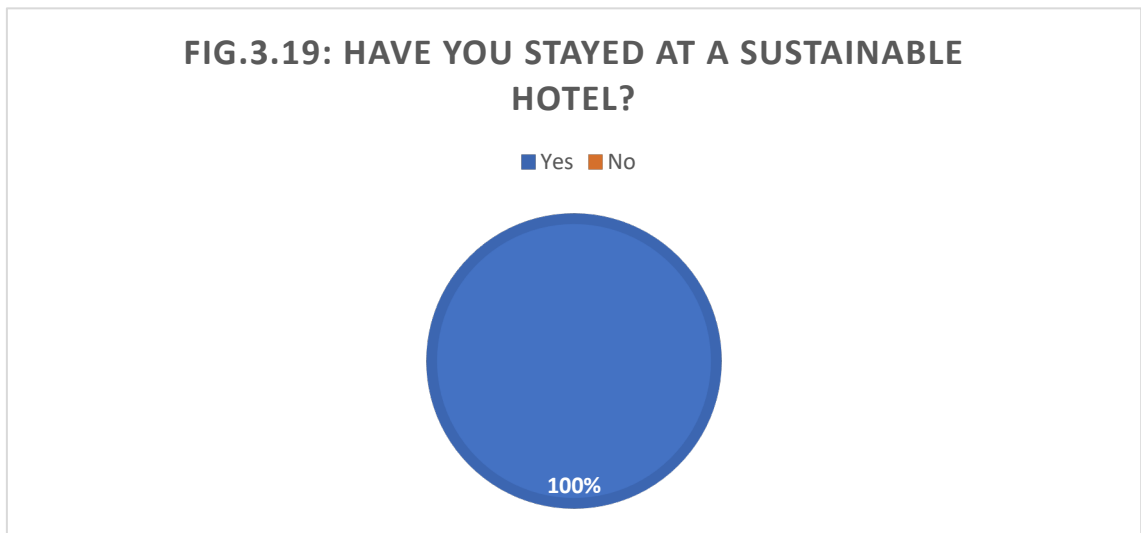


- Profession



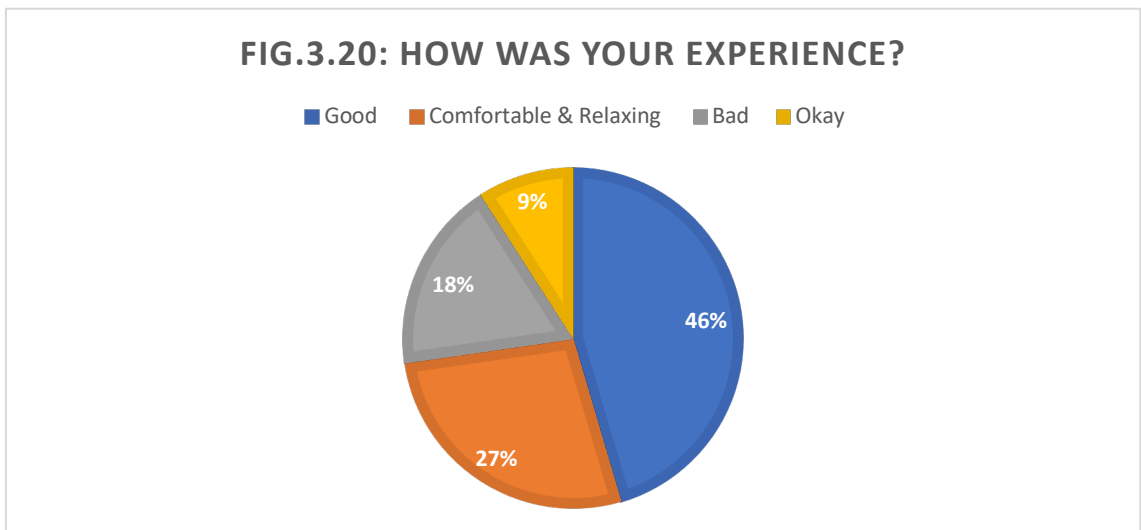
2. Have you ever stayed at a sustainable hotel?

All the customers we questioned did indeed live at a sustainable hotel at least once.



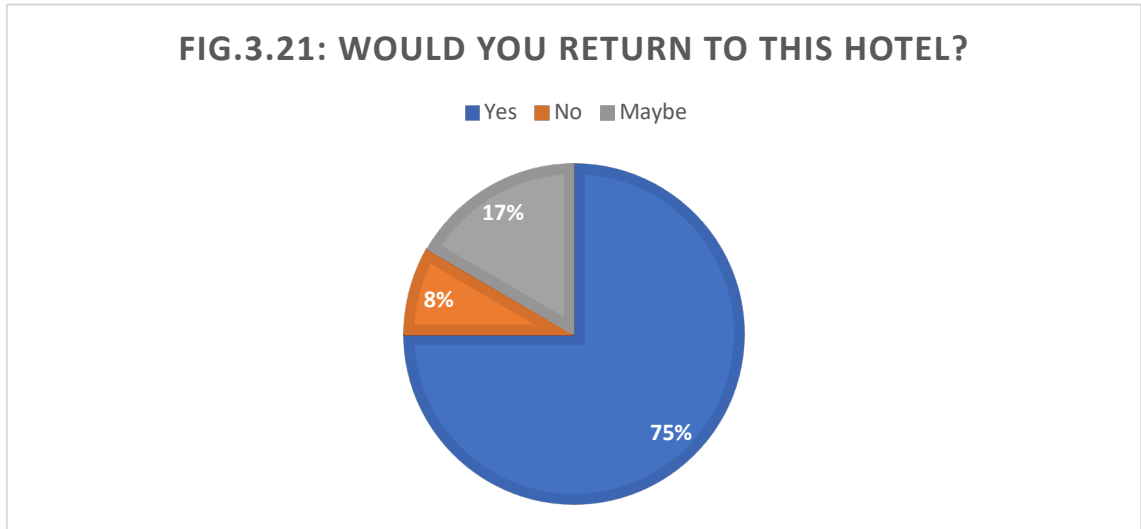
3. How was your experience?

All of our customers except two had good experiences. Customer 12 felt like a “green hotel” has nothing to do with then environment and its just a ploy of attracting more customers. Customer 5 felt like the hotel people were too woke.



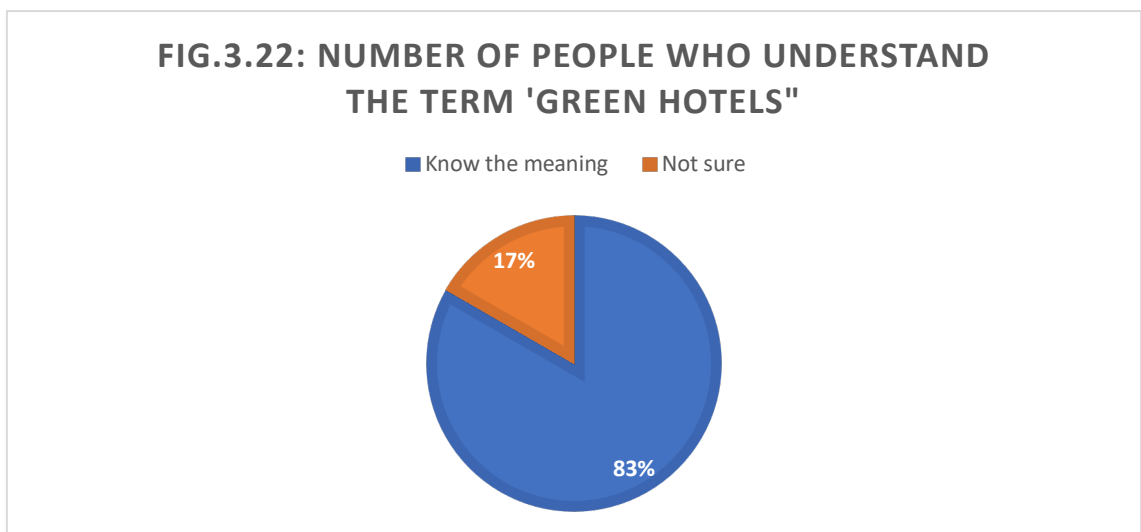
4. Would you return to this hotel? Why?

9 of our customers would return to the hotel while the other felt like they wouldn't return to the hotel.



5. What do you understand by the word "green hotels"

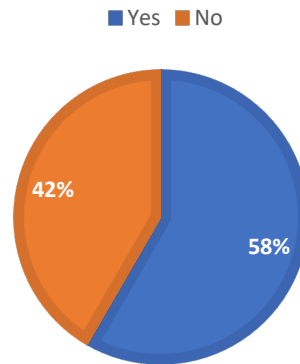
All of our customers got the gist of the concept of green hotels in the sense that they know that these are hotels that have practice sustainability and try to reduce their carbon footprint and their environmental impact.



6. Did the hotels educate you about the sustainable practices they follow?

Most of our questioned customers, were informed about the practices via the guest relations, or by place cards or by a tour of the property.

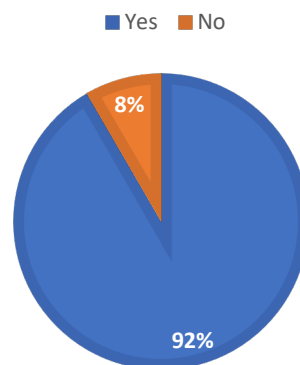
FIG.3.23: DID THE HOTELS EDUCATE YOU ABOUT THE SUSTAINABLE PRACTICES THEY FOLLOW?



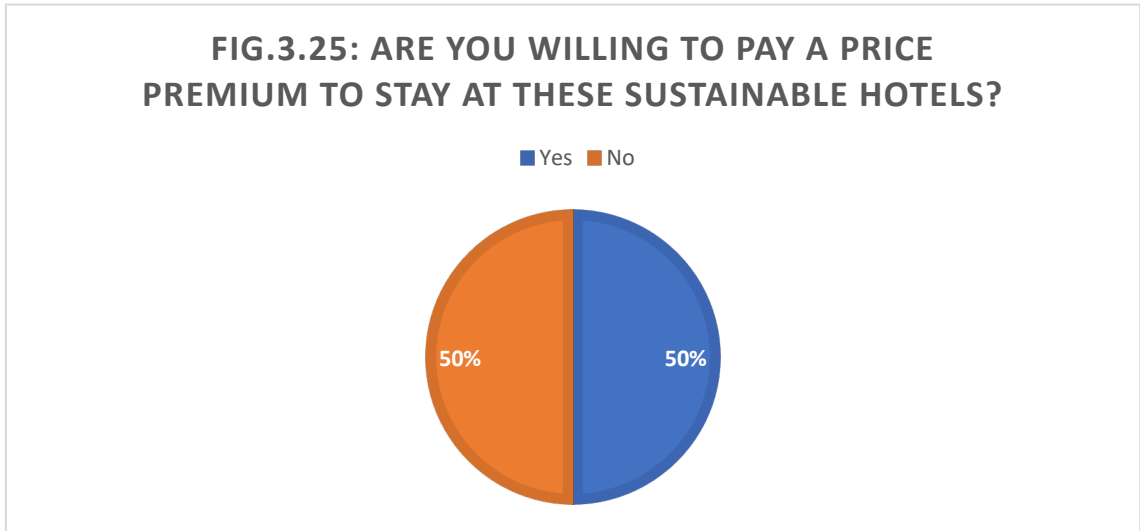
7. Do you think there is a need for hotels to adopt sustainability?

Everyone except 1 customer feels the compulsion for a green hotel. They feel the need is imminent because as the days go by, the environment keeps degrading. Green hotels will help turn the tide and reduce the environmental impact.

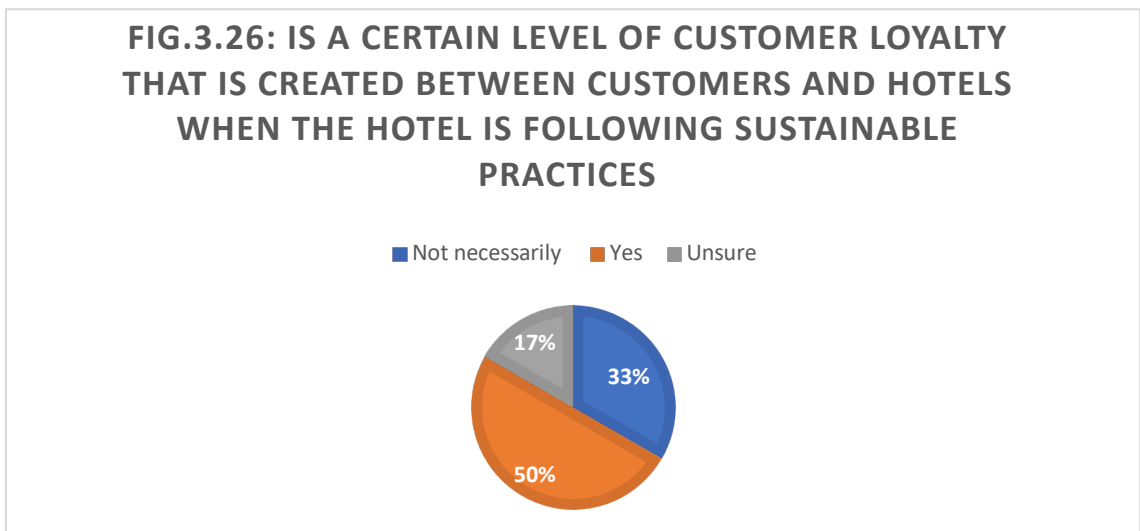
FIG.3.24: DO YOU THINK THERE IS A NEED FOR HOTELS TO ADOPT SUSTAINABILITY?



8. Are you willing to pay a price premium to stay at these sustainable hotels?
Our customers were divided on this topic as half of them said they won't be willing to pay whereas the other half said that they would be willing to pay.



9. Do you think there is a certain level of customer loyalty that is created between customers and hotels when the hotel is following sustainable practices?
Most of the group felt like there is an certain amount of loyalty that is created while the others were unsure. Customer 12 felt like loyalty is created when the service is good and there is a personal feeling to the experience provided.

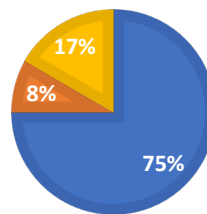


10. What do you feel about the customer's environmental concern, and does it play a role in the type of hotel they will choose to stay at?

The customers, the majority of them felt like it is a major factor however not every care about this topic when they are on vacation at a hotel.

FIG.3.27: WHAT DO YOU FEEL ABOUT THE CUSTOMER'S ENVIRONMENTAL CONCERN, AND DOES IT PLAY A ROLE IN THE TYPE OF HOTEL THEY WILL CHOOSE TO STAY AT?

■ Yes ■ Unsure ■ No ■ Different opinions



11. The sustainable hotel you stayed at? Did they recycle the same linen during your stay? Did they provide cycles to guests? Did they provide you with eco-friendly amenities? (instead of the normal 1-time use amenities)

All of them recycled the linen whenever the guests informed them. Not everyone was provided with the eco friendly amenities or with with bicycles.

All of them recycled the linen whenever the guests informed them. Not everyone was provided with the eco friendly amenities or with with bicycles.

3.2.4 CONCLUSION

3.2.4.1 Hotels

Throughout our research and studies, we come to conclusion that many hotels follow sustainable practices and try their best to reduce their carbon foot print. According to the managers, the topic of willingness to pay for a green hotel as most of the Indian market is still price sensitive and hence the people do not want to willingly pay the price premium that is associated with the extra cost of making the practices and the products fully sustainable and green. From the information we received, the older generation of guests frankly do not care about the environmental practices and the sustainability aspects of the hotel that they want to stay at, however the younger generation which is more informed about the environment are more willing to pay the premium which are associated with green practices.

3.2.4.2 Guests

From the survey conducted through the various guests from different age groups who have stayed at hotels, we can conclude that a large no. Of guests had a good experience at sustainable hotels and would go back to stay at a sustainable hotel. According to guests, sustainable hotels are described as eco-friendly, green hotels that conduct environmentally safe practices for the well-being of the planet. Most hotels inform the guests about the different sustainable practices conducted so that guests can be educated about how these practices can have a good impact on the environment. All guests think that there is a need for hotels to adopt sustainability. A few people would be willing to pay a price premium to stay at a sustainable hotel, while others prefer to pay a minimum amount. Some guests feel that customer loyalty is moreover created based on professionalism displayed by staff while others feel having sustainable practices creates a good impression. Most of the guests are very much concerned about the environment and think that sustainable hotels play a role in the environment. Most sustainable hotels followed sustainable practices like changing linen only when requested, no single-use products, use of jute bags, rainwater harvesting and eco-friendly amenities.

3.3 SECTION 2: QUANTITATIVE STUDY

3.3.1 UNIT OF ANALYSIS AND SAMPLING

The unit of analysis for this study is Guests of sustainable hotels in Goa. For the quantitative study convenience sampling technique was used to select respondents, based on their availability and willingness to be a part of this study. Care was taken to include sufficient representation from different groups of hotel guests (age, gender, educational qualifications etc.) The total sample size was 253.

3.3.1.1 Sample Size

A total of 326 responses were received. Out of which 30 were discarded as the respondent had not stayed at a sustainable hotel. The survey period was from 6th February to 27th March 2023

Table 3.13: Socio-Demographic Characteristics of the Sample

RESPONDENTS DEMOGRAPHIC PROFILE	FREQUENCY (N)	PERCENTAGE (%)
Gender		
Male	185	62.5
Female	109	36.8
Others	2	0.7
Total	296	100
Age (in years)		
18 – 25	64	21.6
25 – 35	104	35.1
35 – 45	80	27
45 – 55	37	12.5
55 and above	11	3.7
Total	296	100
Marital Status		
Single	110	37.2
Married	135	45.6
Divorced	22	7.4
Dating	24	8.1
Widow/ widower	5	1.7
Total	296	100
Annual Income (inr)		
Less than 1 lakh	59	19.9
1 lakh to 5 lakhs	62	20.9
5 lakhs to 10 lakhs	106	35.8
10 lakhs & above	69	23.3
Total	296	100
Level Of Education		
School	23	7.8
Undergraduate	40	13.5
Graduate	162	54.7
Masters	55	18.6
Ph.D.	16	5.4
Total	296	100

Place of residence		
Goa	191	64.5
Karnataka	36	12.2
Maharashtra	41	13.9
Delhi	2	0.7
Abroad	10	3.4
Kerala	1	0.3
Hyderabad	15	5.1
Total	296	100

The profile of the respondents is shown in Table 1. Overall, the sample consisted of 296 respondents. The respondents belonged to different social demographic groups with different gender, age groups, income groups, occupations, and educational backgrounds. From the above, we can say that a majority of 62.5% of male respondents answered our survey as compared to 36.8% of female respondents. Respondents from the age group 26 to 35 are a majority of 35.1%. The respondents are majorly married (45.6%) and Married (37.2%). Most of the respondents i.e. 35.8% have an annual income of 5 lakhs to 10 lakhs. More of the respondents have a graduate degree and master's degree whereas only a few respondents had a low qualification of school level and undergraduate level. The place of residence of most respondents was Goa (64.5%).

3.3.2 DATA COLLECTION TOOLS

A questionnaire with nine sections was designed for the study. The first section collected demographic information. The second section measured the Hotel's Environmental Practices on a five-point Semantic scale (1 – Always to 5 -Never). The third section measured the Hotels environmental image. The third section was measured on a five-point Likert scale (1-Strongly disagree to 5 - Strongly Agree). The fourth section measured willingness to pay a price premium on a five-point Semantic scale (1 – Always to 5 -Never). The fifth section measured customers' environmental concerns. The fifth section was measured on a five-point Likert scale (1-Strongly disagree to 5 - Strongly Agree). The sixth section measured guest satisfaction. The seventh section measured guest loyalty towards green hotels on a five-point Semantic scale (1 – Always to 5 -Never). The questionnaire is shown in Appendix 1.

3.3.3 DATA COLLECTION PROCEDURE

The data for the quantitative study were collected online through Google form questionnaires. The questionnaires were administered through WhatsApp and emails. The structure of the questionnaire, its objective, and the rating scheme was explained to the respondents in the beginning and the confidentiality of their responses was made clear. The respondents belonged to different social demographic groups with different gender, age groups, income groups, occupations, and educational backgrounds.

3.3.4 DATA ANALYSIS PROCEDURE

Data was collected online through google forms. The data was then downloaded into an Excel sheet and the coding was done. This Excel sheet was then extracted into the SPSS software spreadsheet.

CHAPTER 4

DATA ANALYSIS

CHAPTER 4: DATA ANALYSIS

4.1 RELIABILITY

First, the demographic details were analysed and frequency was calculated. Next, the Scales were checked for reliability by calculating Cronbach's alpha. As seen from Table 4.1 all the scales were found to have Cronbach's alpha greater than 0.7 and hence were found reliable.

Table 4.1: Reliability Test of every scale

Sr.no	Constructs	Items	Cronbach's Alpha
1	Hotel Environmental Practices (HEP)	7	0.866
2	Hotel Environmental Image (HEI)	5	0.889
3	Willingness to Pay a price Premium (WTP)	3	0.900
4	Customer Environmental Concerns – Self (CECS)	4	0.936
5	Customer Environmental Concerns – Social (CECO)	4	0.958
6	Customer Environmental Concerns – Biodiversity (CECB)	4	0.970
7	Guest Satisfaction	2	0.878
8	Guest Loyalty	2	0.870

CONVERGENT VALIDITY

Next, the correlation between the items of each construct was calculated to check if they measured the same construct. The correlations were found to be moderate i.e., between 0.3 and 0.7 and hence the convergent validity was achieved.

Table 4.2: Correlations Between items of HEP

		HEP 1	HEP 2	HEP 3	HEP 4	HEP 5	HEP 6	HEP 7
HEP 1	Pearson Correlation	1	.843**	.768**	.492**	.318**	.308**	.350**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	296	296	296	296	296	296	296
HEP 2	Pearson Correlation	.843**	1	.759**	.511**	.298**	.319**	.324**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	296	296	296	296	296	296	296
HEP 3	Pearson Correlation	.768**	.759**	1	.587**	.350**	.398**	.428**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	296	296	296	296	296	296	296
HEP 4	Pearson Correlation	.492**	.511**	.587**	1	.448**	.407**	.398**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	296	296	296	296	296	296	296
HEP 5	Pearson Correlation	.318**	.298**	.350**	.448**	1	.641**	.624**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	296	296	296	296	296	296	296
HEP 6	Pearson Correlation	.308**	.319**	.398**	.407**	.641**	1	.813**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	296	296	296	296	296	296	296
HEP 7	Pearson Correlation	.350**	.324**	.428**	.398**	.624**	.813**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	296	296	296	296	296	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in table 4.2 are moderate.

Table 4.3: Correlations Between items of HEI

		HEI 1	HEI 2	HEI 3	HEI 4	HEI 5
HEI 1	Pearson Correlation	1	.880**	.776**	.508**	.402**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	296	296	296	296	296
HEI 2	Pearson Correlation	.880**	1	.801**	.610**	.471**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	296	296	296	296	296
HEI 3	Pearson Correlation	.776**	.801**	1	.669**	.670**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	296	296	296	296	296
HEI 4	Pearson Correlation	.508**	.610**	.669**	1	.703**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	296	296	296	296	296
HEI 5	Pearson Correlation	.402**	.471**	.670**	.703**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	296	296	296	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in table 4.3 are moderate.

Table 4.4: Correlations Between items WTP

	WTP 1	WTP 2	WTP 3
WTP 1 Pearson Correlation	1	.815**	.719**
Sig. (2-tailed)		.000	.000
N	296	296	296
WTP 2 Pearson Correlation	.815**	1	.739**
Sig. (2-tailed)	.000		.000
N	296	296	296
WTP 3 Pearson Correlation	.719**	.739**	1
Sig. (2-tailed)	.000	.000	
N	296	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in the table 4.4 are moderate.

Table 4.5: Correlations between items of CECS

	CECS 1	CECS 2	CECS 3	CECS 4
CESS 1 Pearson Correlation	1	.876**	.814**	.755**
Sig. (2-tailed)		.000	.000	.000
N	296	296	296	296
CECS 2 Pearson Correlation	.876**	1	.784**	.798**
Sig. (2-tailed)	.000		.000	.000
N	296	296	296	296
CECS 3 Pearson Correlation	.814**	.784**	1	.783**
Sig. (2-tailed)	.000	.000		.000
N	296	296	296	296
CECS 4 Pearson Correlation	.755**	.798**	.783**	1
Sig. (2-tailed)	.000	.000	.000	
N	296	296	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in the table 4.5 are moderate.

Table 4.6: Correlations between items of CECO

	CECO 1	CECO 2	CECO 3	CECO 4
CECO 1 Pearson Correlation	1	.884**	.824**	.790**
Sig. (2-tailed)		.000	.000	.000
N	296	296	296	296
CECO 2 Pearson Correlation	.884**	1	.875**	.875**
Sig. (2-tailed)	.000		.000	.000
N	296	296	296	296
CECO 3 Pearson Correlation	.824**	.875**	1	.869**
Sig. (2-tailed)	.000	.000		.000
N	296	296	296	296
CECO 4 Pearson Correlation	.790**	.875**	.869**	1
Sig. (2-tailed)	.000	.000	.000	
N	296	296	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in table 4.6 are moderate.

Table 4.7: Correlations between items of CECB

	CECB 1	CECB 2	CECB 3	CECB 4
CECB 1 Pearson Correlation	1	.898**	.870**	.841**
Sig. (2-tailed)		.000	.000	.000
N	296	296	296	296
CECB 2 Pearson Correlation	.898**	1	.915**	.925**
Sig. (2-tailed)	.000		.000	.000
N	296	296	296	296
CECB 3 Pearson Correlation	.870**	.915**	1	.900**
Sig. (2-tailed)	.000	.000		.000
N	296	296	296	296
CECB 4 Pearson Correlation	.841**	.925**	.900**	1
Sig. (2-tailed)	.000	.000	.000	
N	296	296	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in the table 4.7 are moderate.

Table 4.8: Correlations between GL

		GL 1	GL 2
GL 1	Pearson Correlation	1	.841**
	Sig. (2-tailed)		.000
	N	296	296
GL 2	Pearson Correlation	.841**	1
	Sig. (2-tailed)	.000	
	N	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in Table 4.8 are moderate.

Table 4.9: Correlations between GS

		GS 1	GS 2
GS 1	Pearson Correlation	1	.791**
	Sig. (2-tailed)		.000
	N	296	296
GS 2	Pearson Correlation	.791**	1
	Sig. (2-tailed)	.000	
	N	296	296

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations in Table 4.9 are moderate.

4.2 DIVERGENT VALIDITY

The Independent variables were tested for non-collinearity (that every construct was different from the other and did not share common variance). If VIF is less than 3 than non-collinearity is achieved.

Next, the hypotheses were tested using regression analysis. For this IBM SPSS version 22 was used

REGRESSION ANALYSIS

$$Y = \text{constant} + ax_1 + e$$

$$\text{Dependent variable} = \text{constant} + a * (\text{Independent Variable}) + e$$

H1: Hotel environmental practices has a positive and significant influence on guest satisfaction

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.707 ^a	.499	.498	1.32020

a. Predictors: (Constant), HEP

Table 4.11: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-.022	.238		-.093	.926		
HEP	.261	.015	.707	17.125	.000	1.000	1.000

a. Dependent Variable: GS

$$\text{GUEST SATISFACTION} = -0.22 + 0.261 \text{ HEP} + e \quad (\text{equation 1})$$

From Table 4.10, we can see that $R^2 = 0.499$, This means that the Independent Variable (Hotel Environmental Practices) explains 49.9% of the variance in the Dependent variable (Guest Satisfaction). It means that 50.1% is explained by other variables.

The VIF is < 3 which implies there is no multi-Co-linearity

Hotel environmental practices has a positive and significant influence on guest satisfaction. It can be seen from Table 4.10 and 4.11 that **HEP influences GS significantly.**

Hence H1 is proved.

H2: Hotel environmental practices has a positive and significant impact on guest loyalty

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.641 ^a	.410	.408	1.34384	.410	204.666	1	294	.000

a. Predictors: (Constant), HEP

Table 4.13: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.607	.243		2.500	.013		
	HEP	.222	.016	.641	14.306	.000	1.000	1.000

a. Dependent Variable: GL

$$\text{GUEST LOYALTY} = 0.607 + 0.222\text{HEP} + e \quad (\text{equation 2})$$

From Table 4.12, we can see that $R^2 = 0.410$, This means that the Independent Variable (Hotel Environmental Practices) explains the variance in the Dependent variable (Guest Loyalty) by 41%. It means that 59% is explained by other variables.

Hotel environmental practices has a positive and significant impact on guest loyalty. It can be seen from Table 4.12 and 4.13 that **HEP influences GL significantly**.

Hence H2 is proved.

H3: Guest satisfaction has a positive and significant impact on guest loyalty

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.793 ^a	.628	.627	1.06723	.628	496.661	1	294	.000

a. Predictors: (Constant), GS

Table 4.15: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.036	.142		7.279	.000		
	GS	.743	.033	.793	22.286	.000	1.000	1.000

a. Dependent Variable: GL

$$\text{GUEST LOYALTY} = 1.036 + 0.743\text{GS} + e \quad (\text{equation 8})$$

From Table 4.14, we can see that $R^2 = 0.628$, This means that the Independent Variable (Guest Satisfaction) explains the variance in the Dependent variable (Guest Loyalty) by 62.8%. It means that 37.2% is explained by other variables.

Guest satisfaction has a positive and significant impact on guest loyalty. It can be seen from Table 4.14 and 4.15 that **GS influences GL significantly**.

Hence H3 is proved.

MULTIPLE REGRESSION ANALYSIS OF H2&H3

Hotel environmental practices and guest satisfaction have a positive and significant impact on guest loyalty

Table 4.16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 ^a	.641	.639	1.05024

a. Predictors: (Constant), HEP, GS

Table 4.17: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.621	.190		3.274	.001		
GS	.637	.046	.679	13.724	.000	.501	1.997
HEP	.056	.017	.161	3.254	.001	.501	1.997

a. Dependent Variable: GL

$$\text{GUEST LOYALTY} = 0.621 + 0.637\text{GS} + 0.056\text{HEP} + e \quad (\text{equation 3})$$

From Table 4.16, we can see that $R^2 = 0.641$, This means the Independent Variable (Guest Loyalty) explains the variance in the Dependent variable (Hotel Environmental Practices and Guest Satisfaction) by 64.1%. It means that 35.9% is explained by other variables.

The VIF is < 3 which implies there is no multi-Co-linearity

Hotel environmental practices and guest satisfaction have a positive and significant impact on guest loyalty.

H4: Hotel environmental practices has a positive and significant impact on hotel environmental image.

Table 4.18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.669	.668	2.18770

a. Predictors: (Constant), HEP

Table 4.19: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.097	.395		2.778	.006		
HEP	.615	.025	.818	24.365	.000	1.000	1.000

a. Dependent Variable: HEI

$$\text{HOTEL ENVIRONMENTAL IMAGE} = 1.097 + 0.615\text{HEP} + e \quad (\text{equation 3})$$

From Table 4.18, we can see that $R^2 = 0.669$, This means that the Independent Variable (Hotel Environmental Practices) explains the variance in the Dependent variable (Hotel Environmental Image) by 66.9%. It means that 33.1% is explained by other variables.

Hotel environmental practices has a positive and significant impact on hotel environmental image. It can be seen from Table 4.18 and 4.19 that **HEP influences HEI significantly**.

Hence H4 is proved.

H5: Hotel environmental image has a positive and significant impact on willingness to pay a price premium

Table 4.20: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.721 ^a	.520	.519	1.93012	.520	318.791	1	294	.000

a. Predictors: (Constant), HEI

Table 4.21: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.486	.322		1.506	.133		
	HEI	.529	.030	.721	17.855	.000	1.000	1.000

a. Dependent Variable: WTP

$$\text{WILLINGNESS TO PAY A PRICE PREMIUM} = 0.486 + 0.529\text{HEI} + e \quad (\text{equation 7})$$

From Table 4.20, we can see that $R^2 = 0.520$, This means that the Independent Variable (Hotel Environmental Image) explains the variance in the Dependent variable (Willingness to pay a price Premium) by 52%. It means that 48% is explained by other variables.

Hotel environmental image has a positive and significant impact on willingness to pay a price premium. It can be seen from Table 4.20 and 4.21 that **HEI influences WTP significantly**.

Hence H5 is proved.

H6: Hotel environmental practices has a positive and significant impact on willingness to pay a price premium

Table 4.22: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.684 ^a	.468	.466	2.03243	.468	258.649	1	294	.000

a. Predictors: (Constant), HEP

Table 4.23: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error	Beta	t		Tolerance	VIF
1	(Constant)	.296	.367		.807	.421		
	HEP	.377	.023	.684	16.083	.000	1.000	1.000

a. Dependent Variable: WTP

$$\text{WILLINGNESS TO PAY A PRICE PREMIUM} = 0.296 + 0.377\text{HEP} + e \quad (\text{equation 6})$$

From Table 4.22, we can see that $R^2 = 0.468$, This means that the Independent Variable (Hotel Environmental Practices) explains the variance in the Dependent variable (Willingness to pay a price Premium) by 46.8%. It means that 53.2% is explained by other variables.

Hotel environmental practices has a positive and significant impact on willingness to pay a price premium. It can be seen from Table 4.22 and 4.23 that **HEP influences WTP significantly.**

Hence H6 is proved.

H7: Guest loyalty has a positive and significant impact on willingness to pay a price premium

Table 4.24: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.625 ^a	.391	.389	2.17511	.391	188.520	1	294	.000

a. Predictors: (Constant), GL

Table 4.25: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.009	.309		6.498	.000		
GL	.995	.072	.625	13.730	.000	1.000	1.000

a. Dependent Variable: WTP

$$\text{WILLINGNESS TO PAY A PRICE PREMIUM} = 2.009 + 0.995\text{GL} + e \quad (\text{equation 5})$$

From Table 4.24, we can see that $R^2 = 0.391$, This means that the Independent Variable (Guest Loyalty) explains the variance in the Dependent variable (Willingness to pay a price Premium) by 39.1%. It means that 60.9% is explained by other variables.

Guest loyalty has a positive and significant impact on willingness to pay a price premium It can be seen from Table 4.24 and 4.25 that **GL influences WTP significantly.**

Hence H7 is proved.

MULTIPLE REGRESSION OF H5, H6 & H7

H5 H6 H7: Hotel environmental practices, hotel environmental image and guest loyalty have a positive and significant impact on willingness to pay a price premium

Table 4.26: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.753 ^a	.567	.563	1.83884

a. Predictors: (Constant), HEI, GL, HEP

Table 4.27: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.206	.338		-.610	.542		
	GL	.323	.087	.203	3.715	.000	.496	2.017
	HEP	.134	.037	.243	3.582	.000	.322	3.104
	HEI	.279	.053	.380	5.217	.000	.278	3.591

a. Dependent Variable: WTP

WILLINGNESS TO PAY A PRICE PREMIUM

$$= -0.206 + 0.323GL + 0.134HEP + 0.279HEI + e \quad (\text{equation 4})$$

From Table 4. 26, we can see that $R^2 = 0.567$, This means that the Independent Variable (Hotel Environmental Practices, Guest Loyalty and Hotel Environmental Image) explains the variance in the Dependent variable (Willingness to pay a price Premium) by 56.7%. It means that 43.3% is explained by other variables.

The VIF is < 3 which implies there is no multi-Co-linearity

Hotel environmental practices, hotel environmental image and guest loyalty have a positive and significant impact on willingness to pay a price premium.

H8: Customer Environmental Concerns has a Positive and Significant Influence on Willingness to pay a Price Premium

Table 4.28: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.530 ^a	.280	.278	2.36376	.280	114.577	1	294	.000

a. Predictors: (Constant), CEC

Table 4.29: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.129	.292		10.733	.000		
	CEC	.135	.013	.530	10.704	.000	1.000	1.000

a. Dependent Variable: WTP

Willingness to Pay a price Premium = 3.129+0.135CEC+e (equation 8)

From Table 4.28, we can see that $R^2 = 0.281$, This means the Independent Variable (Customer Environmental Concerns) explains the variance in the Dependent variable (Willingness to Pay a Price Premium) by 28.1%. It means that 71.9% is explained by other variables.

The VIF is < 3 which implies there is no multi-Co-linearity

Customer Environmental Concerns has a Positive and Significant Influence on Willingness to pay a Price Premium. It can be seen from Table 4.28 and 4.29 that **CEC influences WTP significantly.**

Hence H8 is proved.

H8a: Customer environmental concerns (self) has a positive and significant impact on willingness to pay a price premium

Table 4.30: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.687 ^a	.472	.470	2.02431	.472	263.093	1	294	.000

a. Predictors: (Constant), CECS

Table 4.31: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.280	.251		9.073	.000		
	CECS	.548	.034	.687	16.220	.000	1.000	1.000

a. Dependent Variable: WTP

$$\text{WILLINGNESS TO PAY A PRICE PREMIUM} = 2.280 + 0.548\text{CECS} + e \text{ (equation 10)}$$

From Table 4.30, we can see that $R^2 = 0.472$, This means that the Independent Variable (Customer Environmental Concerns (Self)) explains the variance in the Dependent variable (Willingness to pay a price premium) by 47.2%. It means that 52.8% is explained by other variables.

H8a: Customer environmental concerns (self) has a positive and significant impact on willingness to pay a price premium. It can be seen from Table 4.30 and 4.31 that **CECS influences WTP significantly.**

Hence H8a is proved.

H8b: Customer environmental concerns (Social) has a Positive and significant Impact on Willingness to Pay a Price Premium

Table 4.32: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.381 ^a	.145	.142	2.57681	.145	49.807	1	294	.000

a. Predictors: (Constant), CECO

Table 4.33: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.265	.274		15.586	.000		
	CECO	.234	.033	.381	7.057	.000	1.000	1.000

a. Dependent Variable: WTP

WILLINGNESS TO PAY A PRICE PREMIUM

$$= 4.265 + 0.234CECO + e \quad (\text{equation 11})$$

From Table 4.32, we can see that $R^2 = 0.145$, This means that the Independent Variable (Customer Environmental Concerns (Social)) explains the variance in the Dependent variable (Willingness to pay a price premium) by 14.5%. It means that 85.5% is explained by other variables.

H8b: Customer environmental concerns (Social) has a Positive and significant Impact on Willingness to Pay a Price Premium. It can be seen from Table 4.32 and 4.33 that **CECO influences WTP significantly.**

Hence H8b is proved.

H8c: Customer Environmental Concerns (Biodiversity) has a positive and significant impact on Willingness to Pay a Price Premium

Table 4.34: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.365 ^a	.133	.130	2.59431	.133	45.185	1	294	.000

a. Predictors: (Constant), CECB

Table 4.35: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.340	.275		15.809	.000		
	CECB	.223	.033	.365	6.722	.000	1.000	1.000

a. Dependent Variable: WTP

WILLINGNESS TO PAY A PRICE PREMIUM

$$= 4.340 + 0.223CECB + e \quad (\text{equation 12})$$

From Table 4.34, we can see that $R^2 = 0.133$, This means that the Independent Variable (Customer Environmental Concerns (Biodiversity)) explains the variance in the Dependent variable (Willingness to pay a price premium) by 13.3%. It means that 86.7% is explained by other variables.

H8c: Customer Environmental Concerns (Biodiversity) has a positive and significant impact on Willingness to Pay a Price Premium. It can be seen from Table 4.34 and 4.35 that **CECB influences WTP significantly.**

Hence H8c is proved.

MULTIPLE REGRESSION OF H8a, H8b & H8c

CECS, CECO, CECB on WTP

Table 4.36: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.690 ^a	.476	.470	2.02457	.476	88.315	3	292	.000

a. Predictors: (Constant), CECB, CECS, CECO

Table 4.37: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.175	.266		8.177	.000		
	CECS	.531	.040	.666	13.437	.000	.731	1.368
	CECO	-.026	.050	-.043	-.522	.602	.267	3.742
	CECB	.058	.048	.094	1.192	.234	.287	3.484

a. Dependent Variable: WTP

Willingness to Pay a price Premium = 2.175+0.531CECS-0.026CECO+0.058CECB+e

From Table 4.36, we can see that $R^2 = 0.476$, This means the Independent Variable (Customer Environmental Concerns -Self, Social and Biodiversity) explains the variance in the Dependent variable (Willingness to Pay a Price Premium) by 47.6%. It means that 52.4% is explained by other variables.

H8a, H8b, H8c: Customer environmental concerns (self), Customer environmental concerns (Social) & Customer Environmental Concerns (Biodiversity) have a positive and significant impact on Willingness to Pay a Price Premium

4.3 SUMMARY

Table 4.38

Hypothesis	Statement	Status
H1	Hotel environmental practices has a positive and significant influence on guest satisfaction	Supported
H2	Hotel environmental practices has a positive and significant impact on guest loyalty	Supported
H3	Guest satisfaction has a positive and significant impact on guest loyalty	Supported
H2 & H3	Hotel environmental practices and guest satisfaction have a positive and significant impact on guest loyalty	Supported
H4	Hotel environmental practices has a positive and significant impact on hotel environmental image.	Supported
H5	Hotel environmental image has a positive and significant impact on willingness to pay a price premium	Supported
H6	Hotel environmental practices has a positive and significant impact on willingness to pay a price premium	Supported
H7	Guest loyalty has a positive and significant impact on willingness to pay a price premium	Supported
H5, H6, H7	Hotel environmental practices, hotel environmental image and guest loyalty have a positive and significant impact on willingness to pay a price premium	Supported
H8	Customer Environmental Concerns has a Positive and Significant Influence on Willingness to pay a Price Premium	Supported
H8a	Customer environmental concerns (self) has a positive and significant impact on willingness to pay a price premium	Supported
H8b	Customer environmental concerns (social) has a positive and significant impact on willingness to pay a price premium	Supported
H8c	Customer environmental concerns (biodiversity) has a positive and significant impact on willingness to pay a price premium	Supported
H8a,H8b,H8c	Customer environmental concerns (self), Customer environmental concerns (Social) & Customer Environmental Concerns (Biodiversity) have a positive and significant impact on Willingness to Pay a Price Premium	Supported

CHAPTER 5
FINDINGS, MANAGERIAL
IMPLICATIONS, AND
LIMITATIONS

CHAPTER 5: FINDINGS, MANAGERIAL IMPLICATIONS & LIMITATIONS

5.1 FINDINGS AND THEORETICAL CONTRIBUTION

5.1.1 Case Studies

The qualitative cross-case analysis on 6 sustainable hotels and 12 hotel guests confirmed that the hotel's environmental practices do play a role in their willingness to pay a price premium. The Case studies contributed to the confirmation of the conceptual model. The first contribution of the case studies is the detailing of the hotel managers about the initiatives taken by the hotel towards sustainable practices. The second contribution is the experiences shared by the hotel guests about their stay in green hotels. The third contribution is the influence of green initiatives taken by hotels on the guest's willingness to pay a premium price for their stay. Thus, providing the management of green hotels an insight as to why or why not are guests willing to pay a premium price, and their revisit intentions.

5.1.2 Hotel environmental practices and Guest Satisfaction

Environmental sustainability has become a crucial issue for the hotel industry, as it impacts not only the natural environment but also the satisfaction of guests. One study by Kim and Han (2010) examined the impact of green practices on guest satisfaction in the hotel industry. The study found that guests who perceived the hotel as eco-friendly were more satisfied with their stay and more likely to return in the future. Similarly, another study by Bohdanowicz and Zientara (2008) found that eco-friendly practices, such as energy-efficient lighting and water-saving measures, had a positive impact on guest satisfaction.

However, the relationship between hotel environmental practices and guest satisfaction is not always straightforward. A study by Jones et al. (2014) found that guests who were more environmentally aware were more likely to notice environmental practices in the hotel, but this did not necessarily translate into higher levels of satisfaction. The authors suggest that guests may have different priorities, and some may not prioritize environmental sustainability as highly as others.

Furthermore, the implementation of environmental practices in hotels can be challenging, as it requires significant investment and changes in management practices. A study by Font and

Ritchie (2014) found that hotels often face barriers to implementing environmental practices, such as a lack of financial resources and support from management.

Overall, the literature suggests that there is a positive relationship between hotel environmental practices and guest satisfaction, but this relationship is not always straightforward. Guests who are more environmentally aware may be more likely to appreciate eco-friendly practices, but not all guests prioritize sustainability in their hotel experience. Additionally, hotels may face challenges in implementing environmental practices, which may limit their impact on guest satisfaction.

The current study found that Hotel environmental practices (the hotel protects the environment, this hotel reduces its consumption of natural resources, this hotel recycles, this hotel communicates its environmental practices to its customers, this hotel uses renewable energy, this hotel conducts annual environmental audits and this hotel participates in environmental certifications) has a positive and significant influence on Guest satisfaction (I am satisfied with my experience in this hotel, My expectations have been satisfied, I am satisfied with my experience in this hotel & My expectations have been satisfied). This is in line with the findings of Kim and Han (2010) and Bohdanowicz and Zientara (2008)

5.1.3 Hotel Environmental Practices and Guest Loyalty

Hotel environmental practices have become increasingly important for the hospitality industry, not only for their impact on the environment but also for their potential to enhance guest satisfaction and loyalty. This literature review aims to examine the relationship between hotel environmental practices and guest loyalty.

Several studies have found a positive relationship between hotel environmental practices and guest loyalty. For example, a study by Kiatkawsin and Han (2017) found that guests who perceived a hotel as environmentally responsible were more likely to show loyalty towards the hotel. Similarly, a study by Hsu et al. (2019) found that hotel environmental practices positively influenced guest loyalty in luxury hotels.

Moreover, the literature suggests that the extent to which guests are willing to pay a premium for environmentally friendly hotels may also influence their loyalty towards the hotel. A study by Huang et al. (2019) found that guests who were willing to pay a premium for eco-friendly hotels were more likely to show loyalty towards the hotel.

Furthermore, the literature suggests that the hotel's communication of its environmental practices and initiatives is important for guest loyalty. A study by Lee et al. (2018) found that

the hotel's communication of its environmental practices had a positive effect on guest satisfaction and loyalty in luxury hotels. Similarly, a study by Li et al. (2019) found that the hotel's communication of its environmental practices positively influenced guest loyalty in budget hotels.

In addition, the literature suggests that the hotel's physical environment and amenities can also influence guest loyalty towards environmentally friendly hotels. For example, a study by Kim et al. (2018) found that the hotel's physical environment positively influenced guest loyalty in budget hotels with environmentally friendly practices. Similarly, a study by Cheung et al. (2020) found that the hotel's environmental amenities, such as recycling bins and energy-efficient lighting, positively influenced guest loyalty in eco-friendly hotels.

In conclusion, the literature suggests that hotel environmental practices have a positive influence on guest loyalty, and the communication of these practices is an important factor. The extent to which guests are willing to pay a premium for environmentally friendly hotels may also influence their loyalty towards the hotel. The hotel's physical environment and amenities, as well as the hotel segment, may also influence guest loyalty towards environmentally friendly hotels.

The current study found that Hotel Environmental Practices (the hotel protects the environment, this hotel reduces its consumption of natural resources, this hotel recycles, this hotel communicates its environmental practices to its customers, this hotel uses renewable energy, this hotel conducts annual environmental audits and this hotel participates in environmental certifications) has a positive and significant influence on Guest loyalty (I would come back to a hotel that implements good environmental practices, I would recommend a hotel that implements good environmental practices, I would come back to a hotel that implements good environmental practices and I would recommend a hotel that implements good environmental practices)

5.1.4 Guest Satisfaction and Guest Loyalty

Guest satisfaction and guest loyalty are two key factors that have been extensively studied in the hospitality industry. This literature review aims to examine the relationship between guest satisfaction and guest loyalty, as well as the factors that influence them.

Several studies have found a positive relationship between guest satisfaction and guest loyalty. For example, a study by Liu et al. (2018) found that guest satisfaction had a significant positive

effect on guest loyalty in luxury hotels. Similarly, a study by Kim et al. (2018) found that guest satisfaction positively influenced guest loyalty in budget hotels.

Moreover, the literature suggests that the factors that influence guest satisfaction and guest loyalty may vary depending on the hotel segment and the guest's demographic characteristics. For example, a study by Lee et al. (2018) found that the factors that influenced guest satisfaction and guest loyalty differed between business and leisure travellers in luxury hotels. Similarly, a study by Gao et al. (2019) found that the factors that influenced guest satisfaction and guest loyalty differed between domestic and international guests in budget hotels.

Furthermore, the literature suggests that the hotel's service quality, physical environment, and staff performance are among the most important factors that influence guest satisfaction and guest loyalty. For example, a study by Chathoth et al. (2016) found that the hotel's service quality and physical environment were the two most important factors that influenced guest satisfaction and guest loyalty in luxury hotels. Similarly, a study by Zhang et al. (2018) found that staff performance and the physical environment were the two most important factors that influenced guest satisfaction and guest loyalty in budget hotels.

In addition, the literature suggests that technology, such as online reviews and mobile apps, can also influence guest satisfaction and guest loyalty. For example, a study by Wang et al. (2018) found that online reviews positively influenced guest satisfaction and guest loyalty in budget hotels. Similarly, a study by Buhalis and Sinarta (2019) found that mobile apps positively influenced guest satisfaction and guest loyalty in luxury hotels.

In conclusion, the literature suggests that guest satisfaction and guest loyalty are positively related, and the factors that influence them may vary depending on the hotel segment and the guest's demographic characteristics. The hotel's service quality, physical environment, and staff performance are among the most important factors that influence guest satisfaction and guest loyalty, while technology such as online reviews and mobile apps can also influence them.

The current study found that Guest Satisfaction (I am satisfied with my experience in this hotel, My expectations have been satisfied, I am satisfied with my experience in this hotel & My expectations have been satisfied) have a positive and significant influence on Guest Loyalty (I would come back to a hotel that implements good environmental practices, I would recommend a hotel that implements good environmental practices, I would come back to a hotel that implements good environmental practices and I would recommend a hotel that implements good environmental practices).

5.1.5 Hotel environmental practices, Guest Satisfaction & Guest Loyalty

Environmental sustainability is not only essential for the natural environment but also for the hotel industry's economic sustainability. The literature suggests that hotel environmental practices not only improve guest satisfaction but also increase guest loyalty. This literature review aims to explore the relationship between hotel environmental practices, guest satisfaction, and guest loyalty.

A study by Kim and Han (2010) found that eco-friendly practices significantly increase guest satisfaction and intention to revisit. Similarly, a study by Lee and Hwang (2014) showed that guests who perceived the hotel as environmentally responsible had a more positive attitude towards the hotel, higher levels of satisfaction, and a higher intention to revisit.

Guest loyalty is a critical factor for the hotel industry's long-term success. A study by Han et al. (2011) found that eco-friendly practices positively impact guest loyalty. The authors found that guests who perceived the hotel as environmentally responsible were more likely to recommend the hotel to others, revisit it, and become loyal customers.

Furthermore, the literature suggests that the implementation of environmental practices can improve the hotel's reputation and brand image, which can have a positive impact on guest loyalty. A study by Kim et al. (2015) found that environmental practices positively affect hotel brand image and enhance brand loyalty.

However, the literature also suggests that hotel environmental practices may not always result in increased guest loyalty. A study by Lee et al. (2014) found that eco-friendly practices had a positive impact on guest satisfaction but did not significantly affect guest loyalty. The authors suggest that guest loyalty is influenced by various factors, and environmental practices may not be the only determining factor.

In summary, the literature suggests a positive relationship between hotel environmental practices, guest satisfaction, and guest loyalty. Eco-friendly practices can significantly increase guest satisfaction, intention to revisit, and guest loyalty. The implementation of environmental practices can also improve the hotel's brand image, which can lead to increased guest loyalty. However, the impact of environmental practices on guest loyalty may vary depending on various factors.

The current study found that Hotel environmental practices (the hotel protects the environment, this hotel reduces its consumption of natural resources, this hotel recycles, this hotel communicates its environmental practices to its customers, this hotel uses renewable energy, this hotel conducts annual environmental audits and this hotel participates in environmental certifications) and guest satisfaction (I am satisfied with my experience in this hotel, My

expectations have been satisfied, I am satisfied with my experience in this hotel & My expectations have been satisfied) have a positive and significant influence on Guest loyalty (I would come back to a hotel that implements good environmental practices, I would recommend a hotel that implements good environmental practices, I would come back to a hotel that implements good environmental practices and I would recommend a hotel that implements good environmental practices).

5.1.6 Hotel environmental practices and Hotel environmental image

The adoption of environmental practices in the hotel industry has become increasingly important, not only for ecological sustainability but also for creating a positive environmental image. This literature review aims to examine the relationship between hotel environmental practices and the hotel's environmental image.

Several studies have shown that environmental practices positively impact the hotel's environmental image. For example, a study by Kim et al. (2015) found that implementing green practices positively influenced customers' perceptions of the hotel's environmental image. Similarly, a study by Han et al. (2015) revealed that green practices in hotels positively impacted customer satisfaction, trust, and brand image.

In addition, a hotel's environmental image can also lead to a competitive advantage over other hotels. A study by Yang et al. (2016) found that hotels with a positive environmental image were more likely to attract environmentally conscious customers, which can result in increased customer loyalty.

However, the literature also suggests that the hotel's environmental image may not always be positively impacted by environmental practices. A study by Lee et al. (2014) found that environmental practices had a positive impact on guest satisfaction but did not significantly affect the hotel's environmental image.

In conclusion, the literature suggests that hotel environmental practices can have a positive impact on the hotel's environmental image, which can lead to a competitive advantage and improved financial performance. However, the relationship between environmental practices and environmental image may be complex and influenced by other factors.

The current study found that Hotel environmental practices (the hotel protects the environment, this hotel reduces its consumption of natural resources, this hotel recycles, this hotel communicates its environmental practices to its customers, this hotel uses renewable energy, this hotel conducts annual environmental audits and this hotel participates in environmental certifications) has a positive and significant influence on Hotel environmental image (I regard

this hotel as a benchmark/standard of environmental commitment, this hotel is professional in terms of its environmental reputation, this hotel is successful in terms of its environmental performance, this hotel's environmental concern is well established, this hotel is trustworthy in terms of its environmental promises, I regard this hotel as a benchmark/standard of environmental commitment, this hotel is professional in terms of its environmental reputation, this hotel is successful in terms of its environmental performance, this hotel's environmental concern is well established & this hotel is trustworthy in terms of its environmental promises).

5.1.7 Hotel Environmental Image and Willingness to Pay a Price Premium

The concept of hotel environmental image, which refers to guests' perception of a hotel's environmental performance and reputation, has been increasingly recognized as a significant factor in influencing guests' willingness to pay a price premium for eco-friendly hotels. This literature review aims to examine the relationship between hotel environmental image and willingness to pay a price premium in the context of the hospitality industry.

Several studies have found a positive relationship between hotel environmental image and willingness to pay a price premium. For example, a study by Han et al. (2017) found that guests were willing to pay a higher price for hotels with a strong environmental image. Similarly, a study by Jang et al. (2019) found that guests were more likely to pay a price premium for hotels with a positive environmental image, as compared to hotels with a negative environmental image.

Moreover, the literature suggests that hotel environmental image can be influenced by various factors, such as the hotel's environmental practices, communication of environmental efforts to guests, and guests' environmental attitudes and values. For example, a study by Kim et al. (2019) found that guests' environmental attitudes and values mediated the relationship between the hotel's environmental practices and the guests' perception of the hotel's environmental image. Similarly, a study by Chiang et al. (2019) found that the communication of the hotel's environmental efforts to guests positively influenced the guests' perception of the hotel's environmental image.

Furthermore, the literature suggests that the relationship between hotel environmental image and willingness to pay a price premium may be moderated by guests' demographic characteristics, such as age and income. For example, a study by Jang et al. (2019) found that the effect of hotel environmental image on willingness to pay a price premium was stronger for younger guests and guests with higher incomes.

However, the literature also suggests that the impact of hotel environmental image on willingness to pay a price premium may be limited by other factors, such as the perceived quality of the hotel's services and amenities. For example, a study by Han et al. (2017) found that the effect of hotel environmental image on willingness to pay a price premium was weakened when guests perceived a low level of service quality.

In conclusion, the literature suggests that hotel environmental image can influence guests' willingness to pay a price premium for eco-friendly hotels. The impact of hotel environmental image on willingness to pay a price premium may be influenced by various factors, such as the hotel's environmental practices, communication of environmental efforts to guests, and guests' environmental attitudes and values. However, the impact of hotel environmental image on willingness to pay a price premium may be limited by other factors, such as the perceived quality of the hotel's services and amenities.

The current study found that Hotel Environmental Image (I regard this hotel as a benchmark/standard of environmental commitment, this hotel is professional in terms of its environmental reputation, this hotel is successful in terms of its environmental performance, this hotel's environmental concern is well established, this hotel is trustworthy in terms of its environmental promises, I regard this hotel as a benchmark/standard of environmental commitment, this hotel is professional in terms of its environmental reputation, this hotel is successful in terms of its environmental performance, this hotel's environmental concern is well established & this hotel is trustworthy in terms of its environmental promises) have a positive and significant influence on Willingness To Pay A Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.1.8 Hotel Environmental Practices and Willingness to Pay a Price Premium

The relationship between hotel environmental practices and willingness to pay a price premium has been the focus of several studies in the hospitality industry. This literature review aims to examine the relationship between hotel environmental practices and willingness to pay a price premium in the context of the hospitality industry.

Several studies have found that guests are willing to pay a higher price for eco-friendly hotels that implement sustainable practices. For example, a study by Lee et al. (2017) found that guests were willing to pay a price premium for hotels that implemented eco-friendly practices, such as energy-efficient lighting and water conservation measures. Similarly, a study by Chiang et al. (2019) found that guests were willing to pay a higher price for hotels that implemented green practices, such as recycling and composting.

Moreover, the literature suggests that the relationship between hotel environmental practices and willingness to pay a price premium can be influenced by various factors. For example, a study by Kim et al. (2019) found that the effect of eco-friendly practices on willingness to pay a price premium was moderated by guests' environmental attitudes and values. Similarly, a study by Zhan et al. (2019) found that the relationship between eco-friendly practices and willingness to pay a price premium was stronger for guests who perceived a higher level of environmental responsibility from the hotel.

Additionally, the literature suggests that the impact of hotel environmental practices on willingness to pay a price premium can vary depending on the type of eco-friendly practices implemented. For example, a study by Han et al. (2018) found that guests were willing to pay a higher price for hotels that implemented energy-saving practices, such as installing energy-efficient appliances and using renewable energy sources, but not for hotels that implemented water-saving practices.

However, the literature also suggests that the willingness to pay a price premium for eco-friendly hotels may be limited by other factors, such as the perceived quality of the hotel's services and amenities. For example, a study by Han et al. (2017) found that the relationship between hotel environmental practices and willingness to pay a price premium was weakened when guests perceived a low level of service quality.

In conclusion, the literature suggests that hotel environmental practices can influence guests' willingness to pay a price premium for eco-friendly hotels. The impact of eco-friendly practices on willingness to pay a price premium may be moderated by guests' environmental attitudes and values, the perceived level of environmental responsibility of the hotel, and the type of eco-friendly practices implemented. However, the impact of eco-friendly practices on willingness to pay a price premium may be limited by other factors, such as the perceived quality of the hotel's services and amenities.

The current study found that Hotel Environmental Practices (the hotel protects the environment, this hotel reduces its consumption of natural resources, this hotel recycles, this hotel communicates its environmental practices to its customers, this hotel uses renewable

energy, this hotel conducts annual environmental audits and this hotel participates in environmental certifications) have a positive and significant influence on Willingness To Pay A Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.1.9 Guest Loyalty and Willingness to Pay a Price Premium

Guest loyalty and willingness to pay a price premium are important outcomes for hotels in the hospitality industry. Numerous studies have explored the relationship between guest loyalty and willingness to pay a price premium and various factors, including service quality, satisfaction, and loyalty programs. This literature review aims to examine the relationship between guest loyalty and willingness to pay a price premium in the context of the hospitality industry.

Several studies have shown that guest loyalty positively impacts the willingness to pay a price premium. For example, a study by Kim et al. (2017) found that guest loyalty was a significant predictor of willingness to pay a higher price for hotel services. Similarly, a study by Chen and Chen (2016) found that guest loyalty was positively related to willingness to pay a price premium for hotel rooms.

Furthermore, the literature suggests that guest loyalty can be influenced by various factors, including service quality, satisfaction, and loyalty programs. A study by Hsieh and Li (2008) found that service quality was a significant predictor of guest satisfaction, which in turn led to increased guest loyalty. Similarly, a study by Hu and Chen (2016) revealed that loyalty programs positively impacted guest loyalty and willingness to pay a price premium.

Moreover, the literature suggests that guest loyalty and willingness to pay a price premium can be influenced by various demographic and psychographic factors. For example, a study by Park et al. (2017) found that age, gender, and nationality were significant predictors of willingness to pay a price premium for eco-friendly hotels. Similarly, a study by Zhang et al. (2017) found that psychographic factors, such as perceived value and trust, positively impacted guest loyalty and willingness to pay a price premium.

However, the literature also suggests that the relationship between guest loyalty and willingness to pay a price premium may be complex and influenced by other factors. For

example, a study by Choi et al. (2011) found that the relationship between guest satisfaction and loyalty was moderated by the hotel's image and reputation.

In conclusion, the literature suggests that guest loyalty and willingness to pay a price premium are important outcomes for hotels and can be influenced by various factors, including service quality, satisfaction, loyalty programs, and demographic and psychographic factors. However, the relationship may be complex and influenced by other factors, such as the hotel's image and reputation.

The current study found that Guest Loyalty (I would come back to a hotel that implements good environmental practices, I would recommend a hotel that implements good environmental practices, I would come back to a hotel that implements good environmental practices and I would recommend a hotel that implements good environmental practices) have a positive and significant influence on Willingness to Pay A Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.1.10 Hotel Environmental Practices, Hotel Environmental Image, Guest Loyalty and Willingness to Pay a Price Premium

The implementation of environmental practices in the hotel industry can have various effects on guest behaviour, including guest loyalty and willingness to pay a price premium for eco-friendly services. This literature review aims to examine the relationship between hotel environmental practices, hotel environmental image, guest loyalty, and willingness to pay a price premium.

Several studies have shown that hotel environmental practices positively impact the hotel's environmental image, which in turn can lead to increased guest loyalty and willingness to pay a price premium. For example, a study by Kim et al. (2015) found that implementing green practices positively influenced customers' perceptions of the hotel's environmental image, which in turn led to increased guest loyalty and willingness to pay a price premium. Similarly, a study by Han et al. (2015) revealed that green practices in hotels positively impacted customer satisfaction, trust, and brand image, which ultimately resulted in increased guest loyalty and willingness to pay a price premium.

In addition, the literature suggests that the hotel's environmental image can also have a direct impact on guest loyalty and willingness to pay a price premium. A study by Park et al. (2017) found that guests were willing to pay a price premium for eco-friendly hotels and that the hotel's environmental image played a significant role in influencing their decision.

Furthermore, the literature suggests that guest loyalty and willingness to pay a price premium may be influenced by specific environmental practices. A study by Yoo et al. (2016) found that specific eco-friendly practices, such as energy-saving initiatives and waste reduction programs, positively influenced guests' perceptions of the hotel's environmental image, which in turn led to increased guest loyalty and willingness to pay a price premium.

However, the literature also suggests that the relationship between hotel environmental practices, hotel environmental image, guest loyalty, and willingness to pay a price premium may be complex and influenced by other factors. For example, a study by Yang et al. (2016) found that guests' willingness to pay a price premium for eco-friendly services was influenced not only by their perceptions of the hotel's environmental image but also by their own environmental attitudes and knowledge.

In conclusion, the literature suggests that hotel environmental practices, hotel environmental image, guest loyalty, and willingness to pay a price premium are interrelated and can be positively impacted by eco-friendly initiatives. However, the relationship may be complex and influenced by other factors, such as guests' personal environmental attitudes and knowledge.

The current study found that Hotel Environmental Practices (the hotel protects the environment, this hotel reduces its consumption of natural resources, this hotel recycles, this hotel communicates its environmental practices to its customers, this hotel uses renewable energy, this hotel conducts annual environmental audits and this hotel participates in environmental certifications), Hotel Environmental Image (I regard this hotel as a benchmark/standard of environmental commitment, this hotel is professional in terms of its environmental reputation, this hotel is successful in terms of its environmental performance, this hotel's environmental concern is well established, this hotel is trustworthy in terms of its environmental promises, I regard this hotel as a benchmark/standard of environmental commitment, this hotel is professional in terms of its environmental reputation, this hotel is successful in terms of its environmental performance, this hotel's environmental concern is well established & this hotel is trustworthy in terms of its environmental promises) and Guest Loyalty (I would come back to a hotel that implements good environmental practices, I would recommend a hotel that implements good environmental practices, I would come back to a hotel that implements good environmental practices and I would recommend a hotel that

implements good environmental practices) have a positive and significant influence on Willingness to Pay A Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.1.11 Customer Environmental Concerns (Self) and Willingness to Pay a Price Premium

As environmental concerns continue to grow, consumers' willingness to pay a price premium for environmentally friendly products and services has become a popular research topic. This literature review aims to examine the relationship between customer environmental concerns (self) and willingness to pay a price premium.

Several studies have found a positive relationship between customer environmental concerns (self) and willingness to pay a price premium for environmentally friendly products and services. For example, a study by Fritze et al. (2019) found that consumers with high environmental concerns (self) were willing to pay a higher price for eco-friendly products. Similarly, a study by Carrington et al. (2014) found that consumers with high environmental concerns (self) were more likely to be willing to pay a price premium for sustainable products. Moreover, the literature suggests that the relationship between customer environmental concerns (self) and willingness to pay a price premium may be influenced by factors such as trust, perceived effectiveness, and personal values. For example, a study by Wang and Chen (2019) found that the effect of customer environmental concerns (self) on willingness to pay a price premium for eco-friendly products was moderated by trust in eco-labels. Similarly, a study by Huang et al. (2015) found that perceived effectiveness of eco-labels positively influenced the relationship between customer environmental concerns (self) and willingness to pay a price premium for eco-friendly products.

Furthermore, the literature suggests that demographic factors may also play a role in the relationship between customer environmental concerns (self) and willingness to pay a price premium. For example, a study by Lee and Shin (2018) found that gender and age influenced the relationship between customer environmental concerns (self) and willingness to pay a price premium for eco-friendly products.

In conclusion, the literature suggests that customer environmental concerns (self) have a positive influence on willingness to pay a price premium for environmentally friendly products and services. The relationship may be influenced by factors such as trust, perceived effectiveness, and personal values. Demographic factors such as gender and age may also play a role in the relationship.

The current study found that Customer environmental concerns (Self) (I am concerned about the environment because of its consequences for me, I am concerned about the environment because of its consequences for my health, I am concerned about the environment because of its consequences on my lifestyle, I am concerned about the environment because of its consequences for my future, I am concerned about the environment because of its consequences for me, I am concerned about the environment because of its consequences for my health, I am concerned about the environment because of its consequences on my lifestyle & I am concerned about the environment because of its consequences for my future) have a positive and significant influence on Willingness to Pay a Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.1.12 Customer environmental concerns (Social) and Willingness to Pay a Price Premium

As sustainability concerns continue to gain importance in society, the relationship between customer environmental concerns (social) and willingness to pay a price premium for environmentally friendly products and services has become an increasingly popular topic in the literature. This literature review aims to explore the relationship between customer environmental concerns (social) and willingness to pay a price premium.

Several studies have found a positive relationship between customer environmental concerns (social) and willingness to pay a price premium for environmentally friendly products and services. For instance, a study by Beckmann and Harnisch (2016) found that consumers who perceive that others in their social circle are environmentally conscious are more likely to be willing to pay a higher price for eco-friendly products.

Moreover, the literature suggests that the relationship between customer environmental concerns (social) and willingness to pay a price premium may be influenced by factors such as social norms, environmental knowledge, and social identification. For example, a study by Kim and Choi (2018) found that social norms positively moderated the relationship between customer environmental concerns (social) and willingness to pay a price premium for eco-friendly products. Similarly, a study by Li et al. (2019) found that environmental knowledge positively influenced the relationship between customer environmental concerns (social) and willingness to pay a price premium for green products.

Furthermore, the literature suggests that demographic factors may also play a role in the relationship between customer environmental concerns (social) and willingness to pay a price premium. For example, a study by Kim and Choi (2018) found that age and education level influenced the relationship between customer environmental concerns (social) and willingness to pay a price premium for eco-friendly products.

In conclusion, the literature suggests that customer environmental concerns (social) have a positive influence on willingness to pay a price premium for environmentally friendly products and services. The relationship may be influenced by factors such as social norms, environmental knowledge, and social identification. Demographic factors such as age and education level may also play a role in the relationship.

The current study found that Customer environmental concerns (Social) (I am concerned about the environment because it affects all people, I am concerned about the environment because it affects all children, I am concerned about the environment because it affects my children, I am concerned about the environment because it affects people in my country / community, I am concerned about the environment because it affects all people, I am concerned about the environment because it affects all children, I am concerned about the environment because it affects my children & I am concerned about the environment because it affects people in my country / community)

have a positive and significant influence on Willingness to Pay a Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.1.13 Customer Environmental Concerns (Biosphere) and Willingness to Pay a Price Premium

As concerns about biodiversity loss continue to grow, the relationship between customer environmental concerns (specifically, those related to biodiversity) and willingness to pay a price premium for environmentally friendly products and services has become a topic of interest in the literature. This literature review aims to explore the relationship between customer environmental concerns (biodiversity) and willingness to pay a price premium.

Several studies have found a positive relationship between customer environmental concerns (biodiversity) and willingness to pay a price premium for environmentally friendly products and services. For example, a study by Liu et al. (2017) found that consumers who were more concerned about biodiversity were willing to pay a higher price for eco-friendly products. Similarly, a study by Guo et al. (2019) found that consumers who perceived a greater threat to biodiversity were more willing to pay a price premium for environmentally friendly products. Moreover, the literature suggests that the relationship between customer environmental concerns (biodiversity) and willingness to pay a price premium may be influenced by factors such as environmental knowledge and attitudes towards nature. For instance, a study by Guo et al. (2019) found that consumers with a greater understanding of biodiversity were more willing to pay a price premium for environmentally friendly products. Similarly, a study by Oke et al. (2018) found that consumers who had a positive attitude towards nature were more likely to be willing to pay a higher price for eco-friendly products.

Furthermore, the literature suggests that the relationship between customer environmental concerns (biodiversity) and willingness to pay a price premium may be moderated by factors such as demographic characteristics and product type. For example, a study by Liu et al. (2017) found that age and income level influenced the relationship between customer environmental concerns (biodiversity) and willingness to pay a price premium for eco-friendly products. Additionally, a study by Rizos et al. (2017) found that the willingness to pay a price premium for eco-friendly products was higher for experiential products (e.g., eco-tourism) than for material products (e.g., green appliances).

In conclusion, the literature suggests that customer environmental concerns (specifically, those related to biodiversity) have a positive influence on willingness to pay a price premium for environmentally friendly products and services. The relationship may be influenced by factors such as environmental knowledge, attitudes towards nature, demographic characteristics, and product type.

The current study found that Customer environmental concerns (Biosphere) (I am concerned about the environment because it affects animals, I am concerned about the environment because it affects plants, I am concerned about the environment because it affects marine life, I am concerned about the environment because it affects birds, I am concerned about the environment because it affects animals, I am concerned about the environment because it affects plants, I am concerned about the environment because it affects marine life & I am concerned about the environment because it affects birds) have a positive and significant influence on Willingness to Pay a Price Premium (It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel, I am willing to spend extra to support the hotel's effort to be environmentally sustainable, It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices, I am willing to pay more to stay at an environmentally friendly hotel and I am willing to spend extra to support the hotel's effort to be environmentally sustainable).

5.2 IMPLICATIONS

Our study will help hotel managers gain insight into the hotel's environmental image and customers' environmental concern and their effect on the customer's willingness to pay a price premium at these hotels, guest satisfaction & guest loyalty.

It will help the hospitality industry as a whole to understand the need for sustainability in their practices and the guest's outlook on the approach towards sustainability. It will also help hotels to understand customers' psychology towards willingness to pay a price premium by understanding their environmental concerns.

The paper contributes to the literature by highlighting those cognitive processes that influence the customers' willingness to pay a price premium to stay at environmentally friendly hotels. Hence, the study provides valuable information to hotel managers.

The study's conclusions can give managers insightful information about the environmental practices that customers value and how these practices affect customer perception and satisfaction.

The study's findings can be used by managers to create plans for enhancing their hotels' sustainable practices, increasing guest pleasure, and gaining a competitive edge. For instance, the survey may show that visitors prefer lodgings with waste reduction initiatives or those that employ sustainable energy sources. As a result, management can put these practices into place and promote them to draw in ecologically concerned visitors.

The study can also point out ways that sustainable practices can save money, including by consuming less energy or spending less money on trash disposal. This knowledge can help managers find and adopt financially advantageous sustainable practices.

In general, a study on hotel environmental practices and guests' perceptions can assist managers in making knowledgeable decisions about their hotels' sustainability practices, improve their environmental performance, and increase guest satisfaction, all of which can eventually result in higher profitability and a positive impact on the environment.

Guest satisfaction is seen by the hotel management as being crucial to the success of their establishments. Insights into the environmental practices that are significant to visitors and how these practices affect their general satisfaction with their hotel stay can be gained through a study on hotel environmental practices and guests' views.

Managers could view customer satisfaction as a crucial component of their hotel's brand reputation and reputation. Recurring business, positive evaluations, and recommendations to other potential guests can all result from pleased customers. Managers may therefore consider customer satisfaction to be a crucial criterion for evaluating the performance of their hotel and its environmental policies.

The results of the survey might be used by managers to pinpoint particular environmental practices that are crucial for guests' satisfaction. For instance, the study may show that customers place a high value on hotels that utilize eco-friendly cleaning supplies or provide recycling bins in guest rooms. Managers can increase their environmental practises in areas where visitors care the most by using this knowledge, which will increase customer happiness.

A study on hotel environmental practices and consumer perceptions can offer important insights into how environmental practices affect visitor satisfaction. In general, hotel managers are likely to see client pleasure as a significant component of their hotel's performance.

5.3. LIMITATIONS

One of the major limitations faced was the lack of time for case studies this time constraint didn't allow for an in-depth qualitative study. Future research can include more case studies to create a better foundation for the study. The paper is based on customers staying at environmentally friendly hotels in India. Due to this, the findings cannot be generalised to include other locations without further research. Second, this study reports on behavioural intentions, and therefore an experimental study is needed to test if the model would be a priority, especially to test the impact that raising awareness of environmental practices has on behavioural intentions. Another limitation is the sample size was not large enough hence more study is required using a bigger sample size. Lastly, we researched the role of environmental concern from VBN theory but our study does not extend to a consideration of the awareness of environmental adverse consequences. As these two constructs measure different perspectives, further research into the comparison of the explanatory value of each would also be beneficial.

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ANNEXURE

Survey on 'Willingness to pay a price premium at sustainable hotels'

We the students of V.M Salgaocar Institute of International Hospitality Education - Manora, Raia, are conducting a survey on 'Guests' willingness to pay a price premium at sustainable hotels.' We would appreciate your input to help us study the topic on a large scale and to understand your perceptions about green hotels as a guest.

Note: - The data collected will be used only for academic purpose and your confidentiality will be maintained.

Kindly hold your phone in a horizontal manner.

* Required

1. What do you understand by sustainable (eco-friendly/ green) hotels?
2. What do you understand by sustainable (eco-friendly/ green) hotels?

Sustainable hotels (eco friendly/green hotels) are hotels that practice environmental conservation at the hotel to protect the environment and try to minimize the side effects of hotel operations on the environment.

3. Have you ever stayed at a sustainable hotel?

Mark only one

- Yes
- No

SECTION I

SOCIO-DEMOGRAPHIC DETAILS

Please tick the appropriate answer

4. Gender*
 - Male
 - Female
 - Other

5. Age (in years)*
 - 18 - 25
 - 25 - 35
 - 35 - 45
 - 45 - 55
 - 55 and above
6. Marital status *
 - Single
 - Married
 - Divorced / Separated
 - Dating
 - Widow/ Widower
7. Annual income (inr)*
 - less than 1 lakh
 - 1 lakh to 5 lakhs
 - 5 lakhs to 10 lakhs
 - more than 10 lakhs
8. Qualifications *
 - School
 - Under Graduate
 - Graduate
 - Post graduate
 - Ph. D
9. Place of residence (Please mention country, state and city)*

ADDITIONAL INFORMATION

10. Which hotels have you resided at?*
11. How was your experience at these hotels? *
12. Which ONE of these hotels was your favourite?

SECTION II

HOTELS ENVIRONMENTAL PRACTICE

NOTE

Recall your experience at **any one** of the sustainable hotels where you have stayed and answer the following questions accordingly.

Keep the same hotel experience in mind while answering all questions.

Your honest answers will be highly appreciated and help conduct an accurate survey.

Please read all questions and answer options carefully, before answering.

13. Rate the following hotel dimensions of the **Hotels environmental practices** from very bad to very good*

Mark only one oval per row.

Strongly disagree

Disagree

Cannot say

Agree

Strongly agree

- The hotel protects the environment
- This hotel reduces its consumption of natural resources
- This hotel recycles
- This hotel communicates its environmental practices to its customers
- This hotel uses renewable energy
- This hotel conducts annual environmental audits
- This hotel participates in environmental certifications

SECTION III

HOTEL ENVIRONMENTAL IMAGE

14. Rate the following hotel dimensions of the **Hotel environmental image** based on how much you agree with the following statements from strongly disagree to strongly agree

*

Mark only one oval per row.

Strongly disagree

Disagree

Cannot say

Agree

Strongly agree

- I regards this hotel as a benchmark/standard of environmental commitment
- This hotel is professional in terms of its environmental reputation
- This hotel is successful in terms of its environmental performance
- This hotel’s environmental concern is well established
- This hotel is trustworthy in terms of its environmental promises
- I regards this hotel as a benchmark/standard of environmental commitment
- This hotel is professional in terms of its environmental reputation
- This hotel is successful in terms of its environmental performance
- This hotel’s environmental concern is well established
- This hotel is trustworthy in terms of its environmental promises

SECTION IV

WILLINGNESS TO PAY A PRICE PREMIUM

15. Rate the following as per your **willingness to pay a price premium** from never to always

*

Mark only one oval per row.

Never

Sometimes

Cannot say

Most of the times

Always

- It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices
- I am willing to pay more to stay at an environmentally friendly hotel
- I am willing to spend extra to support the hotel’s effort to be environmentally sustainable
- It is acceptable to pay a premium to stay at a hotel that engages in environmentally friendly practices
- I am willing to pay more to stay at an environmentally friendly hotel
- I am willing to spend extra to support the hotel’s effort to be environmentally sustainable

SECTION V

CUSTOMERS' ENVIRONMENTAL CONCERN

16. Rate the following as per your **Customer's environmental concern** from strongly disagree to strongly agree (*Self - egoistic concern*)

*

Mark only one oval per row.

Strongly disagree

Disagree

Cannot say

Agree

Strongly agree

- I am concerned about the environment because of its consequences for me
- I am concerned about the environment because of its consequences for my health
- I am concerned about the environment because of its consequences on my lifestyle
- I am concerned about the environment because of its consequences for my future
- I am concerned about the environment because of its consequences for me
- I am concerned about the environment because of its consequences for my health
- I am concerned about the environment because of its consequences on my lifestyle
- I am concerned about the environment because of its consequences for my future

17. Rate the following as per your **Customer's environmental concern** from always to never (*Social - altruistic concern*)

*

Mark only one oval per row.

Always

Most of the time

Cannot say

Sometimes

Never

- I am concerned about the environment because it affects all people
- I am concerned about the environment because it affects all children
- I am concerned about the environment because it affects my children

- I am concerned about the environment because it affects people in my country / community
- I am concerned about the environment because it affects all people
- I am concerned about the environment because it affects all children
- I am concerned about the environment because it affects my children
- I am concerned about the environment because it affects people in my country / community

18. Rate the following as per your **Customer's environmental concern** from strongly agree to strongly disagree (*Biosphere - biospheric concern*)
*

Mark only one oval per row.

Strongly agree

Agree

Cannot say

Disagree

Strongly disagree

- I am concerned about the environment because it affects animals
- I am concerned about the environment because it affects plants
- I am concerned about the environment because it affects marine life
- I am concerned about the environment because it affects birds
- I am concerned about the environment because it affects animals
- I am concerned about the environment because it affects plants
- I am concerned about the environment because it affects marine life
- I am concerned about the environment because it affects birds

SECTION VI

GUEST SATISFACTION

19. Rate the following as per **Guest satisfaction** created at these hotels from strongly agree to strongly disagree
*

Mark only one oval per row.

Strongly disagree

Disagree

Cannot say

Agree

Strongly agree

- I am satisfied with my experience in this hotel
- My expectations have been satisfied
- I am satisfied with my experience in this hotel
- My expectations have been satisfied

SECTION VII

GUEST LOYALTY TOWARDS GREEN HOTELS

20.

Rate **Guest loyalty towards green hotels** based on your feelings from never to always

*

Mark only one oval per row.

Never

Sometimes

Cannot say

Most of the time

Always

- I would come back to a hotel that implements good environmental practices
- I would recommend a hotel that implements good environmental practices
- I would come back to a hotel that implements good environmental practices
- I would recommend a hotel that implements good environmental practices

Thank you for taking the time to patiently fill out our questionnaire. Your response is highly appreciated and will help us complete our research.

Kind regards,

Adwait, Avinash, Azriel, Chiara, Jolan, Vidheyesh