

GREEN MARKETING IN HOTEL INDUSTRY—A PARADIGM SHIFT IN CUSTOMER PERCEPTION

Dr. Khushdip Kaur*

Mrs. Ramneek Kaur**

ABSTRACT

Green, environmental friendly, organic, nature harmonious etc. are words that are quite often heard in gatherings whether social, political or commercial in nature. People are becoming increasingly conscious of the harm that man has caused to mother earth in the name of modernization and development. A revolution can be seen in many circles these days where people are pledging not to endorse anything that has a negative effect on the environment and are showing preferences for all those activities that further environment protection. One such sector where a paradigm shift can be seen in the perception of the customer is the tourism sector namely the hotel industry. Many travelers are these days searching hotels not only on the basis of price or location or facilities but on the basis of environment consciousness of the hotel management. In the paper titled- GREEN MARKETING IN HOTEL INDUSTRY—A PARADIGM SHIFT IN CUSTOMER PERCEPTION, an attempt has been made to study customer behavior towards environment conscious brands in hotel industry in India. Also, the objective of the paper is to highlight the efforts being made by various hotel corporates to fulfill their social commitments and responsibilities towards protection of the environment, and their marketing strategies that highlight their going green efforts to their prospective customers. A small step taken by individuals and industry can catapult into a green movement that may be able to save the earth from further degradation.

Key Words: Environment, green marketing, customer consciousness

* **Khalsa College for Women, Civil, Lines, Ludhiana.**

Introduction:

Services make up the growing bulk of today's economy and also account for most of the growth in new jobs. In developed as well as emerging economies, service output is growing rapidly and often represents at least half of the GDP. Among the forces that have helped shape service markets are government policies, social changes, business trends, advancement in information technology and internationalization. The spending on business services which has been included in one-half of the consumer expenditure has been increasing more rapidly than consumer services. Due to increasing complexity, specialization and competitive nature of business, the market for business services has boomed. Consequently business services like research, industrial relation, accountancy, taxation, legal services and many others are in great demand. Demand for customer oriented services like travel & tourism, hotels, airlines white goods is also on the rise due to changing life style and increased disposable income of consumer.

Following table shows increasing trend of contribution of service sector in GDP in different countries.

(%GDP)

Country	1983	1993	2003	2013
India	41	46	53	57
China	22	34	41	46
Germany	-	66	70	69
France	66	72	76	79
USA	66	72	77	79

(Source: Data. World

Bank. Org)

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 187.9 billion or 12.5 per cent to the Gross Domestic Product (GDP) in 2014-15, while growing the fastest at 11.7 per cent Compound Annual Growth Rate (CAGR) over the period 2011-12 to 2014-15.

Marketing is a domain in which innovation and the market are almost always ahead of legal regulation. The most recent example in support of this statement is **Environment Friendly Marketing**. Eco marketing, also known as green marketing or sustainable marketing, is the practice of improving the ecology and economy of marketing through sustainable marketing and green back-end business practices, paperless, interactive and social media eco marketing techniques, and the formation of partnership with environmentally responsible, eco conscious vendors. The growth of clients' social awareness and involvement in the environmental protection is the main motivation behind companies aiming to promote activities and products contributing to greater care for the environment.

Review of Literature

The need for a new global economic order has been discussed by **Molly Scott Coto** (2009) in "Green Economics" wherein the markets and economics should have social and environmental priority. The book "Environment and Economy" (2011) by Coto gives a stimulating introduction into the history of thinking that has linked the economy and environment. **Murugeran** (2008) shows that green concept covers a wide spectrum of activities like product adaptation process, packaging, advertising and promotion. Research carried out by the Economist Intelligence Unit in 2008 proved that shares in enterprises which developed in accordance with sustainable growth assumptions achieved in a three-year perspective a higher average growth rate than shares in companies which did not attach much importance to the preservation of the natural and social environment. In the opinion of **Collette Chandler**, an independent consultant specializing in the promotion of environmentally friendly measures, the market of product and services corresponding to the new values followed by consumer was estimated at US \$ 230 billion globally in 2009, By 2015 its value is expected to grow US \$ 845 billion.

Credibility and authenticity of communication play a particular role in the process of Green Marketing. It is owing to effective communication that companies are able to gain additional involvement of their personnel, attract valuable employees and win respect of their clients and investors.

Nowadays, consumers are more aware of environment issues and the importance of going green. By adopting green marketing, companies can gain a good public image while at the same time giving their products a competitive edge. This is the key in sustaining the life cycle of a product

(Kassave, 2001).

This type of marketing is due to the rise of the green movement which has created a wave of eco-conscious consumers. Over the past several years, consumers around the globe have begun to make efforts to act and shop in a more environmentally friendly manner. At the same time, companies respond with new products and offers to entice these conscious consumers.

“Green” and “Eco friendly” marketing campaigns have seemed to dominate media, multinational companies are touting their green efforts while small start-ups are producing everything from recycled clothing to solar-powered cell phone batteries.

As the market grows, more companies will attempt to dip into this green market segment to become the pioneer and dominant suppliers **(Hartmann, Ibanez 2006).**

Greendex survey 2012

The survey was conducted by National Geographic Society and Research Consultancy Global Scan on 17000 consumers in 17 countries to quantitatively measure the numbers of environmentally friendly people all around the world. The survey found Indians on top of the sustainable behavior with America coming last.

Country	Greendex Score	% of consumers showing guilt over consequence of their action
India	58.9	45%
China	57.8	45%
USA	44.7	21%

The hospitality industry is likely to top this guilt of the Indian consumer to sell their green services, though it would be better if they can justify their claims by sharing the cost reduction with their customers as well.

Objectives of the paper

1. To study awareness of green marketing in service sector.
2. To analyze legislation for green marketing across the globe.
3. To analyze green marketing concerns of the service sector specially the hospitality sector in India.
4. To suggest measures to increase the practice of green marketing.

Green Marketing – Great Marketing

Great Marketing doesn't have to be wasteful. Direct Marketing is mainly associated with billboards and brochures but there are hundreds of ways to reach to customers without using non-renewable and wasteful materials. Following techniques of green marketing are very effective.

Techniques of Green Marketing

(a) Create an Eco-Friendly Selling Point

Green Marketing strategy should be a business strategy and not just a marketing gimmick.

Key selling points for green marketing may include phrases like:

- Low-energy solution
- Sustainable product
- Non-toxic ingredients
- Low waste (or emissions)
- Chemical Free
- Recycled materials

(b) Brand with Green Logos or Insignias

If a product has a green offering, or if the business participates in eco-friendly practices, it should make use of a variety of logos and insignias for marketing and company branding that represent

green. This includes website, advertising, marketing materials, signage, business cards, packaging and vehicle graphics.

(c) **Print on Recycled Paper**

Most printing vendors offer an option to have marketing brochures, flyers or business cards printed on recycled paper that is almost as inexpensive as regular paper. Online printing companies like VistaPrint offer recycled paper options on most of their print products. VistaPrint also offers free shipping and 25% off first orders to make it more affordable for small businesses to choose printing on recycled paper.

(d) **Invest in Online Marketing**

Placing an online banner ad is a low-cost alternative to a print ad and produces no printed waste or negative impact on the environment. Social media is also a very cost-effective way to communicate to customers and prospects. Small businesses should seek to invest in growing their email database as a solution to reducing direct mail.

(e) **Promote Local Vendors**

Using local vendors and suppliers not only supports local economy but also helps in minimizing gas consumption and carbon emissions. In the food industry using fresh ingredients and produce from local farmers is also a big selling point.

(f) **Attend trade shows and events**

Trade shows are a great eco-friendly marketing opportunity. With the right exhibit, one can reach customers and new clients without having to print excess brochures or wasteful print advertising.

(g) **Reuse trade show displays**

Pack up trade show display and use it again next year. By investing in a high quality trade show exhibit, one can make small changes to branding for each new show, instead of buying a whole new unit.

Durable items such as display stands and high-quality queue barriers can be used again and again, saving the cost and environmental impact of buying new items for every sales event.

(h) Operate Fuel Efficient Vehicles

Operating hybrid or FlexFuel vehicles for delivery or sales and service cars will not only save business in gas expense, but will send a clear message that the business is also eco-friendly. Be sure to include green marketing messages and/or logos on vehicle car graphics and branding.

(i) Environmental Donations and Charities

Another green marketing idea is to support environmental initiatives by making donations or taking actions that assist a local environmental cause – such as planting trees or donating a portion of a sale to an environmental organization.

Regulations Concerning Environmentally Friendly Marketing

Green Marketing, being a new concept has yet not evolved as a discipline in itself because of lack of proper rules and regulations in many countries. However, developed and developing countries have come out with many Acts and laws to green the activities of eco-marketing. A few examples have been discussed as follows - In the USA, companies have responded with “green” marketing touting the environmental benefits of what they’re selling. But sometimes what companies think their green claims means and what consumers really understand are two different things. The Federal Trade Commission’s Green Guides are designed to help marketers avoid making environmental claims that mislead consumers. The Green Guides were first issued in 1992 and were revised in 1996, 1998 and 2012. In late 2012, the Federal Trade Commission updated its restrictions on how businesses and advertisers may promote their “eco-friendly” products. These restrictions strictly limit the claims that brands can make, including eliminating all unsubstantiated “eco-friendly” and “green marketing” claims.

According to “**Environmental Claims : Summary of the Green Guides**” published by the FTC, “ Marketers should not make broad, unqualified general environmental benefits claims like ‘green’ or ‘eco friendly’. Broad claims are difficult to substantiate if not possible.

In Scandinavian countries, for 15 years now detailed legal guidelines have been in place, regulating marketing communication for honesty and well-balanced messages, as well as in terms of overall effect on consumers. The general collection of rules of the ICC Consolidates

Code of Advertising & Marketing not only regulate environmentally friendly marketing activities but also define the rules of informing consumers about products throughout their life cycle. Similar model has been adopted by Great Britain. The environmentally friendly communication was also regulated by one of the quality standards (ISO 14021). According to the accepted standards and regulations, the content of advertisements broadcast in Great Britain cannot encourage activities which excessively interfere with the natural environment. It cannot suggest any unrealistic benefits for the environment overestimate a favorable effect on the environment or boast of introducing properties which render the product. Environmentally friendly, if such properties were already available earlier but were emphasized, an advertising communication cannot make consumers believe that the product is environmentally friendly, if infact its effect is negative

Todd Hooper and Bart T. Rocca believe that companies that perform excellently in green marketing will benefit in developing better relations with customer regulating agencies, supplies and other firms in their industry.

In India, the Consumer Protection Act, 1986 provides for besides other things, the right to improve quality of life (Ecological concern). The Environment (Protection) Act, 1986 empowers the central government to create authorities to prevent environment pollution in diverse areas. The Water (Prevention and Control of Pollution) Act, 1974; The Air (Prevention and Control of Pollution) Act, 1981; The National Environment Tribunals, the Biological) Diversity Act, 2002; The Forest Conservation Act, 1980, etc. are legal ways by which the government tries to promote the concept of “going green”. The BIS (Bureau of India Standards) has embraced the ISO standard ISO -14001 and ISO-14004 (Environment management system) to link positively environment and economy..

Responsible Travel – trends and statistics

“Green is no longer just a trend. It’s a way of life” – from Brasseur, executive director, Hotel Sales and Marketing Association International (HSMIA) foundation.

With continuing growth in travel, there is an increasing recognition among both travel professionals and consumers, of the importance of responsible travel – travel that minimizes negative impact, brings economies, benefits to host communities and preserves the cultural and natural resources of the destination. A variety of market studies over the past few years have documented sustained interest among consumers in tourism product and services that protect the environment and respect local cultures.

1. 2012 survey by Trip Advisor – 71% members to make eco-friendly choices the next year (Up from 65%).
2. 2010 survey by Travel 200 – 90% of US travellers prefer ‘Green’ environmental conscious hotel over non-green hotel if given similar price and amenities in both hotels.
3. The CMI Green Traveler Study Report 2010 revealed that 54% of respondents took a ‘Green’ vacation the previous year 43% of them said that they were willing to pay 5% extra to decrease their “ecological footprint” on their next trip.
4. 93% of Conde Nast Traveler readers surveyed in 2011 said that travel companies should be responsible for protecting the environment and 58% said their hotel choice is influenced by the support the hotel gives to the local community.
5. A study by the World Tourism Organization revealed in 2011 that there are 10% - 15% of new tourists who are “typically highly educated, mature, affluent, well – traveled, environmentally aware and sensitive to the social and cultural traditions and systems of the destination they want to visit”.

In 2008, the World Travel Markets global trends report urged businesses to pay attention to “Consumer trends that resonate across all regions and that include social and environment responsibility”.

A 2012 report by the Travel Foundation and Forum for the future states that 70% of consumers believe that companies should be committed to preserving natural environment and 66% would like to be able to identify a greener holiday.

In the **Forbes list of 50 Green brands** as ranked by their customers released in 2015, four groups of hotels feature as the most favoured environmental friendly brand. This includes Aveda at number 7, Hilton hotels at number 21, Intercontinental hotel at 27 and Wyndham hotels at 48.

Aspects of a Green Hotel

The environmental movement is not new to the hotel industry. The major hotel chains have adopted environmental programs, including corporate wide targets to reduce energy use, water use, waste generation and more recently green house gas emissions. Even Guests are becoming increasingly environmentally – conscious and have a much better appreciation for technologies and practices in hotels that share their interests. Eco Hotels (**Ecotel**) is a certification system promoted by Hospitality Valuation Services (HVS) International. This system is based on 5 main criteria: Environmental Commitment, Solid Waste Management, Energy Efficiency, Water Conservation and Employee Education/ Community involvement. The ECOTEL Collection is an exclusive group of international inns, hotels and resorts that define the concept of environmental responsibility in the hospitality industry. The collection began in 1994. **LEED** (Leadership in Energy and Environmental Design) certification confirms that the building has been made keeping green principles in mind. It is a third party verification of green buildings. Developed by the U.S. Green Building Council (USGBC), it consists of a suite of rating systems for the design, construction and operation of green buildings. LEED certified buildings provide healthier work and living environments. The concept of Green Hotels incorporates both the aspects of LEED and ECOTEL certification. It starts from the construction stage, the hotels which has the features and equipments incorporated which helps in saving energy, water and reduces water. The hotel policies and procedures have to be fine tuned keeping environmental factors in mind. Most important is, the management has to take forward this message to its internal and external customers i.e. go for GREEN MARKETING.

For hoteliers seriously considering an environmental management program, adoption of following **5 strategies** can definitely help them.

1. Increasing Sensitivity of staff towards benefits of environmental management

Changing staff practices requires awareness, training, revision of standard operating practices and incentives for staff compliance. Examples of increased sensitivity can be found everywhere

in the hotel operations, from reporting leaking taps to turning back thermostat and turning off lights.

2. Adoption of Energy efficient drives

It includes energy controls like timers and occupancy sensors: energy recovery systems like reusing water from air conditioning system; use efficient technologies like using CFL bulbs and light emitting diodes for exist signs and waterless (Vacuum) toilets.

3. Invest in Cost-effective Renewable Energy systems

Rapidly increasing cost of petroleum fuels and electricity suggest revisiting the application of renewable energy systems. A feasibility study may be done to determine the cost effectiveness for a specific property.

4. Adoption of Environment Management Systems

A hotel needs to identify aspects of operations and introducing changes in facilities and practices that minimize the impact of the organization on natural and social environment. EMS empowers staff at all levels not only to comply with best practices, but also identify further improvements based on their knowledge of the hotel's operations.

5. Greening the Supply Chain

Hotels can explore partnerships like working with chemicals suppliers to offer non-toxic cleaning agents, contractors to remove construction wastes, sign agreements with resource recovery and recycling companies to off take glass, paper and card board, aluminum and recyclable plastic bottles.

The Indian hotel industry has also jumped on to the eco friendly band wagon, with most upcoming ventures aspiring to gain a green tag, and the existing ones trying to incorporate sustainable practices without rebuilding from scratch.

According to the Accor Asia Pacific Business Traveller Survey 2011, 66% Indian travellers prefer environmentally more conscious hotels with 62% claiming that they are prepared to pay 10% extra for hotels with better environmental commitment.

The first green hotel which was fully operated in India was The **Park Hotel at Hyderabad** in 2009 with 90% of area morphed as non-smoking area.

Top Green Hotels in India – A Comparative Study

Sr. No.	Hotels	Green USP	Savings
1.	The Rain tree, Chennai	a) 100% energy self sufficient as it is having its own windmills. b) Flow rate of bathroom showerheads and washbasin taps reduced from standard 12-15 liters/min to 8-9 liters/min, reducing water consumption by half.	As compared to other hotels in same city. 12%-27%
2.	Alita Diwa, Goa	a) All material like red laterite stone, sourced locally. b) Existing forest left intact and conserving surrounding paddy fields, making it a bird watches paradise.	<16%
3.	The Orchid, Mumbai	a) Zero garbage hotel b) Vermiculture Project on site to eliminate garbage and to take care of gardens in and around the hotel.	13%

In a survey conducted in 2011 in seven countries – US, AK, China, Brazil, India, Germany and France by WPP agencies, The Taj Hotels, Resorts and Palaces were adjudged at No-4 in the ‘Green Brands Survey’ in India. Among its initiatives, the Taj group introduced 5 year EARTH (Environmental Awareness and Renewal of Taj Hotels) vision, a project which reiterated the conscious efforts of the group to commit to energy conservation and environmental management. This programme led to 9 of the group’s hotels to receive the Earth Check Gold Certification in June 2014 – The Worldwide environmental certification for tourism and travel industry. Within the 5 years, these nine certified hotels have saved enough resources to electrify 53,490 homes by collectively covering 174,766,344 MJ of energy; to fill nearly 186 shipping containers by reducing CO₂ emissions of approximately 6,675 cars off the road.

The Taj group is working on 41 new projects to be completed by 2018 wherein the group plans to strengthen its commitment to water conservation by adopting a group-wide challenge aimed at

conserving and judiciously using one of the scarcest resource of the future. The water consumption in all the hotels will be recorded and reviewed on a regular basis with a focus on rainwater harvesting, water recycling and reuse and ensuring zero waste discharge into municipal sewages.

In an endeavour to boost sustainable tourism and integrate environment management in all business areas, the Taj group was undertaken various projects. In Bandhavgarh, Madhya Pradesh, Taj Safari with a local organization called '**Under The Mango Tree**' has developed a bee keeping initiative which enables honey bees to grow in a protected environment while helping farmers improve their crop yield by producing honey as a side product. Vivanta by Taj, Chennai has undertaken a Turtle Conservation Program. Vivanta by Taj, Maldives is engaged in the Coral Reef Rehabilitation Program.

Earth friendliness is the hallmark of the Vivanta line. The parent company follows guidelines established at a United Nations Earth summit and endorsed by nearly 200 countries. These green benchmarks are monitored by a leading worldwide certifier Green Global. Taj aims to bring the total of its Vivanta hotels to 30 plus in the next 2 years, totaling 5000 plus guest rooms.

Benefits for Travel Hotel businesses by adopting environment friendly practices:

By adopting environment friendly practices, hoteliers can enjoy following benefits: -

1. Reduce cost and improve efficiencies.
2. Manage risks and meet emerging legal and regulatory requirements.
3. Gain competitive advantage by offering differentiating experiences to customer.
4. Meet emerging consumer trends.
5. Protect the business by protecting the environment on which it depends.

Conclusion:

Green Marketing is a trend that many businesses have chosen to adopt, while for others it is also a way of doing business. The global strain on our planet and environment, coupled with a consumer desire to choose eco-friendly products for healthier living, creates opportunities for businesses to market themselves as environmentally conscious. Aligning a business with green

practices is a great selling point for small businesses and, in some cases, the concept of “green” has created whole new line of product and service opportunities for small businesses to explore. Whether you are running a business entirely focused on green products or services, or you are simply looking to connect with consumers interested in doing business with companies that are eco-friendly, green marketing can be a positive tactic for small businesses in their overall marketing strategy.

References:

1. Cato, Molry Scott, Environment and economy, rout ledge, London 2011.
2. Cato, Molry Scott, Green economics, earth scan, London, 2009.
3. Muurgersan” J, “Green trust and distrust), India journal of marketing, 2008, vol. XXXXIII.
4. Mill Meade, “Management strategies affecting your hotel’s bottom line.” (hotelexecutive.com)
5. Stephen J. Grove, Raymond P. Fisc, Greogory M. Pickett “Going Green in service sector: Social responsibility issues, implications and implementation”, European Journal of Marketing, vol. 30, issue 5.