Impact of sustainable practices on guest satisfaction, guest loyalty and guest intention to return

Uma Dral,
Research Scholar Amity University Haryana,
drall.uma@gmail.com

Abstract: *Hotel industries are implementing green practises to address the concerns of guests who are becoming more and more conscious of environmental issues and the significance of environmental conservation. This paper aims to analyse the impact of sustainable practices on guest satisfaction, guest loyalty and guest intention to return. A sample of 278 guests who stayed in a three- and four-star hotel in Delhi/NCR was used. Structural equation modeling (SEM) was used to test the proposed relationships. The findings indicate that when customers are satisfied with the green practices initiated by hotel and loyal. Further, satisfaction lead to intention to return.*

Keywords: *Sustainable practices, guest satisfaction, guest loyalty and guest intention*

1

. Introduction

In recent years, in response to rising consumer environmental concerns and as a means of reducing the environmental impact of its operations, the hospitality sector has been implementing a wide range of green practises (Merli et al. 2019). The importance of tourism to India's economy is only increasing. According to the World Travel and Tourism Council, in 2021, tourism in India contributed to 5.8% of the country's GDP by generating 13.2 lakh crore (US$170 billion) and maintaining 32.1 million employment. The government of India is actively working to transform the country into a premier tourist destination on the international stage. By 2030, it's projected that India's tourism industry would have generated a total of $250 billion in GDP, 137 million employment, $56 bn in FX earnings, and 25 million international visitors. Revenue from international tourists is projected to increase from $28.9 bn in 2018 to $50.9 bn in 2028 in India. In 2028, the number of tourists from outside is predicted to reach 30. From an anticipated $ 75 bn in FY20, the Indian travel industry is predicted to surge to $ 125 bn by FY27. As of FY20, 8.0% of India's entire workforce was employed in the tourism industry, which employed 39 million people. Roughly 53 million jobs will be dependent on it by the year 2029. By 2025, the number of Indians taking international vacations is predicted to reach 29 million, and spending will top $24 billion.

However, tourism has significant negative effects on the environment and contributes to

both environmental deterioration and the increase of greenhouse gas (GHG) emissions (Pang et al., 2013). About eight percent of all manmade greenhouse gas emissions are caused by tourism (Lenzen et al., 2018). According to Lenzen et al. (2018), the yearly global carbon footprint of tourism rose from 3.9 to 4.5 bn tonnes of CO2 equivalent between 2009 and 2013. In the next 25–45 years, tourism resources usage is expected to quadruple due to the industry's growing demand for energy, freshwater, land, and food (Gossling and Peeters, 2015). There is a strong connection between climate change and tourism. While tourism is one of the businesses most at risk of environmental deterioration and climate change, it also contributes significantly to greenhouse gas emissions, especially those associated with transportation (Gossling and Peeters, 2015; Smith, 1990). In this respect, the tourist industry's long-term viability is inextricably bound up with its ability to handle problems of environmental sustainability (Bramwell and Lane, 2008). As a result, businesses, governments, and consumers are increasingly concerned about sustainability (Lee et al., 2011).

The hospitality industry, which accounts for around 20% of tourism's emissions, is also a major source of environmental strain. In terms of tourism's adoption of CSR principles, this industry has been a pioneer. Since its inception, has integrated environmental concerns into every facet of its business (Han et al., 2018; Park and Kim, 2014; Wang et al., 2018). These factors provide enormous ecological and public-image challenges for hotel administration. Hotel guests, who are becoming increasingly savvy about these matters, are calling for "green consciousness" on the part of the establishments where they stay (Yi et al., 2018). In response to this "green tsunami," an increasing number of hotels are adopting eco-friendly practises and rebranding themselves as "green hotels" or "environmentally friendly hotels" (Verma and Chandra, 2016). The goal of this research is to learn more about the relationship between eco-friendly hotel procedures and policies and visitors' overall pleasure, loyalty, and propensity to return.

2. Theoretical framework and hypothesis development

Najar (2020) environmental sustainability may be achieved by the implementation of eco-friendly measures, it was decided. Amandeep (2017) made an effort to summarise the laws and regulations that affect hotels in India. She also included some simple tactics and approaches that establishments may implement to become more environmentally friendly. According to Chand and Garge (2017), the Indian hotel business is known for a number of environmentally friendly practises. From these, a select few have emerged as crucial to the sector's long-term success. Pereira et al. (2021) found that high-end hotels have adopted eco-friendly practices including cutting down on water use, recycling more, and putting in place protections for the wildlife and vegetation that help promote the area's special ecosystems. They have prioritised social practises that improve communication with nonprofits, meet the needs of their customers, and make their workplaces healthier for all employees.

According to Alipour (2019), workers should be considered a reliable resource for knowledge on sustainability policies and practices. It's also shown that hotels are making serious attempts to follow a sustainability practise as becoming green becomes a promotional tool. The majority of staff members in the study also agreed that the environmental initiatives were genuine. Over the course of two years (2020–2021), before to and during the COVID-19 pandemic.

Elkhwesky et al. (2022) presented a comprehensive evaluation of the 48 papers on sustainable practises in hospitality using the Web of Science (WoS) and Scopus databases. Based on our research, sustainable hotel practises have improved between 2020 and 2021. While each sustainable practise in the hotel industry may have its own unique goals and methods, there are also conceptual and empirical commonalities. Additionally, there are limitations to the study of sustainable methods in the hotel industry. Studies have not done a good job of investigating preconditions, consequences, or combining theories.

Abdou et al. (2020) found that certified four and five Green Star hotels' use of green hospitality practises favourably contributed to reaching SDGs 6, 12, 7, and 13. The hotels' dedication to environmental sustainability was a major factor in their adoption of Green Star standards. Overall, the results showed that there were statistically significant differences between four and five Green Star hotels in all SDGs studied.

Berezan et al. (2013) came to the conclusion that management should take into account the sociocultural backgrounds of their guests and may have to participate in initiatives to educate guests about the benefits of combining social responsibility with guest service expectations. Sustainability measures implemented by participating hotels were reported on for their environmental and economic effectiveness as well as their social and behavioural consequences by Meeroff et al. (2020). The following policies and products are examples of how a hotel may reduce its environmental impact and improve its bottom line. Studying case studies may teach us a lot about how to put sustainable principles into reality, both now and in the future.

According to research by Kim and Han (2010), people are willing to sacrifice some convenience in favour of environmentally friendly programmes. In addition, customers' positive impressions of eco-friendly hotels might influence their future actions (Lee et al., 2010). Guests' preference for a hotel should be influenced by factors like its eco-friendliness, according to the theory of consumer demand (Lancaster, 1966). According to a large body of marketing literature, satisfied customers are more likely to make more purchases and are directly correlated with future intents to buy (Swan and Combs, 1976). Consumers' cognitive-learning about a product's qualities leads to their developing beliefs about the product, their developing emotional reactions and attitudes about whether or not they enjoy the product, and eventually, their developing buy behaviour intents and behaviours (Fishbein and Ajzen, 1975). Despite the abundance of literature establishing links between performance, expectations, satisfaction, and

behavioural intentions, these links have not been applied to eco-friendly hotel procedures.

A customer's positive emotional reaction to a service provides a precondition for continued patronage (Oliver, 1981). There is an argument that a customer's level of contentment is indicative of how well they value the benefits they receive versus the costs they incur during the consuming process (Chitty et al., 2007). In several studies, satisfaction has been found to be a significant predictor of consumer loyalty (Anderson and Srinivasan, 2003; Bowen and Chen, 2001; Yang and Peterson, 2004). In previous research, customers' loyalty was either seen as a long-term impact strongly linked to their contentment or was portrayed as an antecedent of customers' satisfaction when they returned (Petrick and Backman, 1999). Recent research has highlighted the importance of consumer satisfaction as a prerequisite to brand loyalty. They prove that contentment is a key element in maintaining a positive outlook (Rauyruen and Miller, 2007).

One of the potential precursors of client loyalty that Lam et al. (2004) looked at was customer satisfaction. Customers' feelings about a service might affect how likely they are to use that service again and to promote it to others, they said. Attitudinal loyalty is a predictor of future purchases since it focuses on the process of creating loyal consumers. There is additional evidence that shows how a customer's good attitude about a brand can have a direct impact on their willingness to make repeat purchases (Evanschitsky et al., 2006). McAlexander et al. (2003), however, discovered that management of pleasure is possibly most successful when generating loyalty among customers who are not inclined toward establishing long-term ties with a particular company. With the above in mind, we put up a framework for PLS-SEM testing.

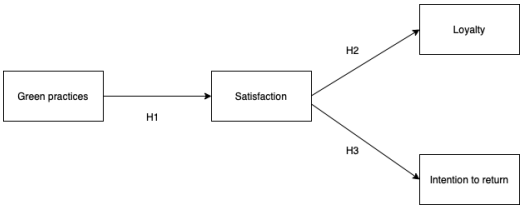

Fig. 1. Conceptual framework

3. Research methodology

A quantitative investigation employing a structured questionnaire was carried out to test the theories put forward. Based on their findings, Millar and Baloglu provided the basis for the questionnaire used in this study (2008). There were a few different parts to the survey. To gauge contentment, respondents were asked to use a Likert scale from one to five. Also, the study used a five-point Likert scale to assess loyalty and future visits. Items are taken from Can et al (2014). Williams and Soutar (2009) suggested a four-item scale to gauge happiness, and we utilised those items. Finally, four items were used to assess both the likelihood that guests would return to the hotel and their overall satisfaction with their stay (2009). At last, a survey was taken to gather demographic data. Distribution of surveys throughout the Delhi/National Capital Region allowed for a convenient sample to be obtained. To check the convergent and discriminant validity and goodness of fit of all the scales with in present context, we used confirmatory factor

analysis (CFA). Hypotheses were tested using structural equation modeling (SEM) with the help of PLS-SEM using different indicators such as chi-square (x 2), chi-square to degree of freedom ratio (x 2/df), Tucker–Lewis index (TLI), comparative fit index (CFI), goodness-of-fit index (GFI) and root mean square error of approximation (RMSEA).

4. Results and discussion

4.1 Demographics

Among these, 157 (56.4%) were male and 121 (53.6%) were female (43.5 percent were female). The demographics are displayed in Table 1. For each decade between the ages of 20 and 40, 9.7 percent of respondents were in that age bracket, 67.9 percent were in their 30s, and 22.3 percent were in their 40-50s.

Table 1. Demographic profile

Gender *(n=278)*	N	Frequency (%)
Male	157	56.47
Female	121	43.53
Age *(n=278)*		
20-30	27	9.71
30-40	189	67.99
40-50	62	22.30
Income *(n=278)*		
20000-30000	78	28.06
30000-40000	142	51.08
40000-50000	23	8.27
Above 50000	35	12.59
Qualification *(n=278)*		
High school	12	4.32
Bachelor	131	47.12
Masters	57	20.50
Post-graduate	78	28.06

According to respondents' income status, 12.5 percent of respondents have incomes over $50,000, 58.8 percent have incomes between $30,000 and $40,000, 8.27 percent have incomes between $40,000 and $50,000, and 28 percent have incomes between $20,000 and $30,000. According to respondents' educational backgrounds, 4.3 percent have just graduated from high school, 47.1 percent have bachelor's degrees, 20.5 percent have master's degrees, and 28 percent have post-graduate degrees.

4.2 Reliability and validity measurement

Cronbach alpha values greater than 0.70 were recorded for all measures, indicating dependability (Table 2). The build or composite reliabilities were 0.82 to 0.92. At 0.001 levels, all of the factor loadings were determined to be significant and to be within allowable bounds. Convergent validity in the provided data is supported by strong factor loadings and good construct reliabilities (Anderson and Gerbing, 1988; Bagozzi and Yi, 1988). Further confirming the convergent validity were the reported average variance extracted (AVE) values (>0.5) and composite reliabilities (CR) greater than AVE (Hair et al., 2010). By comparing the values of the square root of AVE and the correlations between the model's components, we examined discriminant validity.

Table 2. Reliability measurement

Construct	Items	AVE	CR/α	Factor loadings
Green practices	GP1	0.743	0.92/0.89	0.748
	GP2			0.942
	GP3			0.846
	GP4			0.883
Satisfaction	STS1	0.784	0.886/0.79	0.789
	STS2			0.809
	STS3			0.779
	STS4			0.823
Loyalty	LTY1	0.757	0.84/0.76	0.804
	LTY2			0.872
	LTY3			0.876
	LTY4			0.881
	LTY5			0.915
Intention to return	IOR1	0.767	0.829/0.833	0.850
	IOR2			0.946
	IOR3			0.933
	IOR4			0.761

Table 3 demonstrates discriminant validity as square root of AVE values of respective constructs was greater than their correlation with other constructs in the model (Chin, 1998). Thus, convergent and discriminant validity of the constructs was confirmed in our model. In addition, the VIF values ranged from 3.21 to 4.45 (below 10), indicating the absence of multicollinearity.

Table 3. Inter-item correlation between items

	GP	IOR	LTY	STS
GP	0.862			
IOR	0.773	0.879		
LTY	0.748	0.877	0.870	
STS	0.813	0.814	0.780	0.620

4.3 Hypotheses testing

They employed structural equation modelling to assess the research hypotheses. The relevant subscale means were used as indications of the latent component for each of the study's measures. A satisfactory match between the suggested framework and the data was discovered. According to Bagozzi and Yi (1988), all CFI, TLI, and IFI values were over 0.91, while the RMSEA value was 0.08. (Browne and Cudeck, 1993). It was shown that using green techniques significantly improved satisfaction. Loyalty and willingness to return are significantly influenced positively by satisfaction.

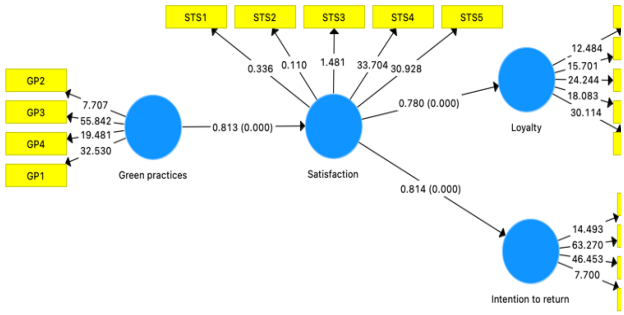

Fig 2. SEM model

Table 4. Outcome of hypothesis testing

Hypotheses	Path	Path coefficient	Standard error	t-static	Test outcome
1	GP→STS	0.813	0.000	2.576	Supported
2	STS →LTY	0.780	0.000	2.419	Supported
3	STS → IOR	0.814	0.000	2.543	Supported

5. Discussion and Conclusion

The goal of this study was to comprehend how sustainable practises affect customer happiness, customer loyalty, and customer willingness to return. In this regard, first, the findings show that using "green" practises improves customer satisfaction, as reported in some earlier studies (Hu et al., 2011; Berezan et al., 2013; Gao and Mattila, 2014), and second, they show that using "green" practises has a significant, positive relationship with customer satisfaction. These findings show that hotel environmental friendly actions have a positive impact on guest satisfaction. The association between guest loyalty and satisfaction has also been examined in this study. The current study confirms that satisfaction is positively related to hotel intention to return, which is consistent with some earlier studies that have argued there is a positive relationship between hotel green practises and guest loyalty (Lee and Heo, 2009; Han and Kim, 2010; Lee et al., 2011; Gao and Mattila, 2014). Several managerial implications may be deduced from these findings. Hotels should start using differentiation tactics to be competitive in the face of increased industry rivalry. Hotel managers need to understand how crucial it is to implement and further develop environmentally friendly practises in their facilities in order to improve client pleasure, raise the possibility that they'll stay with the hotel again, and foster loyalty. Marketing efforts should thus be concentrated on implementing "green" techniques that can meet consumers' social requirements in addition to increasing the quality of services, given the rising responsibility of visitors. In order to publicise their care for the environment, hotel firms must also actively exhibit their dedication to the environment on their websites or through informal teaching materials like pamphlets. They also need to make investments in technology that support and ease consumer recommendations, encouraging the spread of favourable reviews. The aforementioned factors would all favour strong loyalty, which would serve to enhance the hotel's reputation and draw in new guests.

Nevertheless, several restrictions could be noted and considered as potential directions for more study. First, the study's limited geographic reach has to be expanded in order to compare the findings to other regions. Last but not least, other pertinent factors might be included in the model, such as environmental activities consumers engage in on a daily basis, past exposure to "green" hotels, and the impact of visitors' individual traits on the analysed variables.

References

1. Najar, Ashaq. (2020). Environmental Sustainable Practices In The Hotels: From Existence To Implementation. Ecology, Environment and Conservation. 26. 111-116.
2. Ad, Amandeep. (2017). Green Hotels and Sustainable Hotel Operations in India. International Journal of Management and Social Sciences Research (IJMSSR) 2319-4421.
3. Chand, M and Garge, S (2017). Eco Friendly Practices in Indian Hotel Industry: An Exploratory Study. International Journal of Hospitality & Tourism Systems. 10(1), 63-70.
4. Pereira, Vitor & Silva, Graça & Dias, Álvaro. (2021). Sustainability Practices in Hospitality: Case Study of a Luxury Hotel in Arrábida Natural Park. Sustainability. 13. 1-21. 10.3390/su13063164.
5. Alipour, Habib & Safaeimanesh, Farzad & Soosan, Arezoo. (2019). Investigating Sustainable Practices in Hotel Industry-from Employees' Perspective: Evidence from a Mediterranean Island. Sustainability. 11. 10.3390/su11236556.
6. Elkhwesky, Zakaria & Salem, Islam & Varmus, Michal & Ramkissoon, Haywantee. (2022). Sustainable practices in hospitality pre and amid COVID-19 pandemic: Looking back for moving forward post-COVID-19. Sustainable Development. 10.1002/sd.2304.
7. Abdou, Ahmed & Hassan, Thowayeb & Moustafa, Mohammed. (2020). A Description of Green Hotel Practices and Their Role in Achieving Sustainable Development. Sustainability. 12. 10.3390/su12229624.
8. Meeroff, Daniel & Scarlatos, P. & Bloetscher, Frederick & Sobel, Lanette. (2020). Implementation of Sustainability Practices in the Hospitality Industry. Journal of Service Science and Management. 13. 189-208. 10.4236/jssm.2020.132013.
9. Anderson, J.C. and Gerbing, D.W. (1988), "Structural equation modeling in practice: a review and recommended two-step approach", Psychological Bulletin, Vol. 103 No. 3, pp. 411-423.
10. Bagozzi, R.P. and Yi, Y. (1988), "On the evaluation of structural equation models", Journal of the Academy of Marketing Science, Vol. 16 No. 1, pp. 74-94.
11. Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R. (2010), Multivariate Data Analysis,

Pearson Education, Upper Saddle River, NJ.

12. Chin, W.W. (1998), "The partial least squares approach for structural equation Modeling", in Marcoulides, G.A. (Ed.), Modern Methods for Business Research, Lawrence Erlbaum Associates, Mahwah, New Jersey, pp. 295-336.
13. Browne, M.W. and Cudeck, R. (1993), "Alternative ways of assessing model fit", in Bollen, K.A. and Long, J.S. (Eds), Testing Structural Equation Models, Sage, Beverly Hills, CA, pp. 136-162.
14. Hu, N., Fu, Y., and Wang, Y. (2011). An empirical study on the dimensions of consumer perceived value in green hotels. Conference: International Conference on Management and Service Science – IEEE MASS, Wuhan, 12-14 August (pp. 1-4).
15. Berezan, O., Raab, C., Yoo, M., and Love, C. (2013). Sustainable hotel practices and nationality: The impact on guest satisfaction and guest intention to return. International Journal of Hospitality Management, 34, 227-233.
16. Gao, Y.L., and Mattila A.S. (2014). Improving consumer satisfaction in green hotels: The roles of perceived warmth, perceived competence, and CSR motive. International Journal of Hospitality Management, 42, 20–31.
17. Lee, S., and Heo, C.Y. (2009). Corporate social responsibility and customer satisfaction among US publicly traded hotels and restaurants. International Journal of Hospitality Management, 28(4), 635-637.
18. Han, H., and Kim, Y. (2010). An investigation of Green hotel customers' decision formation: developing an extended model of theory of planned behavior. International Journal of Hospitality Management, 29(4), 659-668.
19. Lee, M., Han, H. and Willson, G. (2011). The Role of Expected Outcomes in the Formation of Behavioral Intentions in the Green-Hotel Industry. Journal of Travel & Tourism Marketing, 28 (8), 840-855.
20. McAlexander, J., Kim, S., Roberts, S., (2003). Loyalty: the influences of satisfaction and brand community integration. Journal of Marketing Theory and Practice 11 (4), 1–11.
21. Evanschitsky, H., Iyer, G.R., Plassmann, H., Niessing, J., Meffert, H., (2006). The relative strength of affective commitment in securing loyalty in service relationships. Journal of Business Research 59 (12), 1207–1213.
22. Lam, S., Shankar, V., Krishna Erramilli, M., Murthy, B., (2004). Customer value, satisfaction, loyalty, and switching costs: An illustration from a business-to business service context. Journal of the Academy of Marketing Science 32 (3), 293–311.
23. Rauyruen, P., Miller, K.E., (2007). Relationship quality as a predictor of B2B customer loyalty. Journal of Business Research 60, 21–31.
24. Petrick, J.H., Backman, S., (1999). An examination of the relationship

between golf travelers' satisfaction, perceived value and loyalty and their intensions to revisit. Tourism Analysis 6 (3), 223–237.

25. Yang, Z., Peterson, R., (2004). Customer perceived value, satisfaction, and loyalty: the role of switching costs. Psychology & Marketing 21 (10), 799–822.
26. Bowen, J.T., Chen, S., (2001). The relationship between customer loyalty and customer satisfaction. International Journal of Contemporary Hospitality Management 13 (5), 213–217.
27. Anderson, R., Srinivasan, S., (2003). E-satisfaction and e-loyalty: a contingency framework. Psychology & Marketing 20 (2), 123–138.
28. Chitty, B., Ward, S., Chua, C., (2007). An application of the ECSI model as a predictor of satisfaction and loyalty for backpacker hostels. Marketing Intelligence & Planning 25 (6), 563–580.
29. Oliver, R., (1981). Measurement and evaluation of satisfaction processes in retail settings. Journal of Retailing 57 (3), 25–48.
30. Fishbein, M., Ajzen, I., (1975). Belief, attitude, intention and behavior: An introduction to theory and research. Addision-Wesley, Reading, PA.
31. Swan, J.E., Combs, L.J., (1976). Product performance and consumer satisfaction: a new concept. Journal of Marketing 40 (2), 25–33.
32. Lancaster, K., (1966). A new approach to consumer theory. Journal of Political Economy 74 (2), 132–157.
33. Lee, J., Back, K., (2010). Examining antecedents and consequences of brand personality in the upper-upscale business hotel segment. Journal of Travel and Tourism Marketing 27 (2), 132–145.
34. Can, A.S., Turker, N., Ozturk, S., and Alaeddinoglu, F. (2014). Tourists' perceptions of Green practices in eco-friendly hotels: a case study from the Antalya region of Turkey. Journal of Tourism Challenges and Trends, 7(1), 9-26.
35. Williams, P., and Soutar, G.N. (2009). Value, Satisfaction and Behavioral Intentions in an Adventure Tourism Context. Annals of Tourism Research, 36(3), 413–438.
36. Kim, T.T., Kim, W.G., and Kim, H.B. (2009). The effects of perceived justice on recovery satisfaction, trust, word-of-mouth, and revisit intention in upscale hotels. Tourism Management, 30(1), 51-62.