Researching the customer’s perception on EMS implementation in selected choice of hotels in Malaysia: A preliminary study on Theoretical, Methodological and Empirical Assessment.

Hanafi Hamzah*¹, Shiva Seyyedeh Hashemi² and Mark Kasa³
Faculty of Hospitality and Tourism Management, UCSI University, Kuala Lumpur, MALAYSIA¹ ² ³ hanafi@ucsiuniversity.edu.my*, Shiva@ucsiuniversity.edu.my², markedmund@ucsiuniversity.edu.my³

Abstract: Various studies confirmed that the implementation of Environmental Management Systems in a hotel’s management and operation could lead to several effects such as cost-saving, image branding, improvement of performance, etc. Additionally, tourists’ perceptions of a destination's impacts, environmental consequences of their visits to destinations and demands for environmentally friendly products will likely play a central role in travel decision-making.

Purpose: The main purpose of this preliminary study is to explore the customer perceptions on EMS implementation in selected hotels in Malaysia. This study is important to understand the customer’s behaviours towards their preferred hotels based on the understanding of environmental management systems applied in the particular hotel’s management and operations.

Research methods: The study will use structured questionnaire, Descriptive Analysis, Pearson Correlation, Multiple Regression Analysis, F-test and Reliability Analysis are proposed for this study and will be performed to analyze the collected data using Statistical processing SPSS version 22.

Results and discussions: The results of this study are intended to fill gaps in the literature by investigating the Malaysian present scenario on environmental management systems and adding to the body of knowledge in this area.

Conclusion: The outcome of this study is expected to provide a better understanding of consumer green hotel choices in Malaysia and better account for the discrepancies between environmental believes and their actual hotel decision choices while not putting aside the quality of the service.

Keywords: Environmental Management Systems, Customer’s Perception, Hospitality, Sustainability, Hotel Industry.
INTRODUCTION

Meeting customer’s needs and wants is crucial in hospitality service industry. Delivering the expected services is considered an issue in the industry whiles what to deliver in order to meet the expectation is another issue that cannot be denied. Customer satisfaction is a business philosophy, which tends to the creation of value for customers, anticipating and managing their expectations, and demonstrating ability and responsibility to satisfy their needs (Dominici & Guzzo, 2010). Parasuraman, Zeithaml and Berry (1988) has developed an instrument of SERVQUAL that has a variety of potential applications which can help wide range of service and retail organizations in assessing consumer expectations about and perceptions of service quality. It can also according to them helping in pinpointing areas requiring managerial attention and action to improve service quality.

While at the hospitality organizations level, the awareness of the need for protecting our natural reserves for future generations’ rises, sustainability and environmentally friendly practices are starting to gain more and more importance (Honey, 2008). Although there are already numerous hotels adapting sustainable operating procedures, they still represent a minority because of start-up efforts and economic reasons. At this point, not only is the willingness of tourism enterprises for changes towards sustainability essential, but the government also plays a pivotal role in setting measurements to preserve the ecosystem (World Travel & Tourism Council, 1995). Thus, the customer at some point of view has the rights to demand for what its best for them while not jeopardizing the service quality. Thus, this supply and demand principle should be met especially for the business organizations to improve and sustain in the hospitality industry.

As people are becoming aware of the damage caused on the environment by their regular business activities, it has become increasingly obvious that the hotel industry does more than its share in harming and wasting environmental resources (Manaktola & Jauhari, 2007; Cheong & Lee, 2021). This has caused customers to demand hotels to follow practices to protect environment. Although it is known the important role that hotel plays in satisfying the tourists’ requests, nevertheless, it is very difficult for the hotel to meet the infinite variety of hotel guests’ expectations. In order to obtain an advantage compared to the competing hotels, hotel managers must provide their customers with quality services and meet their expectations properly by performing periodic evaluations on customer satisfaction and quality improvement.

The focus on environmental issues especially in the tourism sector in Hsiao, Chuang, Kuo and Yu’s study (2014) found out that the number of Green hotels has increased. Numerous hoteliers have recognized the need to adopt the Green hotel strategy in their operation and management. The Green practices shifted in lodging industry affecting the hotel guests purchasing behaviors and enhanced the number of hotel companies favoring environmentally friendly practices (Manaktola & Jauhari, 2007) despite of challenges in establishing the environmental management practices (Hamzah, Karim, Camillo and Holt, 2015). Such pro-environmental endeavors by the environmentally friendly hotel according to them are associated to meet hotel guests’ needs in the market place could also lessened the operational costs caused by the solid waste, water and energy management.

As discussed in Nezakati, Moghadasb, Abdul Aziz, Amidid, Sohrabinezhadalemie and Jusoh (2015), customer behaviour is a very complex issue, researchers who have worked on consumers’ behaviour area, suggested that the intention formation can be an important clue in predicting the purchasing behaviour of consumers. Generally, factors may affect the
consumers’ behavioral intention toward the choice of environmentally friendly products or services can be classified in two groups, internal and external factors. Attitudes, value, knowledge and personal differences of consumers as well as their demographical contexts including financial situation, educational level, gender, marital status, education can be considered as internal factors while the political, cultural, social expectation environmental training, advertising can be considered as external factors which both factors may influence consumer environmental behavior directly or indirectly in a positive or negative trend (Manaktola & Jauhari, 2007).

The aim of this study is to explore consumer’s perception on the environmental management system’s implementation in hotels in Malaysia. This study is crucial to understand the customer’s behavioral intentions towards their preferred hotels based on the understanding on environmental management systems applied in the particular hotel’s management and operations. This study assumes importance as the environmental initiatives result in cost savings and improves profits for the hotel. Nonetheless, due to the lack of certain factors like awareness, understanding, and implementation etc. which may reflect in hotel’s expectation to charge for such initiatives from the consumer who expecting quality of service.

This study would bring insights on consumer dynamics on safe living environment practiced by the accommodation providers, which was not mentioned earlier in hospitality industry in Malaysia with reference to the hotel industry. Consequently, customers are part of the institutional isomorphism that contributed to the possible higher chances for these accommodation providers to implement sustainable practices in their premises aside to regulatory, competitor, employee and top management pressures. Hence, this study is important to highlight what’s are lacking in Malaysia hotel industry with regards to potential benefits of sustainable practices towards customers and identifying what could possibly contributed by customer’s perception on hotel management’s decision making towards a better sustainable hotel industry in Malaysia.

LITERATURE REVIEW

Awareness, concern and understanding towards the effects of the industrial society on the natural environment have endured since the early days of industrialization. Such concern regarding the environmental destruction can only be located at the level of human motivation.

In an effort to fill the gap of sustainability practice standards and the consumers’ needs and wants, the major hotel brands such as Marriott, Hilton, Fairmont, and Starwood, are launching initiatives and announcing environmental programs that are likely to have sweeping effects on the development and operation of their properties (Butler, 2008). These chain-affiliated hotels according to him are among the greatest adopters of sustainable practices because they have access to greater resources than smaller, independent hotels and tourism operators like Small- and Medium-Scale and budget hotels. With the findings in today’s studies, the gap and needs to meet the sustainability needs of today and enhance the opportunities of the future, the hospitality industry must further analyze the attitudes, motivations and perceptions of sustainability practices among industry leaders and consumers. Areas such as Environmental Management Systems implementation and practices in the hotel operations could change the perception of consumers over the service quality provided should be observed.

a. Environmental concern and green hotel practices in hotel industry
World’s economics is growing rapidly since the last few decades and result to a better and improved living quality of human being. In contrast, environmental protection issue started to create awareness among the public. In order to reach a higher level of living condition, we need to start protecting our environment. Hotel industry worldwide is currently very concerned about environmental issues.

Since Rio Earth Summit Conference in 1992 all countries worldwide have clear targets to reduce the environmental negative impacts – to reduce waste and atmospheric emission of pollutants in all industries (Kirk, 1998). All the countries are urged to implement the concept of sustainability and environmental management systems in their operation in order to reduce the impact thus improve the profit and save the cost. Bohdanowicz and Martinac (2007) indicated that 75% of environmental pollution caused by hotel industry was from over-consuming energy, water, and materials while operating business. If hotel industry can put the idea of implementing the environmental system into practice, not only can it benefit environmental and ecological protection, but it would also reduce hotel operation cost (Chen & Chen, 2012). Moreover, green marketing based on the practices can attract consumers who are in favor of the same idea as well.

According to Chen and Chai (2010), with the rise of customers’ ecological consciousness, many companies are striving to invent new eco-friendly marketing/service strategies or adopt existing strategies that appeal to the public and their target customers, thus, improving their service quality. While greening of hotel firms is believed to be an essential precondition for attracting and retaining an increasing number of pro-environmental customers who prefer and are willing to purchase an environmentally responsible lodging product (Han, 2015; Chen & Tung, 2014; Kasavana, 2008). To acknowledge customers’ green needs when selecting, purchasing or consuming a lodging-related product, hotel managers are actively implement various green strategies and engage in green operational practices (Han & Kim, 2010). An environmentally responsible hotel refers to a lodging accommodation that actively implements green management/marketing strategies, follows environmental friendly guidelines, and engages in eco-friendly practices, declining its harmful impact on the environment (Han, 2015; Han & Kim., 2010).

A study in Malaysian green hotels and resort by Zeenat Begam Yusof and Mariam Jamaludin (2013) and Cheong and Lee (2021) found out that the lodging operators adopt greener approaches in three common areas such as energy, water and waste. Unfortunately, less participation in other attributes to services quality such as indoor air quality, sustainable management of the site, renewable energy and rainwater harvesting system to name a few. This can be supported by the study Salahudin, Prasad and Osmond (2015) who found out few challenges in practicing the environmental management systems in hotel and resort in Malaysia. They agreed that improving the overall sustainability of the tourism system in developing country like Malaysia will provide significant benefits to the country in terms of economic, environment and welfare of the local community. Hence, study such as in Kasimu, Zaiton and Hassan (2012) found that, adopting the environmental practices has enabled Malaysian hotels to benefit from improved image to the guests and the local communities as well as the enhancement of a safe and healthy environment for hotel guests and employees. Therefore, based on these empirical studies, this hypothesis can be formulated:

H1: The higher and the better environmental green practices by the hotel, the higher the consumers’ intention to choose green hotel.
b. Environmental Values and Benefits

Nowadays, many hotels have participated and implemented various green and environmental initiatives and adopted the green policy. Green issues are fast becoming a vital point for academic research and several studies have reported that consumers appreciated and rewarded hotels that show strong environmental and social responsibility and were willing to pay premium prices for green services (Joyner & Payne, 2002; Manaktola & Jauhari, 2007; Robinot & Giannelloni, 2010; Chan & Hawkins, 2010; Foster, Samson, & Dunn, 2000; Chen & Tung, 2014). While Blamey (1999) commented that consumers are in theory willing to pay more for a green product, however, their willingness was not matched by their action in the real purchasing decision. Lack of consumer demand, increasing environmental regulation, and managerial concern with ethics, consumer satisfaction, and maintenance issues related to physical plant, the need for aesthetics, financial barriers and stakeholder’s pressures are some of the issues that hotels rustle with (Foster et al., 2000).

Researchers like Ajzen and Fishbein (1980), and Chien-Wen and Tsai (2008) confirmed that benefits of environmental practices in the hotels operations and management are important to the consumers. However, study by Robinot and Giannelloni (2010) has confirmed that the environmental attributes were evaluated as basic, which means they were seen as integral part of the service offer, rather than as differentiating criteria. According to them, some consumers see environmental labels as a sign of quality, the quality judgments made by these customers are not uniquely on environmental attributes but based on their satisfaction. These consumers may take a favorable view of environmental initiatives and seeing them as a step towards protecting the environment.

In the Malaysia context as exerted from Puvanasvaran, Muhammad and Kerk (2010) study:

“With the segment of industry being export-oriented the impact from consumer demand forces the individual companies to respond to the environmental issues. As far as back as 1996, manufactured goods continue to be the main component of Malaysian exports, accounting for 29.12 per cent of Gross Domestic Product (Economic Report 2001/2002). Realizing the significant contribution of exports to the economy, the Malaysian government has formally endorsed the drafts of the standard ISO 14001 because it feared the standards could put Malaysian companies off the European and other markets as well.”

On the other hands, other consumers may be not interested in the environmental issues but will not reduce the overall satisfaction. Ajzen and Fishbein (1980) and Hines, Hungerford and Tomera (1986) found that the primary predictor variable for green consumption behavior is green consumption behavioral intension, which according to them are primarily affected by attitude. This attitude is based on salient behavioral beliefs and values. Therefore, the perception of values and benefits is inextricably linked to consumers’ attitudes concerning any issues surrounding their purchasing action and will automatically influence their purchasing decision (Woodall, 2003; Sucheran & Moodley, 2019).

Therefore, based on these empirical studies, this hypothesis can be formulated:

H2: The higher the understanding on environmental values and benefits, the higher the higher the consumers’ intention to choose green hotel.

c. Consumers’ perceptions and attitudes towards the green hotel practices
Hotel selection and attributes that are important to consumers have been extensively researched among scholars. Numbers of past researches have been focused on the importance of attributes in selecting hotels but were not limited to: cleanliness, hotel location, recycling bins, energy-efficient lighting, using recycled paper for promotional materials, changing sheets only when requested, and turning of lights in unoccupied guest rooms (Watkins, 1994).

These attributes according to Dolnicar and Otter (2003) confirmed, after reviewing 21 studies related to hotel attributes, cleanliness as the top priority, followed by hotel location., Dolnicar and Otter (2003) confirmed 173 attributes were identified that were related to image, price/value, the hotel itself, and service (Lockyer, 2005). However, none of those attributes were related to environmental attributes of a hotel. It showed that very little emphasis on how hotel selection might be affected by environmentally friendly guest room attributes or if travellers even place importance on them (Millar & Baloglu, 2008). Kasim (2004) studied tourists in Penang Island, Malaysia and found that tourists were knowledgeable and cared about the environment but they did not consider a hotel’s environmental strategy as a foundation for their hotel choice. That is not to say that they would not approve of room attributes that were environmentally friendly. Tourists were willing to accept rooms with water saving features, recycling bins, fire-safety features, energy saving features, and information on local ecotourism attractions (Kasim, 2004).

In other study found out that the theory of Planned Behavior (Ajzen, 1985, 1987) and its theoretical extensions have been applied extensively to examine factors influencing consumer’s green product choices (Heesup Han, 2010). Additionally, Chien-Wen Tsai and Chien-Peo Tsai (2008) assiduously modelled and empirically tested how consumer environmental values and belief influence consumer attitudes and behavioral intention towards hotel choices. This has influenced their perceptions of what a green hotel should do or should be and this is an on-going perception that green products are too expensive (Micheal V. Russo, 2002). While Ottaman (1994) believes that price along with quality and convenience are generally remain vital attributes in consumer decision making than the relative ‘greenness’ of a product.

Previous studies have documented the definite concern of consumers for environmental issues, although corresponding consumer purchase behavior regarding environmental friendly products has not been significant as discussed by Kalafatis, Pollard, East and Trogas (1999), Smith and Haugtvedt (1995) and others. According to Roarty (1997) there are several constraints on demand for ‘green’ products such as cost, persuasion and competitiveness. In the case of tourism, the consumer decision process may be affected by different variables than consumer goods and other services. According to Smith and Haugtvedt (1995), there are five main sources of influence on the undecided tourism buyer, which are the media, pressure groups, governments in generating and destination countries, the tourism industry itself, and personal organic experiences of negative impacts by the travellers, friends and family.

Several studies have tried to prove the existence of green tourists and understand their behavior, but there is relatively little empirical research that has been successful. A BAT-Leisure Research Institute study in 1993 claimed that seven out of ten criteria for a quality holiday related to the environment (Swarbrooke & Horner, 1996). Swarbrooke and Horner (1996) also note that a study conducted by tour operator TUI in 1995 demonstrates the interplay between five ecological criteria and client satisfaction. According to the study by Ipsos-RSL in 1999, 45% of British overseas tourists stated they were more likely to book a holiday with a company with a written guarantee for good working conditions,
environmental protection and support for local charities in the destination area. Of British overseas tourists, 21% stated they would be willing to pay 5% more for their holiday if they were presented with such a written guarantee. Similar study by Manaktola and Jauhari (2007) on consumers’ attitude and behavior towards green practices in the lodging industry in India found that they would prefer to use lodging that follows the practices. Consumers agreed to patronize the hotels that have adapted green practices though not compromising on service quality. According to them, the consumers would prefer to use lodging that follows these practices but are not willing to pay extra for these services.

Recently, the community set a higher expectation towards the business in shaping a better society, to be more environmentally responsible, proving better benefits to employee in addition to making profits (Hitchcock & Willard, 2006; Yusnita, Ibrahim & Awang, 2016). Due to these reasons, more and more corporations start to integrate sustainable practices into their business operation. For instant, more companies adopted Environmental Management System (EMS) like ISO14001 to promote environment sustainable development (Abdul Aziz, Senik, Foong, Ong & Attan, 2017). However, this scenario occurred in most of the manufacturing industry. EMS adopted by hotel industry is considerably limited in Malaysia.

Besides, Darnell (2006), Yusnita et al. (2016) and Hall et al. (2016) observe that customers can play a vital role in pressurizing organizations to adopt environmentally friendly practices and strategies. Due to the burgeoning global environmental crisis, customers are now putting more attention on environmental issues (Follows & Jobber, 2000). Heavy promotion through the media and information technology has raised consumers’ awareness regarding their roles in contributing to saving the environment. One of these roles is to consume green products or services (Eze, Chong & Lee, 2011). Previous studies have shown that there is a growing demand for green products or services from consumers (Clark, 2009). Consumers are also concerned about the level of involvement of businesses in adopting environmentally friendly activities (De Pelsmacker, Driesen & Rayp, 2005; Yusnita et al., 2016). With that, one of the challenges for a business aiming to be sustainable is to deal with the growing demand from consumers for businesses to practice environmental protection (Follows & Jobber, 2000). According to Manaktola and Jauhari (2007), the firm's environmental performance can be considered as one of their products’ attributes that deliver benefits to customers. This environmental performance includes green practices firms employ, such as water disposal or using alternative sources of energy. The growing awareness of people about the damage caused in the environment by regular business has led to more and more customers looking for firms that are adopting green practices to save the environment (Manaktola & Jauhari, 2007).

Nor Azila Mohd Noor, Hanizam Shaari and Dileep Kumar (2014) confirms previous findings on the relationship between attitudes towards the environment and environmental-friendly behavior, that is, tourists with high environmental attitudes are more willing to stay at green hotel. They agreed that the present study found a positive and significant relationship of green hotel attributes and intention to stay at green hotel among tourists, and this supported by study conducted by Sucheran and Moodley (2019). However, this implies only on tourists who have greater interest with green hotels who are more likely to identify which hotels that conduct a higher degree of green practices with certain factors. This contradict to earlier study by Kasim (2004) who found that even though the tourists were knowledgeable and cared about the environment, they did not consider a hotel’s environmental strategy in choosing their hotel.

Therefore, based on these empirical studies, this hypothesis can be formulated:
H3: the more positive the eco-friendly attitude of the consumers, the higher will be the intention to choose green hotel.

RESEARCH OBJECTIVES, MODEL AND HYPOTHESES

This research intends to examine how consumer environmental perceived values function together as drivers for consumer perception – attitude and behavioural intentions towards hotel environmental management systems implementation and their intention to use the hotels facilities in the context of Malaysian hotels. Based on review of previous empirical studies, this research proposed and will empirically test a model explaining factors influencing consumer of environmental management practices implemented hotels. Base on the theoretical framework and objectives of this research the hypothesis and research model (figure 1) will be proposed as follow:

H1: The higher and the better environmental green practices by the hotel, the higher the consumers’ intention to choose green hotel.

H2: The higher the understanding on environmental values and benefits, the higher the consumers’ intention to choose green hotel.

H3: the more positive the eco-friendly attitude of the consumers, the higher will be the intention to choose green hotel.

![Figure 1: Research theoretical framework](Source: Researcher proposed framework)

RESEARCH METHODS

This exploratory study will be carried out randomly throughout Malaysia targeting a population of tourist travelling and staying in Malaysia on a sample size of 350 respondents. Based on previous literature review and methodological traditions, a survey questionnaire will be developed to measure environmental values and benefits, consumers’ attitudes and behavioral intentions. The questionnaires will be pre-tested with a sample of 15 respondents to find any modifications that would be necessary such as ambiguous questions. The target sample population in this study will be Malaysians and foreigners who have experienced staying at hotels in Malaysia but not limited to any hotels that implementing the green practices in their operations. The study will use structured questionnaire that measure the...
following aspect: customers' perception on the green practices which includes their understanding on the awareness of environmental practices at the hotels, values and benefits of the green practices, motivation to pay and stay at the hotels. The later section will be the demographic profile of the consumers. Descriptive Analysis, Pearson Correlation, Multiple Regression Analysis, F-test and Reliability Analysis are proposed for this study and will be performed to analyze the collected data using Statistical processing SPSS version 22.

CONCLUSION
This research can potentially bear interesting ramifications. The outcome of this study is expected to provide a better understanding of consumer green hotel choices in Malaysia and better account for the discrepancies between environmental believes and their actual hotel decision choices while not putting aside the quality of the service. Understanding the pattern of the consumers' intention, motivation, their behavior and perception on the hotels environmental practice decisions could provide better opportunities for the hotels owners not only to predict the number of their future arrivals (Hossein Nezakati et al., 2015) but also as a benchmark for them to set a better-quality service that will create a group portfolio of loyal customers in the future.

ACKNOWLEDGEMENT
This report is our original work and no conflict of interest exist between authors.

REFERENCES


