

Green Marketing in Hospitality Industry

Mohammadreza Ashrafi

M.Sc. in Business Management – Marketing Branch - Islamic Azad University – Aliabad-e-Katoul Branch – Iran

Received: January 22 2014

Accepted: March 4 2014

ABSTRACT

Green marketing can be defined as an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. The present paper was formulated in order to evaluate various aspects of green marketing in lodging industry. The inclusion of environmental attributes into marketing activities as a part of environmental management system (EMS) was described. Furthermore, greenwashing was explained as a potential hazard in green marketing in hotels. Afterwards, eco-hotels, as a new trend in green marketing, were introduced. Finally, strategies of green marketing were mentioned. It was concluded that a common green culture should be developed in hotels and among their staff in order to achieve sustainable development in hospitality industry.

KEYWORDS: Eco-hotels; EMS; environmentally-friendly; green marketing; greenwashing.

1- INTRODUCTION

Hospitality industry all over the world has been increasingly getting worried about environmental issues. It has been specified that 75% of environmental pollution caused by hotel industry was from over-consuming energy, water, and materials while operating business. The waste water, fume, and materials discharged during the operation would cause negative impacts on our environment. Therefore, without appropriate design and strategy, environment would be subjected to unwanted effects. The notion of environment protection and energy saving can induce green management into hotel facility construction. If hotel industry can enable operation of the idea of green management, it can benefit environmental and ecological protection; also, it would diminish hotel operation cost. Furthermore, green marketing can appeal consumers who are in support of the identical idea, too [1].

Because tourism industry has changed to a noteworthy source of revenue, its influence on the hotel industry is tremendously massive. Buildings are consuming around one-third of the world's energy and the consumption of worldwide energy is expected to upsurge by 45% from 2002 to 2025. Therefore, knowing how the hoteliers are contributing to the environment is very vital. The present condition of environmentally related investigations is comparatively young but developing with high necessities for more academic research in the field of hospitality management. The notion of green marketing in hotel industry is still in primary stages although additional literature developments and theoretical supports are obligatory [2].

The concept of "green marketing" emerged in the late 1980s. The term describes an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. It has been defined as the management process responsible for identifying, anticipating and satisfying the requirements of customers and society in a profitable and sustainable way [3].

Green Marketing is the marketing of products that are supposed to be environmentally safe. Consequently, green marketing integrates an extensive variety of doings, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Nevertheless, defining green marketing is not a simple duty where several meanings overlap and contradict each other, an example of this will be the presence of variable social, environmental and retail descriptions devoted to this term. Other comparable terms are Environmental Marketing and Ecological Marketing. Different authors have assumed diverse explanations of green marketing. According to the American Marketing Association, there are 3 ways to describe Green Marketing: Retailing Definition: The marketing of products that are presumed to be environmentally safe; Socially Marketing Definition: The development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality; Environment Definition: The effort by organization to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns [4].

Hotels trying to appeal green consumers should practice targeted marketing that draws on both functional and emotional green images. Identifying green customers can be challenging for hotels. While industry research has revealed a substantial proportion of hotel guests prefer to stay in a hotel that cares about the environment, guests are

* **Corresponding Author:** Mohammadreza Ashrafi, M.Sc. in Business Management – Marketing Branch - Islamic Azad University – Aliabad-e-Katoul Branch – Iran. Email: infomarketinghotel@gmail.com

not always that foreseeable. A study by a major national hotel operation found the opposite and 75 percent of their guest respondents held they wouldn't give up daily hotel room service activities. That study also found guests pay less attention to the environment while traveling because they're not directly responsible for the costs of cleaning and utilities. Green customers lean towards being more worried for others and have a higher tendency to work for the good of society than non-green consumers. Green consumers also place a higher value on the restraint of actions that could upset or harm others and violate social norms; and they're less likely purchase self-serving products such as those associated with achievement or success, according to the analysis. Hotels develop a green placement strategy targeted at green consumers that draws on both functional and emotional images. For example, green consumers look for tangible, functional images such as a recycling program or a LEED certification. They'll also look for actions that illustrate a hotel's commitment to the environment, such as a menu that offer food supplied by local farmers [5].

The marketing of a hotel as "green" or "sustainable" has emerged in recent years as an important constituent of the promotion arsenal used by the lodging industry. The reason is simple. Both business and leisure travelers are increasingly looking for places to stay that protect the environment as well as the health of their guests. In addition, many meetings and convention planners now function under orders that call for selection of only those facilities that are sustainable. As a result, many different methods to promote sustainability have arisen – ranging from independent certification from a third-party to self-declaration [6].

2- ENVIRONMENTAL MANAGEMENT SYSTEM

The inclusion of environmental attributes into marketing activities has been discussed in a number of academic works in journals, governmental bodies, and in the popular press. It would appear that firms have taken a diverse range of approaches to using green marketing activities. Firms have undertaken green activities for various reasons. In some cases, firms have embraced environmental issues because they have recognized that they have a duty to behave responsibly. Many firms that have become involved in organic food production do so because of an emotive concern for environmental issues [7].

An environmental management system (or commonly referred to as an EMS) is a structured system designed to help organizations manage their environmental influences and improve environmental performance caused by their products, services and activities. An environmental management system provides structure to environmental management and covers areas such as training, record management, inspections, objectives and policies. Implementation of a environmental management system requires the following steps to be completed: The development of an environmental policy that reflects the organization's environmental commitments; The appointment of a person(s) responsible for its coordination; The identification of how the organization can interact with the environment and its actual and potential environmental impacts; The identification of legal and other requirements relevant to its environmental aspects; The establishment of environmental objectives and targets, and the programs in which to achieve them; The monitoring and measurement of the progress to achieve its environmental objectives and targets; Reviewing the system and environmental performance; and The continuous improvement of the organization's environmental performance [8].

3- GREEN WASHING

Unfortunately, some companies seem to have integrated environmental issues into their activities simply to distinguish themselves from competitors, without essentially making any practical change in the organizations environmental activities. The rational for such superficial changes is that consumers pursue to make their consumption more responsible and will accordingly be attracted to "green" products. In many cases, consumers rely on firms' marketing activities for product environmental information, merely because it is difficult for them to assess products environmental characteristics [7].

Firms that place themselves as green, even when their activities are not green, or at least are no greener than rivals, lead to consumer doubt of all types of green marketing entitlements, which in turn may bring about problems for all firms who seek to power their products environmental attributes in the market place. Making environmental claims without any functional provision has been termed "greenwashing" and is one of the reasons that governments around the world have sought to regulate green marketing activities. Misleading green marketing claims may in fact damage all firms greening activities [7].

Some hotels have also abused their customers' intention toward using green products by building some forums in their websites. The number of companies distributing green claims over the last several years has increased vividly

as customers and companies are paying more attention to their environmental impression. Continually, businesses are accused of greenwashing on websites that have such forums [9].

Gallicano (2011) presented an integrated framework for analyzing greenwashing which is based on synthesizing the frameworks of Committee of Advertising Practice (2008), Greenpeace (2009), Enviro Media and the University of Oregon (2009) and Terra Choice (2009). The framework involves attributes for greenwashing as follows:

- The business is inherently dirty but touts environmental initiatives;
The company promotes environmental efforts or achievements, which could divert attention from its bigger environmental problems;
- The company claims a product is green based on a few attributes without considering a full life cycle analysis;
- A product may be “green” but distracts from the environmental impacts of the product category;
- Environmental claims are made that cannot be proven by data or third party verification;
- Environmental claims are overstated or exaggerated;
- Claims are poorly defined and misunderstood by consumers (e.g., natural);
- Claims contain confusing pseudo-scientific verbiage;
- The company claims a product or activity is “green” even though there are laws either restricting or mandating such;
- The company promotes “green” initiatives while lobbying against environmental laws and regulations;
- The company makes false claims;
- The company gives the impression of third party labels or endorsements, where none exist;
- The company fails to acknowledge that an informed debate exists [9].

4- ECO-HOTELS

Eco-hotel is a hotel or accommodation that has made vital environmental developments to its structure so as to diminish its influence on the environment. The simple description of a green hotel is an environmentally responsible accommodation that follows the practices of green living. These hotels have to be certified green by an independent third-party or by the state they are located in. Conventionally, these hotels were mostly presented as Eco Lodges because of their location, often in jungles, and their design inspired by the use of traditional building methods applied by skilled local craftsmen in areas, such as Costa Rica and Indonesia. An eco-hotel must usually meet the following criteria: Dependence on the natural environment; Ecological sustainability; Proven contribution to conservation; Provision of environmental training programs; Incorporation of cultural considerations; Provision of an economic return to the local community; Green hotels follow strict green guidelines to ensure that their guests are staying in a safe, non-toxic and energy-efficient accommodation [10].

How does eco-labeling relate to the hotel industry? The hotel industry doesn't make or grow anything, so why would any hotel business need a green label? The lodging industry is a major consumer of resources and products. Consumption includes land, construction materials (carpet, paint and wood), fixtures and furnishings, cleaning supplies, food, and equipment (air conditioners, computers, elevators, furnaces). Therefore, there is the daily consumption of water and power. Hotels are active 24 hours a day, seven days a week, year in and year out, using water and power throughout the day for general operations, cleaning, and guest use. With this huge continuing use of products and resources there is a need for environmental action to preserve the environment and conserve resources for future generations. Environmental action needs to be with purchased products and daily operations. The ideal is the products brought into the hotel operation will have been produced with environmental care, both at the source and for the guests' health. And the resources consumed daily like water, power, newspapers, and cleaning supplies, are minimized to reduce the strain on the environment. Just as consumers want to buy products according to their environmental sensitivities, they also want to buy their hotel "product" and experience according to their preferences and needs; they want to choose hotels that have an environmental awareness [11].

Here are some basic characteristics of a green hotel: Housekeeping uses non-toxic cleaning agents and laundry detergent; 100% organic cotton sheets, towels and mattresses; Non-smoking environment; Renewable energy sources like solar or wind energy; Bulk organic soap and amenities instead of individual packages to reduce waste; Guest room and hotel lobby recycling bins; Towel and sheet re-use (guests can tell housekeeping to leave these slightly used items to reduce water consumption); Energy-efficient lighting; On-site transportation with green vehicles; Serve organic and local-grown food; Non-disposable dishes; Offers a fresh-air exchange system; Gray water recycling, which is the reuse of kitchen, bath and laundry water for garden and landscaping; and Newspaper recycling program [10].

5- GREEN MARKETING STRATEGIES FOR HOTELS

Chan (2013) mentioned strategies of green marketing for hotels. Here, a summary of the strategies are indicated:

- Designing green products and services;
- Provision of harmless products and services for customers;
- Using the Internet as a marketing channel;
- Contributing to green-conscious customers;
- Saving water and energy resources, reducing wastes, and conserving ecosystem;
- Launching green-certification programs;
- Product-differentiation by green products and services;
- Cooperation with environmentally-friendly groups;
- Adoption of environmentally-friendly distribution channels;
- Influencing on industrial customers through green marketing;
- Joining commercial green marketing associations and central green reservation systems;
- Conformation to environmentally-friendly regulations;
- Green pricing leads to lower costs of green products and services;
- Adoption of environmental labeling as a marketing tool;
- Trying to create innovative green products and services;
- Using eco-labels on packages and in websites;
- Effect of efficiency of green products and marketing on customers' decision to stay again;
- Launching special program to assure success of green products and services;
- Conformation to perception commercial partners;
- Willingness of customers to pay higher prices for green products and services;
- Skepticism of customers on green marketing;
- Contradiction of rivals on environmental claims.

6- CONCLUSION

Green marketing is a newly-born term in lodging industry. It simply means using environmentally-friendly products and services in hotels and accommodations. However, several managers and customers are skeptic on using such term in their decisions as it has not been perfectly substantiated so far. However, hotel managers are expected to launch quick activities in order to make use of principles of green marketing properly in their hotels. As green marketing has been proposed as a key factor in sustainable development, commitment to its principles can be regarded as a key factor to gain long-term prosperity. It can be concluded that to have a really successful green marketing, a common green culture should be developed in hotels and among their staff.

Acknowledgment

The author declare that they have no conflicts of interest in the research.

REFERENCES

- [1] Chen Y.C., Chen Y.T. (2012) The Advantages of Green Management for Hotel Competitiveness in Taiwan: In the Viewpoint of Senior Hotel Managers; *Journal of Management and Sustainability*; Vol. 2, No. 2, p. 211-218.
- [2] Punitha P., MohdRasdi R. (2013) Corporate Social Responsibility: Adoption of Green Marketing by Hotel Industry; *Asian Social Science*; Vol. 9, No. 17, p. 79-93.
- [3] Chan E.S.W. (2013) Managing green marketing: Hong Kong hotel managers' perspective; *International Journal of Hospitality Management* 34, p. 442– 461.
- [4] Das L. (2012) Green Marketing and its Impact in Global Business; *International Conference on Technology and Business Management*, p. 488-493.
- [5] Analysis: Hotels Must Use Targeted Marketing to Attract Green Consumers (2012) Retrieved on 02/23/2014 from <http://www.environmentalleader.com>.

- [6] Weissman A. (2013) “Green” marketing changes with new FTC guides; retrieved on 02/24/2014 from <http://www.greenseal.org>.
- [7] Cary J., Bhaskaran S., Polonsky M. (2004) Green Marketing and EMS Assessing potential consumer influence on EMS development in fresh food chains; A report for the Rural Industries Research and Development Corporation, RIRDC Publication.
- [8] What is an environmental management system? (2014) Retrieved on 02/24/2014 from <http://www.environmentalmanagementsystem.com.au>.
- [9] Gallicano T.D. (2011) A Critical Analysis of Greenwashing Claims; Public Relations Journal Vol. 5, No. 3, p 1-21.
- [10] Eco-hotel (2014) Retrieved on 02/25/2014 from <http://en.wikipedia.org>.
- [11] Consumers Seeking Green Hotel Eco-Labels (2014) Retrieved on 02/25/2014 from <http://www.environmentallyfriendlyhotels.com>.