CUSTOMERS' PERCEPTION OF GREEN HOTEL: A STUDY IN KLANG VALLEY, MALAYSIA

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ABSTRACT

The issue regarding environment become more serious. Many people start to realise that this issue would bring negative impacts to their life. Green hotels are, in most cases, appreciated by many people for the simple fact that it is protecting the earth. It is necessary to investigate and understand the way people think about green hotel in Klang Valley area. This paper aims to examine the relationship between customers perception of what are the practices that green hotel should conduct. This study will identify four core factors that would influence the perception of potential customers toward green hotel which are environmental purchasing (EP), energy management (EM), water conservation (WC), and waste management (WM). This study will provide literature search to support this study. The limitations in this study are limited coverage targeted area, limited variables and use most convenience sampling methods. Besides, this study will conduct 385 sample sizes to ascertain the relationship of CPGH and the four core factors. This research will conduct reliability test, normality test, descriptive analysis, and correlation analysis.

Keywords: Perceptions; Green Hotel; Klang Valley; Customers; Factors; Environment.

INTRODUCTION

Nowadays, many new hotels are starting to emerge which makes competition in the hospitality industry even tighter, especially in the urban area like Klang Valley. Service providers for customers, hotels need to ensure that they could provide the best service such as providing several facilities to their customers. These facilities are including guest rooms, laundry, swimming pool, public toilet, functional rooms, and other facilities. All these facilities are required large amounts of energy and water that will eventually release various types of waste to the environment. Either large or small hotels can create tremendous damage to the environment due to the enormous volume of waste they produce because hotel tends not to re-use their waste (Yu, Li & Jai 2017).

The emergence of environmental issues has created awareness and a sense of social responsibility amongst society towards the conservation of natural resources. Not a few people are starting to realize that the adverse effects that humans bring to the environment, can also bring huge losses to them too. For instance, if the air around us is polluting by carbon dioxide (CO_2), this can threaten the supply of nutritious foods such as wheat, rice, and others. According to researcher, this will lead to malnutrition that will be experienced by people around that particular place (Widyaningrum 2018). Due to their high awareness of environmental issues, they began to implement environmentally friendly practices such as changing their purchasing decisions by continuously using environmental criteria and reducing the use of excessive water and electricity (Sajeewanie et al. 2019). People are starting to have the desire to buy products and services that are environmentally friendly (Sajeewanie et al. 2019). Many companies including hotels have received negative feedback from the community because of their negligence that has had a negative impact on the environment such as releasing excessive greenhouse emissions, climate change, and environmental damage (Shamsuddin, Wahab, & Abdullah 2014). To rectify the company's bad image due to negative feedbacks given from the customers, most of them

decided to focus on corporate social responsibility to regain the trust of the customers (Shamsuddin, et al., 2014). Besides, the customers are ready to go green. Therefore, it is important for a hotel to start becoming green hotel in order to maintain the satisfaction of the customers. Green hotels are defined as hotels which implement green practices and protecting the environment and the surrounding community, such as controlling energy, water, waste, implementing recycle programs, reducing the carbon footprint and greenhouse gas emissions, and so on. Researcher decided to focus on Klang Valley area because this area is one of the most developed districts in Malaysia. According to world population review (2020), the population in Klang Valley area is 7,996,830 people. Hence, this paper will explore and analyse the customers' perception of green hotels in Klang Valley.

PROBLEM STATEMENT

Green hotels have been favouring by people due to it being beneficial for environment. However, despite people likes green hotels, not all of them have the same perception about green hotels. Hotels that are not implementing green practices are considering as normal hotels. By looking at this, it shows that people's perception is a big factor in determining the green hotel characteristic.
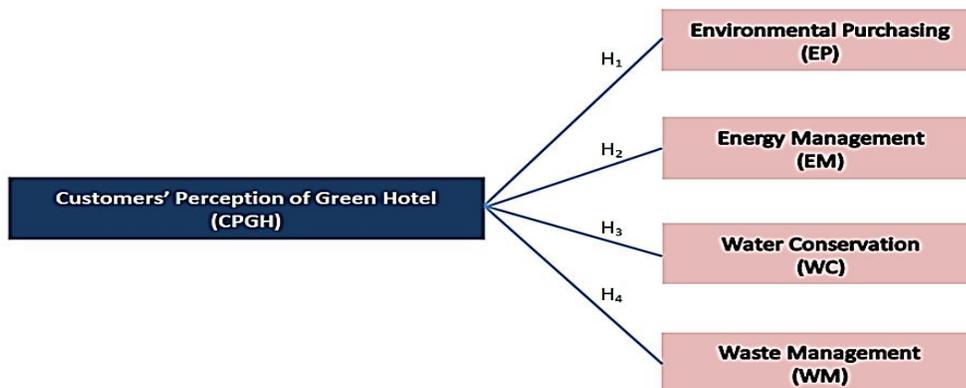

Figure 1. Architectures components and the critical elements in CPGH prediction (Sources: Zainuddin et al. 2018; Park 2009; Wang 2012; Yusof & Jamaludin 2013; Kim 2001; Kim 2005)

LITERATURE REVIEW

In this chapter, researcher provides some support from previous researchers related with Customers' Perception of Green Hotel (CPGH). There are core factors involved when it is relating to the Customers' Perception of Green Hotel. The literature search structure consists of Green Hotel, Customers' Perception of Green Hotel (CPGH), and four (4) independent variables namely environmental purchasing (EP), energy management (EM), water conservation (WC), and waste management (WM).

Many things can trigger customer perceptions about green hotels, one of which is an environmentally friendly attribute. According to Watkins (1994), the environmentally friendly attributes of hotels may influence consumers' purchasing decision making include recycling bins, energy-efficient lighting, changing of bedsheets only when requested, and turning off lights in unoccupied guest rooms. Moreover, this practice is well receive by customers (Millar & Baloglu 2008). Ogbeide (2013) states that many customers have a perception those environmentally friendly practices in hotels are considered very important because they can help reduce adverse impacts on the environment, especially when they realize that current environmental issues are not as good as they used to be. Schubert et al. (2010) mentioned that many customers began to have preferences to buy products and services that are environmentally friendly. Similar with customers determine which hotel to choose. Because human concern about the environment has begun to increase, customers start to gain more knowledge about the importance of the green practices in a hotel for environment. People more aware about the importance of preserving the ecology is reflects in the way people make decisions when choosing the hotel, they will stay in (Zainuddin et al. 2018). They will prefer hotels that adopt green practices that hotels that can bring a negative impact on the environment (Schubert et al. 2010). Hence, according to Ahmad & Thyagaraj (2015), there is a positive relationship between environmental knowledge and the customers' perception on green hotel.

Based on Zainuddin et al.'s (2018) study, most of their respondents' that located in Malaysia are believe that by staying at green hotel when traveling is extremely good environmentally practices. Therefore, due to high concern that people have toward environmental, Noor and Mohanachandran's (2014) study support that there is a positive relationship between customers' perception of green hotel and environmental attitude. It is because when people have the knowledge about the environmental issues; people start to change their attitude towards environment. Another researcher also supported that there is a strong relationship between green buying and environmental attitude (Laroche, Bergeron & Forleo 2001). Han and Chan (2013) claimed in their study that majority of the responders are willing to pay more for green hotel rooms despite the fact that some of them did not understand the reason why green hotels cost more. Even though customers have a general preference for staying in eco-friendly hotels, not all of them are willing to pay more to stay in green hotels. This is because the price of green hotels themselves is slightly more expensive than usual hotels. Therefore, it can be concluded that there is a relationship between customers' perception of green hotel and willingness to pay.

METHODOLOGY

In this research project, researcher decided to use quantitative research as the research approach. According to Rich et al. (2018), quantitative research is the best research approach to collect the data because it allows researcher to analyse data and establish the cause-and-effect relationships. This research approach would help the researcher to gather and analyse the large data sets and present the outcome using statistical or mathematical techniques (Rich et al. 2018). Besides, researcher also used descriptive research to build a clearer insight, better understanding and to deliver the good quality of data to determine and describe the relation between dependent variable (customers' perception on green hotel: a study case in Klang Valley, Malaysia) and independent variables (environmental attitude, energy management, water conservation, and waste management). Primary data was conducted, and all data collected by researcher from direct sources such as questionnaire. Based on the

Raosoft (sample size calculator), the amount of sample size that researcher need to get is 385 respondents from the total population in Klang Valley.

FINDINGS

Table 1 Normality Test – Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CPGH1	385	3.61	.558	-1.168	.124	.892	.248
CPGH2	385	3.52	.650	-1.294	.124	1.694	.248
CPGH3	385	3.45	.648	-.927	.124	.548	.248
CPGH4	385	3.47	.649	-1.065	.124	1.007	.248
CPGH5	385	3.37	.728	-.974	.124	.545	.248
CPGH6	385	3.21	.821	-.822	.124	.072	.248
EP1	385	3.50	.630	-1.012	.124	.553	.248
EP2	385	3.36	.720	-.959	.124	.608	.248
EP3	385	3.50	.630	-1.147	.124	1.381	.248
EP4	385	3.52	.595	-.905	.124	.223	.248
EP5	385	3.39	.718	-.878	.124	-.082	.248
EM1	385	3.54	.633	-1.238	.124	1.254	.248
EM2	385	3.61	.603	-1.507	.124	2.213	.248
EM3	385	3.56	.606	-1.250	.124	1.552	.248
EM4	385	3.45	.691	-1.112	.124	.858	.248
EM5	385	3.48	.681	-1.247	.124	1.415	.248
WC1	385	3.36	.853	-1.255	.124	.791	.248
WC2	385	3.63	.553	-1.195	.124	.449	.248
WC3	385	3.30	.830	-1.100	.124	.638	.248
WC4	385	3.30	.802	-.993	.124	.404	.248
WC5	385	3.33	.785	-1.103	.124	.848	.248
WM1	385	3.50	.681	-1.311	.124	1.546	.248
WM2	385	3.56	.610	-1.285	.124	1.591	.248
WM3	385	3.55	.628	-1.314	.124	1.751	.248
WM4	385	3.53	.620	-1.176	.124	1.242	.248
WM5	385	3.50	.604	-.859	.124	.118	.248
Valid N (listwise)	385						

The result of normality test for the questionnaire must be fall within an acceptable range in order to consider as normal. In this research project, both variables, dependent and independent variables are testing using the normality test to determine whether the study is normal. The acceptable range for Skewness is -3 to +3 ($-3.0 < X < 3.0$), while Kurtosis is -10 to +10 ($-10.0 < X < 10.0$). Based on the Table 4.1, the result of the Skewness and Kurtosis for all variables is fall within the acceptable range. The highest Skewness value is -0.822, while the lowest Skewness value is -1.507. For the highest Kurtosis' value is 2.213, and the lowest is 0.082.

Table 2 Correlation Analysis

		CPGH	EP	EM	WC	WM
CPGH	Pearson Correlation	1	.631**	.642**	.638**	.569**
	Sig. (2-tailed)	385	.000	.000	.000	.000
	N		385	385	385	385
EP	Pearson Correlation	.631**	1	.694**	.649**	.654**
	Sig. (2-tailed)	.000	385	.000	.000	.000
	N	385		385	385	385
EM	Pearson Correlation	.642**	.694**	1	.640**	.658**
	Sig. (2-tailed)	.000	.000	385	.000	.000
	N	385	385		385	385
WC	Pearson Correlation	.638**	.649**	.640**	1	.652**
	Sig. (2-tailed)	.000	.000	.000	385	.000
	N	385	385	385		385
WM	Pearson Correlation	.569**	.654**	.658**	.652**	1
	Sig. (2-tailed)	.000	.000	.000	.000	385
	N	385	385	385	385	

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

Table 2 above shows the result of Pearson's Correlation Analysis for all variables, namely customers' perception of green hotel (DV), Environmental Purchasing (IV1), Energy Management (IV2), Water Conservation (IV3), and Waste Management (IV4). This analysis will

show a relationship between two variables if the value of Pearson correlation coefficient (*r*) is between -1 to +1 ($-1 < r < 1$). However, if the value of *r* is 0, it indicates that there is no relationship between two variables. Besides that, sig. (2-tailed) which is less than 0.05 is consider that the correlation is significant. While sig. (2-tailed) more than 0.05 indicates that there is no linear relation between two variables.

By looking at the data above, it shows that there is positive relationship of the dependent variable with each independent variable. The first independent variable is environmental purchasing (EP) and it has a relationship (*r*) estimation of 0.631. While the correlation for the followed independent variables are energy management (0.642), water conservation (0.638), and waste management (0.569). Moreover, the sig. (2-tailed) values for all independent variables are 0.000 which it indicates there is statistically significant in the correlation.

Table 3 Descriptive Analysis - Statistics

		EP	EM	WC	WM
N	Valid	385	385	385	385
	Missing	0	0	0	0
Mean		3.454	3.528	3.384	3.528
Median		18.0000	18.0000	18.0000	18.0000
Mode		20.00	20.00	20.00	20.00
Std. Deviation		2.43464	2.40146	2.81033	2.28020
Variance		5.927	5.767	7.898	5.199

Table 3. Total mean, median, mode, standard deviation and variance of independent variables

In this section, the descriptive analysis is use to determine which independent variable is more supported by the potential customers in green hotel practices. According to the Table 3 the result of mean for energy management (EM) and waste management (WM) are same with 3.528. In other word, most of the potential customers are supporting the

energy management and waste management practices in green hotel. Secondly is environmental purchasing (EP) whereby the mean for this variable is 3.454. Although the result of mean for EP is lower than EM and WM, yet customers still preferred green hotel to adopt the environmental purchasing for the green practices. Compared to the other three independent variables, water conservation is one of the environmentally friendly practices that are less attractive to customer, and it shows 3.384 as its mean**.**

DISCUSSION IMPLICATIONS ON FINDINGS

The aims for this research project are to study and examine the relationship between the perception of customers about green hotels and the four independent variables that could affect the perception of customers, namely environmental purchasing, energy management, water conservation, and waste management. Throughout running several tests, the assumptions made earlier in the hypothesis is valid. The result from 385 respondents has been testing using correlation test and the results state that between customers' perception of green hotels with the four independent variables (environmental purchasing, energy management, water conservation, and waste management) have significant and positive relationship. Thus, with this result, it shows that the potential customers are having quite a high level of knowledge about environmental issues in the current era, so they are creating a fairly high perception about hotels that adopt environmentally friendly practices. In addition, many of these respondents give their support and prefer to stay in hotels that adopt environmentally friendly practices such as environmental purchasing, energy management, water conservation, and waste management.

From the results of data that has been using descriptive analysis, it can show that the majority of respondents' age is 24 years and under as many as 72.5% and the majority of the gender of respondents is female (60%). For the profession of respondents, 220 out of 385 respondents are

students, while rest are employees, professionals, and self-employed. Besides, most of them (179 respondents) have an income below RM1,200.

Researcher will use reliability test to determine the strength and reliability of each variables including dependent and independent variables. The finding of this test shows that all the variables are reliable and the data collected can be used. It is because all of the variables get more than 0.7 for its Cronbach's alpha (α). Besides, the other test that researcher used in this research is normality test. This test will help the researcher to determine whether the study is normally distributed. Skewness and Kurtosis are used for this normality test and there is a requirement that the data can be said to be normal. The requirements are Skewness must be range between -3 to +3 ($-3.0 < X < 3.0$), while Kurtosis is -10 to +10 ($-10.0 < X < 10.0$). Based on the Table 4.4.1, it can be conclude that the value of Skewness and Kurtosis for all variables are fall within the acceptable range. Therefore, the study is normally distributed.

The results of the descriptive analysis conducted for the four independent variables (environmental purchasing, energy management, water management, and waste management) show that the customers have a higher perception of energy management and waste management practices. The evident is shown from the result of the mean value of the two independent variables is 3.528. Followed by environmental purchases and water conservation whereby each getting the mean value of 3.454 and 3.384, respectively. This it can show that for customers, the most important variables in green hotels are environmental purchasing and waste management.

By conducting the descriptive analysis for each of the variables, it also will show which of the elements inside the variables that has most support from the customers. In environmental purchasing, as much as 367 out of 385 respondents are prefer to stay at a hotel that uses biodegradable or recyclable products as take-out containers. While the least favourable green practices in environmental purchasing is a hotel that purchase recycled materials and products.

The second independent variable is energy management and most of the respondents prefer to stay at a hotel that uses a key-card to reduce the electricity usage. It is more likely because the respondents are more familiar with this practice compared to other energy management's practices. For the lowest mean value and least favourable by the customers for this variable is a hotel that always resets the room temperature.

In water conservation, most of the respondents are prefer to stay at a hotel that always check and repair if there is leakages in the toilet. They support this practice is mainly because they aware that this practice could drastically help the earth by saving the water usage. However, there are some respondents are not likely to stay at a hotel that uses a limited water to cleaning the linen and a hotel that implement he reuse towel and linen program. The last independent variable that is waste management, a hotel that uses provide recycle bins are most likely supported by the respondents while a hotel using post-consumer recyclable product will be less supported by the respondents.

IMPLICATIONS

The findings of this study could benefit three parties:

Academic. The study of customers' perception of green hotel: a Study in Klang Valley, Malaysia can be a learning paradigm at the vocational level to increase student's knowledge. This paper designed to help future researcher improve academic competence, implement career plans and participate in career paths in preparation for future works or careers in the hospitality industry.

Hotel. The result of the study will help the hotel to know how many percentages of customers that interested to staying at green hotel. So that current or upcoming hotel will have aware toward the environmental issues by doing a green practice in their hotel.

Local Government. They would be benefited from the results of this research because they could understand the vision on how to

customers' perception of green hotels and improve their strategies to market green lodgings.

CONCLUSION

By increasing number of populations in the Klang Valley area that is more than 7 million, it is possible for human actions to trigger a decline in environmental quality. This research project aims to examine the relationship between the perceptions of customers about green hotels and the four green practices that have been discuss in this research that are environmental purchasing, energy management, water conservation, and waste management. There are total of 385 online questionnaires that were distribute to the targeted respondents in Klang Valley. Based on the issues raised in this study regarding environmental degradation, the results of various tests and data analysis conducted by researchers have shown that potential customers' perception have a positive relationship to environmental practices by green hotels. Almost all findings show the results where they give a positive response and support green hotels to implement many environmentally friendly practices. The evident is from the results that have been obtain from respondents and is supporting by several tests that have been adopting in this research, such as the correlation and hypothesis test.

From the results of findings conducted by researchers, it can be concluded that the majority respondents are most likely to choose waste management's practices as an environmentally friendly practice that green hotels must do. This may be because they have an understanding or realize that the hotel industry always produces a lot of waste, starting from the food and beverage department, kitchen, laundry, etc. and the waste was more likely be discharged into the environment. In the category of waste management, the majority of respondents choose to stay in a hotel that provides a recycle bin in the lobby, guest room, and office. In contrast, water conservation became the least favorite green practices among the customers, especially for the green practices that involve linen and towels such as the use of limited water when washing the linen and implementing the reuse towel and linen program.

This study can be very useful for the hospitality field because with the findings that have been obtain from 385 respondents in the Klang Valley area can provide information about the most important variables considered by customers in determining the definition of green hotel in their mind. By knowing which variables are considered important for customers from among the four variables (environmental purchasing, energy management, water conservation, and waste management), the hotel industry can put more efforts in improving and developing these variables. In addition, having a good understanding of the desires of the customers can have a positive impact on the hotel, one of which is gaining the trust and satisfaction of the customers and the possibility that they will become loyal customers for the hotel.

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