CHAPTER I
INTRODUCTION

This chapter deals with the outline of the growth of Tourism and Hospitality Industry in India. The next section focuses on the sustainable tourism and the Green hotels where it outlines brief introduction about the green hotel. Next it throws some light on the eco certification system of a hotel where major eco certification accepted by hotels is being focused. This chapter also highlights green management concept and green practices followed in a hotel and also focuses on the concept of green consumers. The next section focuses on the consumer perception and their behavior towards green attributes followed in a hotel. The next section identifies the aims and objectives of the study and finally the last section deals with the organization of the study in the form of chapterization of the study.

1.1 Tourism and Hospitality Industry
The basic meaning of tourism is the journey of people to their destinations away from their normal working places. Tourism is one of the largest service industries in India and also a major driver of economic growth and development. As per the WTTC, “the tourism industry contributed Rs7,642 billion and 36.7 million jobs to the Indian economy in 2014. During 2015, the industry’s GDP contribution has grown by 7.5% and employment by 1.8%.” In terms of total Travel & Tourism GDP, India will be the top ten Travel & Tourism economies, moving from 12th in 2015 up to 7th by 2026 (WTTC).

“According to IBEF data, the tourism and hospitality sector is among the top 15 sectors in India to attract the highest foreign direct investment (FDI). The data released by Department of Industrial Policy and Promotion (DIPP), during the period April 2000-February 2015, this sector attracted around US$ 7,862.08 million of FDI.”

Tourism is not only world’s fastest growing industries but a major source of income for many countries. India, being a tourist hub with rich cultural heritage makes country stand globally as a tourist destination. With the global recognition of India in tourism sector, this industry provides many job opportunities to the people which help in developing the local economies too.
“The World Travel and Trade Council, figures indicated that the Indian tourism demand is expected to grow at 8.8% from 2007-2016.”

Among the services sector in India the Indian tourism and hospitality industry has emerged as one of the important drivers of development. It is a sunrise industry, an employment generator, a source of foreign exchange for the country and an economic activity that helps nations to grow. Tourism in India is a potential game changer. India has excellence in its beauty, uniqueness, rich culture & heritage and wide history has been vigorously promoting tourism both internationally as well as in the domestic market. India is a tourism product and has a significant potential to become a most wanted and preferred tourist destination globally.

“According to IBEF report, 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. India’s travel and tourism economy has grown by 7.5% in 2015 over last year, exceeding the 6.9% growth that the global forum has predicted for the South Asian region.”

The above data has shown that there has tremendous change in the growth of tourism and travel sectors. India being a developing country can be a potential user of these services. Among various types of tourism in India like Adventure Tourism India, Cultural Tourism India, Heritage Tourism and Ecotourism where ecotourism is one of the most influential and growing sector in tourism in India where travelers visit natural areas, conserves the environment and also focuses on the sustainability.

Hospitality sector in India is showing a larger scope today as consumers have their changed tastes of goods and services. The tourism and hospitality industry have always been associated together where ‘tourism’ is the prime demand driver of the industry. “According to IBEF report growth of Tourism and Hospitality in India has seen drastic change as the tourism and hospitality sector’s direct contribution to GDP by US$ 44.2 billion in 2015 where over 2006–15, direct contribution is expected to register a CAGR of 10.5 per cent.”
The above growth has been influenced by many factors such as:

- Rising income of households
- Increase in eco-tourism, luxury tourism and medical tourism
- Through automatic route, 100% FDI has been allowed in hotel and tourism sector
- Every year, the beauty, uniqueness and diversity in India attracts multiple number of tourists
- For advancement of infrastructures, Government initiatives have significantly increased.
- “India has been ranked as the fourth most preferred travel destination by Lonely Planet selecting the country among the top five destinations from 167 countries.”

The above reasons have shown that there was a faster improvement in the growth of tourism and hospitality industry. This sector has potential to bring drastic change in the development of economy. Government of India has taken several initiatives to boost the tourism and hospitality industry. Government has also brought awareness among the people and bringing many facilities to improve this emerging sector. The launch of several marketing initiatives by the Government of India such as ‘Incredible India’ and ‘Athiti Devo Bhava’ towards tourism and hospitality sectors which have provided a good response of awareness and shown growth in this sector too.
1.2 Sustainable Tourism

In today’s era, every business has their responsibility to give the best products and services to the society along with protecting the environment. That is why these businesses are adopting several sustainable practices which can serve the best to the society. In general term ‘sustainability’ is defined as “without compromising the needs of future generations, meet the needs of present generations”. Today, tourism industry has also adopted sustainable practices which help in saving environment. “According to World Tourism Organization, Sustainable tourism is one that brings a balance between the economic, environmental and socio cultural aspects of tourism development.” Sustainable tourism strives to minimize its impact on the environment so that it will be available for future generations.

1.3 Green Hotel

Hotels are the most important part of the tourism industry which contributes to the sector by offering services and facilities of extremely high standard. “ICRA Limited rating agency expected the rise in revenue of Indian hotel industry from 9-11 per cent in 2015-16.” With the fast degradation of the environment, hotels are taking various initiatives to save the environment. One of the major strategy adopted by the hotel industry is using of eco friendly products and services. This growing concern towards the environment, the hotel industry is making green efforts to attract their customers. The concept of Green hotels includes broader categories like the equipments or the infrastructure of the hotels should be green, the hotels policies and procedure should be linked with the environmental policies and the management of hotels should also include all kind of information towards green policies of the hotels.

“The Green Hotel Association (2008), green hotels, provides a more resource oriented definition: green hotels are environmentally sustainable properties whose managers are eager to institute programmes that save water, save energy, and reduce solid waste while saving money to help protect our one and only earth”. Today hotels are putting their efforts to be green and for this, they require certification proof of being green hotels. Green hotels works on two aspects i.e. LEED(Leadership in Energy and Environmental Design) certification which are given to those hotels that keep all green policies in mind like conservation of energy, water etc and Ecotel certification is a newer concept and certified to those hotels that incorporates eco friendly
materials and can demonstrate proof in reducing, reusing and recycling products in its daily practices. “Ecotel is a certification that enables hotels to be sustainable. “Ecotel certification measures hotels by using five parameters, known as ‘The Five Globes’: Sustainability Commitment, Waste Management, Energy Management, Water Management, and Employee Education and Community Involvement.”

There are various examples of hotels which are initiating green practices which help them in saving their costs too. By Business Today article(2010), “at the Jaipur Fern, the hotel is saving Rs 166,000 a year by replacing bulbs with compact fluorescent lamps(CFLs) and savings of Rs 27,000 by replacing a regular cistern with interleaved plungers for three and six-litres flushes that results in reduction in water consumption.” “Other hotels which received Ecotel certification, like Club Mahindra's Coorg and Goa properties, The Uppal, an ECOTEL Hotel, New Delhi, Cabbana Hotel, an ECOTEL Hotel, Phagwara, Punjab. Rodas, an ECOTEL Hotel, Mumbai The Fern, an ECOTEL Hotel, Jaipur and The Park in Hyderabad and ITC Royal Gardenia in Bangalore are LEED (leadership in Energy and Environmental Design) certified properties.”

In India, Green Certification has been awarded many hotels such as, a hotel like the “ITC Gardenia, a luxury hotel in Bangalore, having platinum rating was awarded the US Green Building Council LEED. ITC Gardenia is the first hotel in India to achieve the highest rating for green buildings among all its luxury hotels.”

According to Claver-Cortes et al., (2007), “there are various other popular cost cutting measures which are being implemented by the hotels to reduce hotel operational costs and harmful environmental impacts like use of compact fluorescent lights for saving energy, Reuse of linens for saving water, Low-flow shower systems that saves water and energy, using of local products that saves transportation costs, installation of green roofs, installation of solar heaters or other renewable energy source.”

1.4 Eco Certification System

Eco-label is a very important tool for consumers that enable consumers to know how products are made and also help them too take their decision in buying environmentally friendly products.
“In 1992 Hilton International and some other smaller hotel groups made one of the first moves towards general eco certifications in the hotel industry. They were the founding members of the International Hotels Environment Initiative (IHEI) aiming at the implementation of valid guidelines within the global hotel business and to raise general awareness for all sustainable issues (Honey 2008).” The major objectives of IHEI are:

- To increase awareness about environment towards the hotel industry
- To spread environmental information with respect to hotels and enable hotels of all sizes to execute environmental programs
- By working with hotel associations, Governments, Non-governmental organizations (NGOs), and Tourism bodies, it promotes good practice internationally.

“It was in the wake of the 1992 United Nations Conference on Environment and Development (the original Rio Earth Summit) that the International Hotels Environment Initiative, now known as the International Tourism Partnership (ITP), was formed.” IHEI was renamed International Tourism Partnership (ITP) in 2004 and now represents 14 international hotel chains with some 22,000 hotels in more than 100 countries of the world. “The International Tourism Partnership (ITP) brings together the world’s leading international hotel companies to provide a voice for environmental and social responsibility in the industry” (www.ihei.org). “In 2011 with the partnership of World Travel and Tourism Council (WTTC) the Hotel Carbon Measurement Initiative was launched which is a unique joint initiative to unite hotel industry efforts to calculate and communicate carbon emissions.”

1.5 Major Eco Certification Systems

“Green Seal's flagship program is the certification of products, services, restaurants, and hotels. The certification is based on Green Seal standards, which contain performance, health, and sustainability criteria (Wikipedia).”
“LEED which stands for Leadership in Energy and Environmental Design is a certification program focused primarily on new, commercial-building projects and based upon a points system.”

“ECOTEL is the ‘Hallmark of Environmentally Sensitive Hotels’. Concept Hospitality Pvt. Ltd operationalizes the certification and markets the brand. The ECOTEL Collection is an exclusive group of international inns, hotels and resorts that define the concept of environmental responsibility in the hospitality industry.”

“Green Globe members are committed to benchmarking and managing the use of energy and water with the aim of reducing the use of these resources as well as promoting reuse and recycling of materials. Green Globe, which is now seen as the world’s only truly global tourism certification Program by many professionals (Honey, 2002), arose from the principles of Agenda 21.”

“It is a systematic framework to manage the immediate and long term environmental impacts of an organization’s products, services and processes. An ISO 14001 environmental management systems is a systematic and process driven approach to controlling those aspects of your business that have a significant impact on the environment”.
Green certification is a vital part of every hotel that is practicing green attributes in their hotels. A certification program also provides a better opportunity to the hoteliers to have their hotel rated and labeled based on their preset environmental practices and policies. Green certification is a tool that hoteliers may use to differentiate themselves from others conventional hotels. There are set pattern of standards that most certification programs use related to energy management, waste management, water use reduction, and education. These standards are to be fulfilled by hotels to get the green certification. Although the number of companies that certify appears to be growing, a few of the more well known organizations are Green Seal, Green Globe, Green Key, LEED, Ecotel, ISO 14001 etc which has been discussed above.

1.6 Going Green in Hotel Sector

Green hotels are those hotels that initiate and implements ecofriendly practices and programs which have a less impact on environment. A green hotel can be defined as the hotel that operates in a responsible way towards society, community, the local culture, and the surrounding environment. “According to Watkins (1994), green hotels are those that show concern for the environment.” Hotels carries out certain common practices like saving energy, water conservation, managing solid wastes, recycling products etc which saves the environment. But generally it is seen that among the tourism sectors, the hotel sector has created an increasing amount of stress on the environment. “As per Central Pollution Control Board (CPCB), the intensity of waste generation varies from 1kg to 6kg/day per hotel room in India. Hotels represents around 23% of commercial sector, generate 45% of all municipal solid waste which emit hazardous gases like Methane, Carbon dioxide and GHG emission that contribute to global warming or climate change.”

“According to NASA Global Climate Change (2016), identified that in its Fourth Assessment Report, the Intergovernmental Panel on Climate Change, a group of 1,300 independent scientific experts from countries all over the world, concluded that there's a more than 90 percent probability that human activities over the past 250 years have warmed our planet. The panel also concluded that over the past 50 years, there's a better than 90 percent probability that human-produced greenhouse gases such as carbon dioxide, methane and nitrous oxide have caused much of the observed increase in Earth's temperatures.” This faster degradation of environment has brought major issues towards the hotel industry.
As hotel industry is a truly a part of our society, it contributes about 75% of environmental pollution by over consumption of energy, water and resources while operating business (Chen and Chen, 2012). “According to World Trade Organization (2010), the hotel industry contributes 20% of GHG emission and generates 79,570 gallons of waste water and uses energy which costs $2,196 per year. This waste material, polluted water, fumes discharged during operations exploit environment.”

Going green for the hotel industry not only the social responsibility but also a cost cutting tools for their business. The sustainability issues are the major challenge for the hotels. It does not only save the environment but also benefits hotel industry in terms of customer loyalty, goodwill of the company, employee retention and increased brand value. “The hotel industry has been engaging in green practices since the 1990s due to varying economic factors and a strong focus on customer relation & service (Claver-Cortes et al., 2007).” Hotels make themselves green by saving energy, water and other materials which in all save the environment. There are various common green attributes which are being incorporated by hotel industry. “According to Verma and Chandra (2016), some of the green practices like energy efficient light bulbs in guest rooms, green certifications, waste recycling policy, recycle bins in the guest rooms, use of non conventional energy sources in hotels are being initiated by the hotels to support green consumer buying behavior.”

Hotel should go green because it has been seen in an article named ‘Hotels in India going green’ by Ashok K. Verma(2012), where it was said that green hotels or buildings have certain green features that are actually being incorporated, “these are zero water discharge, 25-40% energy savings over conventional buildings, 40% reduction in potable water use, use of treated grey water for flushing, air conditioning and landscaping, use of fly ash in bricks and concrete, high efficiency equipment, and eco-friendly housekeeping practices.”

In the construction of a green building, the three R’s have a significant role to play i.e. “recycling of old material, reduction of wastage and re-use of material.”

To save irrelevant and unnecessary costs there are several green practices that hotels can implement as protective measures. Some of the green practices are like pollution prevention such as waste discharge into waterways, energy consumption, water conservation and recycling. There are various examples where hotels are actually implementing these green practices such as:
• Use of compact fluorescent lights (CFL)
• Reuse of linens
• Use of low-flow shower systems
• Use of local products which saves transportation costs
• Installation of green roofs, solar heaters or other renewable energy source which saves energy

“These above practices can results in reduction of hotel operational costs and harmful environmental impacts (Claver-Cortes et al., 2007).”

1.7 Green Management

The term green has taken a huge attention in the minds of hoteliers as well as consumers. Green management is taking a lot of importance in today’s scenario. Green management has become a social responsibility for every business. Management of green practices by the hotels has attracted many consumers.

According to Bhatt and Kaur (2015), There are four components of Green Management :-

(a) Green Building: - “It refers to both the structure and the using of processes of the building that are environmentally responsible and building should be resource efficient from design, construction, operation, maintenance, renovation, and demolition.”

(b) Green Energy: - “It refers to the use of power that is non-polluting, prevent future global warming and cause reduction of emission. Green energy comes from sunlight, wind, rain and tides.”

(c) Green Waste: - “Green waste is a biodegradable waste that can be composed of garden or park waste. It can be used as a bio-fuel.”

(d) Green Material: - “Green Material is that material which is having more natural ingredients than artificial.”

The main focus of Green Management is to provide healthy environment where no harmful or toxic substances are not being used, also to create awareness about environmental sustainability in order to encourage proper utilization of natural resources in an eco-friendly manner and to protect the life support system of the Mother Earth by implementing 3 Rs:- Reduce, Reuse and Recycle.
1.8 Green Consumers

Green consumers are those who are more concerned about the environment, those who use eco-friendly products that offer less damage to the environment. We have been noticing since so many years that our environment is being exploited by the human beings. With the increasing concern of environment, the numbers of green consumers is accelerating. From the “Stanford social innovation review 2008, consumers worry about rising seas, climate change, increasing pollution, declining air quality, shrinking animal habitats, , and newly growing diseases, who are trying to change in their own purchases.”

“In 2007 McKinsey & Company global survey of 7,751 consumers in eight major economies the results showed that 87 percent of these consumers are concerned about the environmental and social impacts of the products they buy. Forecasting a shift of the consumer mentality towards green products and services, organization, specifically the hotel industry have identified this niche market and introduced a varied range of green services for various customer segments.”

“Going green is a major contributor to the triple bottom line of business: i.e., people, profit and planet”.

There are various concepts of green consumers which are given by different authors. Some of them are as follows:

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<th>Authors</th>
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<tr>
<td>Ottman (1999)</td>
<td>“It is the one that seeks to consume products that cause little impact to the environment.”</td>
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<tr>
<td>Layrargues (2000)</td>
<td>“It is the individual who makes their buying choices not only on the basis of price and quality, but also the fact that it is environmentally friendly.”</td>
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<td>Portilho (2004)</td>
<td>“It is the one who in addition to the variable quality/price, includes in their ‘power of</td>
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The above authors have shown that there are different concepts of green consumers which show that every consumer have different perception in their buying behavior. The consumers are significantly increasing their concern towards the environment. “The DuPont green living survey India, (September 2014) conducted by TNS Global, found that, more than 63 percent of consumers are familiar with green products and of those, 85 percent have confidence that they are better for the environment, but it was also seen that Canada (78 percent) and the United States (76 percent) are showing more familiarity with green products as compared to India (63 percent)”. It means that Indian people are getting aware but as compared to other countries India still lacks in awareness and acceptance of green products and services.

“The Nielsen Global Survey conducted a nine-country online study to understand how global attitudes and behaviors of consumers about engagement towards sustainability are changing. Consumers were clustered into five segments and identified that two-thirds of the ‘sustainable mainstream’ population will choose products from sustainable sources over other conventional products and these consumers will buy eco-friendly products who have personally changed their behavior so that their impact on global climate change can be minimized.”

“According to Manaktola and Jauhari (2007) study, it was seen that Indian customers worry about ecological problems but they are not ready to change their lifestyles. This makes them to ignore the environmentally responsible decisions as they are not ready to sacrifice luxury and convenience, nobody will accept lower quality or pay a higher price for services with a green products and services.”

Here, it can be seen that that there is still a huge scope for companies to cater green consumers as these consumers are increasing with a faster rate. The slightly more efforts by the companies can bring a huge change in the mindset of consumers and will force them to change their buying decision towards green products and services.
1.9 Consumer Behavior towards Green Hotels

Our growing consumer economy and industrialization have brought more urban areas and led to huge damage to the global environment by human activities. Due to substantial emission of greenhouse gases and increasing global warming, the concern about the environment is rising among the people. This concern towards the environment has brought a sustainable solutions for the human beings which also forced to change their ways of living to become more eco-friendly.

Green building is also taking a huge place in saving the environment. “The Indian Green Building Council (IGBC) was formed in 2001 by the Confederation of Indian Industry and the Godrej Green Business Centre, and is continuously striving towards the wide adoption of green building concepts in the Indian industry.” Green buildings incorporates several sustainable features such as efficient use of water and energy, eco-friendly environment, use of renewable energy, use of recycled materials, effective use of landscape, effective control and building management systems, and improved indoor quality for health and comfort which are generally not seen in the conventional hotels.

According to a article named ‘Hotels in India going green’ by Ashok K.Verma(2012), when it comes to hospitality sector, “construction of hotels in India ranked second in Asia in 2011, with around 500 projects and approximately 90,000 rooms. Nearly 60% of the country’s high-end hotels are located in Bangalore, Pune, Mumbai, Chennai and New Delhi.” With the increasing number of hotels, hoteliers must identify the needs of consumers. Consumer perception and their behavior are changing with the changing time which brings a major question that what actually consumer needs if hotels go for green services?

“Consumer behavior is defined as activities people undertake when obtaining, consuming, and disposing of products and services (Blackwell, et. al., 2001)” To gain a competitive advantage in the changing world, companies are following the demand trend of consumers and bringing improvements of this development over time.

The study of consumer buying behavior is the major challenge for the hotel industry. The changing preferences and needs of consumers, it has become important for hotels to bring some new services which can attract their consumers. Generally, consumers visit those hotels where
they find comforts and convenience. So hoteliers should come out with only those green services which can give them convenience. It is a big challenge for the green hotels that among various green practices which can be the most preferable practices for the consumers. It needs to be identified that which practices like energy efficient light bulbs, recycle bins, recycled products, green certification etc are important for them. So study of consumer behavior, their perception and attitude are the major factors to be identified to sustain in this market. “Consumers are concerned about the environment but they are not ready to change their habits or sacrifice convenience for the betterment of the environment (Ginsberg and Bloom, 2004; Peattie and Crane, 2005; Neff, 2010).”

“The study conducted by Lonely Planet showed that 88% of travelers consider sustainability as important factor (Shugg et al, 2007), but while some of the travellers are willing to pay more to support environmental practices (Masau and Prodeaux, 2003), but others think that hotels are responsible for environment and are they are obligated to fund those sustainable investment using own resources rather than forcing consumers to pay extra amount (Gustin and Weaver, 1996).” Green products and services generally costs high and Indian consumers are price sensitive so they do not prefer in buying green products. The rapid change in the consumption pattern, hotels should satisfy their consumers with their green services. To save environment both consumers and hoteliers should come together to understand the needs of eco friendly services.

1.10 Aims and objectives of the study

The aim of the research is to develop a framework for finding out the ecoliteracy of consumers, consumer perception, consumer preferences, willingness to pay and consumer green acceptance behavior in India towards various green attributes followed in a hotel. The objectives of the research are as follows:

1. Assessing the awareness of Indian consumers about green attributes of hotels.
2. Assessing the perception of Indian consumers about green attributes of hotels.
3. Assessing the preference of Indian consumers towards green attributes of hotels.
4. Assessing willingness to pay of Indian consumers for green attributes of hotels.
1.11 Organization of the study

The study has been divided into six chapters.

Chapter 1 deals with the introduction of the topic and related areas of focus pertaining to the topic. It gives an overview of the tourism and hospitality industry in India, green practices and attributes followed in a hotel, green consumers and finally it throws light on the Indian consumer green acceptance behavior towards hotel industry.

Chapter 2 deals with the review of various past studies which is related to awareness, perception, preferences, consumer attitude and behavior and their willingness to pay which further helped to find out the research gap.

Chapter 3 deals with the research methodology which gives an overview of research, research design, purpose of the study, research objectives and hypothesis of the study, survey instrumentation, data collection and procedure, sample size calculation of the study and finally statistical technique are being discussed.

Chapter 4 deals with the data analysis and interpretation which is most crucial part of any research. The data collected have been passed from several statistical tests to get the overall results of the objectives. It also throws light on the hypotheses acceptance and rejection by using statistical testing to know the relationship among the variables.

Chapter 5 deals with the discussion part of the thesis where researcher links the findings of the current study with the past studies to get the further conclusion which also helped in justifying the research findings. This chapter also highlights the managerial significance of the study.

Chapter 6 deals with the conclusion part of the thesis which concludes the overall results. It also outlines the limitations of the study which can be removed for the future studies. Lastly researcher concludes the subject by throwing light on future scope of the research.