

Is there a Benefit from being Green? Assessing Benefits from Marketing Sustainability by North American Hotels

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Abstract

The purpose of this research study was to determine if green hotels actually benefited from undertaking environmental practices and integrating these practices into their marketing strategy. After looking at sustainable communications and marketing literature, a total of 2,248 structured surveys were administered to hotels across North America. Responses from 247 hotels (11% response rate) were analyzed using frequencies, t-tests, and regression analysis to examine significant differences. The results show that the extent to which hotels perceive they benefitted from marketing sustainability practices through guest visits, guest length of stay, guest satisfaction, revenue, profit, and average daily rate can be predicted by examining the extent to which a hotel believes that green marketing has been incorporated into a hotels green marketing strategy. Findings also show that hotels that are a part of the Green Key certification program have a higher perceived probability of attracting new customers and retaining old ones.

This study provides support that there is a benefit to sustainability marketing and this study is the first to examine how perceived hotel sustainability management and marketing inform one another and could be beneficial to hotels in how they utilize this information to inform marketing decisions.

Keywords: Hotels; Sustainability; Marketing; Communications; Guest satisfaction; RevPar

Introduction

Corporations hold significant power in regards to influencing consumer purchasing behaviour. Corporate marketing of brands and/or products have the power to encourage environmentally responsible purchasing behaviour amongst consumers. As public concern for the environment continues to increase there is an emerging trend towards the incorporation of environmental awareness, sustainable initiatives, and green marketing within corporations' core values and management plans [1,2].

In setting out corporate sustainable development principles, a first requirement is to actively engage and openly communicate information to the public. The combination of incorporating environmentally responsible design, products, and processes into one's business, coupled with openly sharing information on corporate sustainability, can help promote a positive and sustainable company image; this in turn influences brand-loyalty amongst consumers, profitability for the company, and sustainability of the natural environment [3-7].

The following study examines corporate sustainability communications and various green marketing techniques, and then determines, through a study of green hotels across North America, to what extent are benefits perceived from marketing their sustainability practices.

Green marketing strategies to communicate corporate sustainability

As public concern for the environment and scrutiny of corporations has increased throughout the past decade, companies in nearly every industry have begun to integrate environmental concerns into their product and service development and communicate their undertakings to their customers. Before discussing these undertakings, first it is necessary to define marketing and then green marketing. Marketing is considered "the interface between consumption and production" [2]. Marketing encompasses all the communication measures taken by companies that include brand imaging, advertising, sales, public

relations, and corporate communication [4]. Green marketing" refers to an organisation's efforts to design, promote, price and distribute products that have no bad effect on the environment. Rahman, et al. [8] define "green" as doing business in a way that reduces waste, conserves energy, and promotes environmental health – preventing damage to the environment. Polonsky [9] further indicates that an effective definition of green marketing must integrate transformative change that creates value for individuals, society, and the natural environment. In green marketing campaigns, target customers are provided with information on the environmental effects of products, which may eventually affect their purchase behaviour.

According to Cronin, et al. [6] businesses are expected to commit to green marketing strategies because of the increasing public pressure and the belief that subscribing to the triple bottom line can increase consumer demand. Indeed, the idea of implementing sustainability methods into a business has become increasingly common practice amongst businesses and 'greening' has become a major brand differentiators that many businesses are acting upon in order to stand out amongst their competitors (Areseculeratne and Yazdanifard). Roper [10] identified that between 15-46% of consumers may be swayed to purchase green and could be considered a target market. Ottman [11] cite numerous statistics over the past twenty years that consumers are conscious of the environment and make purchasing decisions based on this increased awareness. Both green marketing and conventional marketing assume that there is a green segment

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of consumer and that products must be targeted to these specific consumers. Although there are studies saying that consumers will make greener choices, many claim that this strategy does not live up to expectations. Because of the issues surrounding green purchasing demand, it has been questioned if this market even exists. Older studies suggest that true green consumers are only approximately 10% of the market. Therefore, it could be questioned whether it is worthwhile for companies to market themselves as 'green.'

Green marketing literature has mainly looked at profiling the 'green consumer' and classified market segments based on consumer ideals as well as demographic and psychographic characteristics [12-15]. Some researchers, however, have turned their attention to the motivations for green marketing. Studies in this arena indicate that a company's moral obligations, pressure from government and competitors, and opportunities to increase revenues, reduce costs and enhance the corporate image are the main driving forces behind green marketing (McIntosh; Delmas and Toffel; Bansal and Roth; Kuo and Dick; Saha and Darnton). Several reviews focus specifically on green marketing strategies that promote corporate sustainability [3,6,16-18]. Most of these studies are in consensus that there is no one single marketing strategy that will best fit all corporations. The following authors Ginsberg, et al. Chen, et al. Davari, et al. [3,17-18] emphasize marketers should consider how their company may be influenced by the following four factors: (1) the size of the company's green consumer segment, (2) the company's ability to increase profitability by implementing a given green marketing strategy, (3) whether or not the company has full commitment from the senior executives to implement a green strategy as well as the necessary resources, and (4) if a green marketing strategy is implemented, will the company be able to compete with rivals in the same green bracket.

Cronin, et al. [6] take a slightly different approach to sustainability marketing, and propose the following three marketing strategies for companies to improve sustainability communication: green innovation, greening the overall organization, and green alliances. The green innovation marketing strategy refers to the development of new and environmentally responsible products and services; this strategy implies to consumers and stakeholders that environmental sustainability is in fact a priority for the corporation. The green organization strategy is a holistic approach that involves greening all of the management practices, production processes, delivery, and services; this strategy involves a significant amount of commitment, time, and money. The green alliance marketing strategy entails the formation of strategic partnerships that will help enhance the environmental reputation and orientation of a corporation [6]. The author's further stress that anyone or combination of the proposed strategies will be most effective when openly broadcasted and made available to the public.

Communicating corporate sustainability

Upon review of the relevant literature on corporate sustainability, several studies suggest that corporations who engage in sustainable practices may be able to benefit in a multitude of ways. A prominent trend across studies is that socially and environmentally responsible actions do in fact result in increased customer satisfaction and brand value [3,19-21]. One term that is consistently used throughout the literature is 'corporate social responsibility' (CSR); this can be interpreted as a company's contribution to sustainable development. Signitzer, et al. [22] define corporate sustainability as a planned and strategic management process that works towards the triple bottom line (i.e. balancing economic, social, and environmental goals). They found that corporate sustainability challenges many of the

traditional structures of corporate governance. As external pressure towards corporate sustainability increase, many larger corporations are implementing management tools like environmental accounting, sustainability scorecards, life-cycle assessment, and communicating environmental information to make the business processes more sustainable.

Similarly, Windolph, et al. [23] suggest that sustainability management tools such as environmental reporting and communicating will help in managing sustainability issues by better organizing, measuring, and communicating information on corporate sustainability. By surveying and interviewing a sample group made up of corporate executives, Windolph, et al. [23] found that there was a positive correlation between knowledge of sustainability tools and application of said tools; companies that could identify more sustainability tools in turn applied more of those tools within their company. The authors make evident that although a positive correlation between awareness and tool application is obvious, prior to this study the extent of the correlation was unclear; this is supported by their preliminary consumer research, in which they found higher awareness does not necessarily have to lead to action. The authors make an additional recommendation for companies to implement environmental management systems like the International Organization for Standardization (ISO) as a sustainability tool, as companies will be better able to follow a guideline to help them address environmental issues in a systematic manner and in turn increase environmental performance.

Sustainability communications with in the hotel industry

There are a number of studies examining the adoption and communication of environmental or sustainability practices within the hotel industry and they fall within three categories: size or type of hotel and their influence on sustainability efforts, benefits of sustainability, and motivations for implementing sustainability.

First, studies have examined the level of environmental practices by size or type of establishment. An American study by Rahman, et al. [8] found that chain hotels are stronger adopters of green practices than independent hotels, but that all hotels are making concerted efforts for energy reduction, no matter their size. Findings from this study suggest that 'green' hotels operate in a way that reduces waste, conserves energy, and promotes environmental health. Mensah [24] looked at the adoption of environmental practices in small versus large hotels in Ghana and finds that larger hotels adopted more than their smaller budget counterparts. The author found that although a number of hotels had adopted environmental practices, there was little focus on the marketing of such practices. In Bohdanowicz [25] study of European hotels, the findings were the same. Alvarez, et al. [26] studied 262 three- to five-star hotels in Spain. They found relationships between the hotel age, size, chain affiliation, and adoption of environmental practices. Nicholls, et al. [27] study of Michigan hotels found that chain hotels showcased more standard environmental initiatives (such as cost saving practices) than independent hotels (who tended to promote more community-oriented initiatives).

Another area of considers the benefits of sustainability practices such as increased environmental performance, cost savings, and financial performance [8,26-29]. Rahman, et al. [8] suggest that showcasing sustainability can increase hotels' long-term profitability by lowering average expenses and transferring the savings to their guests. Sing, et al. [30] support this claim as they declare that hotels can save a considerable amount of money through implementing

green initiatives such as recycling at their facilities. Through their analysis of waste audits at hotels in Pennsylvania, USA, the authors found substantial economic benefit could be derived from undertaking waste reduction efforts including the cost-benefit of recycling. Dodds, et al. [29] in a quantitative examination of bed and breakfast accommodations across Canada, outline that cost savings is a considerable incentive to implement environmental initiatives. These authors do point out that smaller accommodations need assistance in achieving marketing benefits of such practices, illustrating that not all hospitality establishments are reaping all benefits. Tzschentke, et al. [31] focused on smaller operations using semi-structured interviews with the owner-managers of 30 independently owned properties in Scotland. Their discussion highlights that sustainability benefits are not necessarily more expensive and that multiple benefits can be attributed to environmental efforts.

These aforementioned studies do showcase clear benefits for adopting sustainability practices, however, they do not assess whether adoption has increased marketing, nor if there were any derived benefits from adoption. A few studies do, however, outline benefits of adoption and specifically point to marketing advantages. Graci, et al. [32] illustrate multiple benefits of 'going green' from their analysis of Canadian hotels including costs savings, risk mitigation, customer loyalty, and increased marketing. These authors provide specific examples from hotels that have marketed their sustainability practices. Kang, et al. [27] support Graci, et al. [32] saying that chain-affiliated properties were significantly more likely to report a positive perception in the image of their property, improved relationships with the local community, marketing advantage over their competitors, increased profitability, and increased employee satisfaction. Not all results are positive, however, Tzschentke, et al. [31] found that some hotels believed that promoting a green certification actually resulted in negative results as customers associated green initiatives as a compromise on luxury.

Upon review of this literature, it is apparent that an increasing number of businesses are expressing an interest in incorporating environmental responsibility into their company values, management, policies, and business strategy (e.g. marketing strategies). Motivations behind this trend include increased public concern regarding the environment and natural resources, the need to comply with environmental laws and regulations, reduce costs, improve reputation, and ensuring one's place in the market [5,28,33,34]. There are a number of marketing benefits. In a study of hotel managers in Edinburgh, Scotland, claims that environmental management in hotels improves public relations and lead to a better relationship with the local community. Berezan, et al. [35] found that green practices overall do have a positive relationship on guests' satisfaction levels and return intentions. In their quantitative study of Mexican consumer's experiences of sustainable practices in hotels, the authors suggest that hotels are adopting green practices for increased awareness of protecting the natural environment but also have financial benefits. Manktola, et al. [36] in a consumer study in India, concluded that a hotel could increase competitiveness by positioning itself distinctively in the competitive arena. Jones et al., [33] in their study of global hotel brands, found that motivations to incorporate sustainability were not only in savings, but also in terms of reputation. Being considered as a green hotel or the hotel with sustainable certifications, establishes a reputation among clients that can be a source of competitive advantage. El Dief, et al. [37] examined hotel green marketing and concludes that affiliation with an international hotel chain and the demographic factors of the marketers themselves were the best predictors of proactive marketing.

The implementation and management of sustainable policies can be a complex and extensive process, as it can require undertaking major organizational changes within the company. Nevertheless, one common strategy that is seen across the literature is the emergence of self-reported environmental performance through environmental accounting and reporting. This allows businesses to calculate and evaluate their environmental impact, costs, and performance while simultaneously increasing communication of relevant sustainability information made available to stakeholders and the general public [5,33,34]. Chan [34] investigated the gap between hotel managers and customer perceptions of corporate sustainability and green marketing in the hotel industry in Hong Kong using quantitative methods. Findings from this study indicate that 'green partnerships' are the most important factor for consumers when assessing green marketing in hotels. The second most influential factor was development and communication of green products and services. These factors suggest that hotels should focus primarily on the green image of their business partners and the quality of their green products and services. The authors further suggest that a relationship exists between strategies for green marketing life-cycle and that green marketing strategies must be carefully selected and planned; otherwise it may trigger hotel customers' negative emotion or lead the public to believe they are green washing, inviting negative backlash. Gao, et al. [38] outline that customer satisfaction is enhanced when hotels engage in green initiatives for public serving (vs. self-serving) motives and when guests experience service success, their satisfaction is higher for green (vs. non green) hotels.

The above literature suggests that hotel managers should select the appropriate green marketing strategy and openly communicate corporate sustainability so as to increase customer loyalty, improve the green image of their hotels, and improve the effectiveness of their green marketing campaigns. As implementing environmental practices into a hotel is clearly not an easy task and not all hotels are equal in size, scale or practices, there is a need to understand whether a hotel gains any benefits from their green practices. The majority of previous studies examine the benefits or motivations for a hotel to implement sustainability practices; however, very few examine specific marketing benefits. This research, therefore, seeks to determine what, if any, perceived benefits can be derived from marketing sustainability practices and to what extent hotels believe that they actually embed sustainability into their marketing strategy.

Methodology

This study sought to investigate how hotels can benefit from green marketing practices. Furthermore, this study sought to understand the impact that sustainability programs have on perceived revenue. To examine these areas of interest, a total of 2,248 structured surveys were administered to hotels that participate in the Green Key Certification Scheme across North America. The surveys were distributed by the Hotel Association of Canada, as they represent the lodging industry and represent the largest number of hotels in North America (<http://www.hotelassociation.ca/Home.asp>). The Hotel Association of Canada has over 7,000 hotels located in both the United States and Canada and is the largest hotel association representing both large and small hotels in both rural and urban areas. The Director of Marketing Communications and Business Development sent out the survey in June 2015 to 2,248 Green Key members via an online survey tool called Qualtrics. Hotels were sent two reminders to complete the study.

The survey consisted of 19 questions of which 16 were closed

ended ranking or multiple-choice questions. The first six questions asked about the hotel's size, location, age, number of rooms, and type of ownership. Then, seven questions asked about the degree to which hotels marketed their sustainability practices, benefits perceived from marketing, and the percentage of visitors who stay with hotels because of sustainability practices. Specific sustainability practices were then asked including detail on specific initiatives. Survey questions were based on a number of past studies including Hasan, et al., Gil, et al., Dief, et al., Tzschentke, et al. [26,31,37,39] (even though this study is qualitative, a number of issues and factors were similar). The survey was piloted with marketing managers and GM's of five hotels in May 2014 in both Canada and the United States and included both small and large hotels. Additionally, the Director of Business Development of Green Key Global from the Hotel Association of Canada reviewed the study for comprehensiveness.

Responses from 247 hotels (11% response rate) were analyzed using frequencies, spearman correlations, and regression analysis to examine significant differences. Due to response rates for each question, the number of respondents fluctuates with each analysis. Given that the responses for this survey were anonymous, and the list of hotels being the membership of the Hotel Association of Canada's Green Key program, this study relied on the organization's assertion that the demographics of the hotels surveyed represented a reasonable sample of their membership. A construct for sustainability practices was also formulated by taking the total score of each variable (energy conservation, alternative energy sources, water conservation, waste management, green procurement, social or environmental education, communication of sustainability practices, other sustainability practices), summing their converted scores ranging from 0 thru 4 (converted from 1 to 5, only for the purposes of creating the sustainability score), and transforming the final score to a score out of 100. The results of this conversion produced an average score of 45.8/100.

Correlations were run on average yearly spending and green initiatives to determine if there was a connection between the amounts a hotel spent and the type of sustainability practices they implemented and their sustainability scores. Through a Spearman correlation and regression, the relationship between the average yearly expenditure of hotels on green initiatives, the importance hotels place on undertaking environmental practices, and the percentage of visitors that hotels believe stay with them because of sustainability was examined.

Descriptive statistics

Respondents in this study represent all types and sizes of hotels however are mainly large chains that have been in business for over 20 years (Table 1). The survey did not determine the location of the property.

Most hotels market their environmental practices, as well as incorporating them into their business strategies. The practices that are instituted vary from hotel to hotel, but the most to least common practices are energy conservation (3.66), waste management (3.56), water conservation (3.42), green procurement (3.09), social or environmental education to guests (2.85), and communication of sustainability practices to the community (2.89), and alternative energy sources (1.79). Hotels perceive that they obtain benefits from marketing their sustainability practices, by way of increased guest satisfaction, guest visits per year, revenue, profit, average daily rate, and length of stay. Hotels also believe that between 6% and 20% of their customers stay with them because of their sustainability practices. Furthermore, just less than half of the hotels that belong to the Green Key program

Profile		%	n
Type of accommodation	Boutique hotel	11	218
	Small chain (5 or less properties)	5	
	Large chain (6+ properties)	62	
	Independent	23	
Age	< 5 years	12	215
	6-10 years	14	
	11-15 years	14	
	16-20 years	13	
	21+ years	47	
# of rooms	>20	6	212
	21-50	8	
	51-100	20	
	101-200	37	
	201-499	20	
	500+	9	
Type of ownership	Private	46	209
	Partnership	18	
	Franchise	24	
	Other	13	

Table 1: Hotel profile.

believe that they benefit from attracting new business and retaining old business.

Correlations

When examining correlations, it was found that hotels that implement energy conservation, waste management, green procurement, social or environmental education for guests, and communication of practices to the community, also believe that they spend more annually on green initiatives. Water conservation was also found to have a positive correlation with yearly spending, however it was significant at only the 0.06 level (Table 2). Furthermore, there is a positive correlation between the number of green initiatives that hotels implement/sustainability scores and the extent to which green marketing is incorporated into their business strategy (Table 3).

The results show that there are positive correlations between the perceived average yearly green expenditure, the importance hotels believe they place on undertaking environmental practices, and the percentage of visitors that hotels perceive stay with them (Table 4). Spearman correlations also found significant positive relationships between the extent to which hotels believe communicate sustainability practices to their community and the extent to which the hotel perceived revenue and profits to benefit from marketing sustainability practices (Table 5).

As can be seen in Table 6 below, the more a hotel perceives they incorporate green marketing into their business strategy and the more they believe they implement sustainability practices (sustainability score), the more they perceive increases in guest visits, length of stay, guest satisfaction, and profit.

Regression results

This study supports the notion that there is a benefit to sustainability marketing and findings show that there is a positive connection between perceived marketing benefits and the degree to which a hotel believes they incorporate sustainability into their overall marketing efforts/business strategy. Within this section, regressions have been provided that show determinants of the perceived percentage of visitors who stay with a hotel due to their sustainably practices, as well

Green Initiatives	What is your average yearly spending on green initiatives?	n
Energy conservation	0.306**	85
Alternative energy sources	0.127	84
Water conservation	0.199p	85
Waste management	0.290**	84
Green procurement	0.389***	84
Social or environmental education to guests	0.260*	84
Communication of sustainability practices to the community	0.278*	84

^pp<0.1, *p<0.05, **p<0.01, ***p<0.001

Table 2: Correlations of Sustainability Practices and yearly Spending on Green Initiatives.

	To what extent is green marketing incorporated into your business/strategy?	N
Number of Sustainability Practices	0.505***	173
Sustainability Score	0.514***	

^pp<0.1, *p<0.05, **p<0.01, ***p<0.001

Table 3: Correlations Number of Sustainability Practices Employed and the Extent to Which a Hotel Incorporates Green into their Business Strategy.

	What is your average yearly spending on green initiatives?	How important do you believe undertaking environmental/practices is to your accommodation's
What is your average yearly expenditure on green initiatives?	-	-
How important do you believe undertaking environmental/practices is to your accommodation	0.342**	-
What percentage of visitors stay with you because of your/sustainability	0.280*	0.457**

^pp<0.1, *p<0.05, **p<0.01, ***p<0.001

Table 4: Correlations between average Yearly Spend on Green Initiatives, Importance Assigned to Undertaking Environmental Practices in Accommodation, and Percentage of Visitors Stay with You Because of Sustainability.

To what extent do you believe your hotel has benefited from/marketing sustainability practices?	To what extent have you communicated sustainability practices to the community
Revenue	0.537***
Profit	0.505***

^pp<0.1, *p<0.05, **p<0.01, ***p<0.001

Table 5: Correlations between the Extent to which Hotels Communicate Sustainability Practices to their Community and the Extent to which the Hotel Revenue and Profits Benefit from Marketing Sustainability Practices.

	What is your average yearly expenditure on green initiatives?	Sustainability Score
Guest Visit per Year	0.267*	0.528***
Guest Length of Stay	0.218*	0.481***
Guest Satisfaction	0.217*	0.576***
Revenue	0.14	0.460***
Profit	0.249*	0.490***
Average Daily Rate	-0.002	0.449***

Table 6: Correlations between average Yearly Spend on Green Initiatives and Perceived Guest Visits, Length of Stay, Satisfaction, Revenue, Profit, and ADR.

as the factors that may influence the extent to which a hotel perceives that green marketing is incorporated into their business/strategy.

The perceived percent of visitors who stay at a hotel because of sustainability can be predicted, in-part, though an understanding of the extent to which a hotel perceives they market environmental practices and the extent to which they believe green marketing is incorporated into their business and strategies. While perceived green marketing and green marketing incorporation into business strategy both impact the perceived percentage of visitors stay with a hotel independently (Table 7), when taken together, they provide greater predictive power. The greater the extent to which hotels believe they market their environmental practices, and believe that they incorporate green marketing into their business and strategies, the greater the perceived percentage of visitors who stay with them due to sustainability practices (Table 8).

The perceived percent of visitors who stay at a hotel because of sustainability can be predicted, through an understanding of the perceived percentage of a hotels marketing budget that is allocated to green initiatives. The greater the perceived percentage of the marketing budget spent on green initiatives, the greater the perceived percentage of visitors who stay with them due to sustainability practices. Furthermore, the perceived percent of visitors who stay at a hotel because of sustainability is associated with an understanding of how important a hotel believes undertaking environmental practices are to their accommodations. The greater the importance hotels believe undertaking environmental practices are to their accommodations, the greater they perceive higher percentages of visitors who stay with them due to sustainability practices (Table 9).

Through individual linear regression, the extent to which hotels perceive they benefitted from marketing sustainability practices though perceptual measures of guest visits, guest length of stay, guest satisfaction, revenue, profit, and average daily rate (ADR) were examined. As can be seen in Table 10 below, the more a hotel perceives they incorporate green marketing into their business strategy, the more they perceive increases in guest visits, length of stay, satisfaction, revenue, profit, and ADR (Table 10). As well, the more businesses believe they implement sustainability practices into their operations, the more they perceive increases in guest visits, length of stay, satisfaction, revenue, profit, and ADR (Table 11).

Green key program results

Hotels were also asked to comment on the benefits from being members of the Green Key Program. The results in Table 12 below show that hotels that are a part of the Green Key certification program believe that the program has allowed them to attract new, and retain old customers.

Discussion

The findings of this study have provided additional insight into the North American hotel industry and to the ongoing debate regarding the benefits of sustainability practices and marketing of such behaviour. The literature reveals that different scholars have developed different concepts to explain what green marketing means and some authors outline four factors. This study supports the some aspects that may affect a company to undertake green marketing [17-18]. The key finding is that there is an opportunity to increase profitability by implementing green marketing. This study also supports findings from Cronin, et al. [6] who declare that a green marketing strategy implies to consumers and stakeholders that environmental sustainability is

Independent Variables	Coefficients		Standard Errors	Constant	F-Statistics		Adjusted R-Squared	n
To what extent is green marketing incorporated into your business/strategy?	0.820***		0.101	0.671*		65.906***	0.328	134
To what degree do you market your environmental practices?	0.699***		0.103	0.659p		45.964***	0.253	134

^pp<0.1, *p<0.05, **p<0.01, ***p<0.001
 Dependent Variable: What percentage of visitors stay with you because of your/sustainability practices?

Table 7: Impact of Green Marketing Incorporation in Strategy and Green Marketing on Perceptions of Visitor Stay % Due to Sustainability Practices.

Independent Variables	Coefficients		Standard Errors
To what extent is green marketing incorporated into your business/strategy?	0.597	***	0.14
To what degree do you market your environmental practices?	0.302	**	0.136
Constant	0.266		0.382
F-Statistics	34.684	***	
Adjusted R-Squared	0.338		
N	133		

*p<0.05, **p<0.01, ***p<0.001
 Dependent Variable: What percentage of visitors stay with you because of your/sustainability practices?

Table 8: Green Marketing and Business Strategy Incorporation as Determinants of Perceptions of Visitor Stay % Due to Sustainability Practices.

Independent Variables	Coefficients		Standard Errors	Constant	F-Statistics		Adjusted R-Squared	n
What is your average yearly spending on green initiatives?	2.212 E-5*		0	2.91***		4.78*	0.051	171
How important do you believe undertaking environmental practices is to your accommodation	0.61***		0.122	0.9p		25.5***	0.159	131

^pp<0.1, *p<0.05, **p<0.01, ***p<0.001
 Dependent Variable: What percentage of visitors stay with you because of your/sustainability practices?

Table 9: Impact of Average Yearly Spending on Green Initiatives and Perceived Importance of Environmental Practices, and their Impact on Perceived Percent of Visitors that Stay at a Hotel Due to Sustainability Practices.

Dependent Variables	Coefficients	Standard Errors	Constant	F-Statistics	Adjusted R-Squared	n
Guest Visit per Year	0.48***	0.067	0.93***	52.1***	0.229	173
Guest Length of Stay	0.44***	0.071	0.8**	37.7***	0.178	171
Guest Satisfaction	0.52***	0.064	1.05***	66.3***	0.275	173
Revenue	0.38***	0.066	1.21***	33.7***	0.161	172
Profit	0.41***	0.069	1.08***	36.1***	0.171	171
Average Daily Rate	0.43***	0.071	0.87***	39.4***	0.183	172

*p<0.05, **p<0.01, ***p<0.001
 Independent Variable: To what extent is green marketing incorporated into your business/strategy?

Table 10: Perceptions of Green Marketing Incorporation into Business/Strategy and its Effect on Perceived Guest Visits, Length of Stay, Satisfaction, Revenue, Profit, and ADR.

Dependent Variables	Coefficients	Standard Errors	Constant	F-Statistics	Adjusted R-Squared	n
Guest Visit per Year	0.03***	0.003	1.19***	66.51***	0.275	174
Guest Length of Stay	0.03***	0.003	0.98***	56.20***	0.244	172
Guest Satisfaction	0.03***	0.003	1.33***	84.24***	0.325	174
Revenue	0.02***	0.003	1.29***	56.68***	0.245	173
Profit	0.03***	0.003	1.15***	62.93***	0.266	172
Average Daily Rate	0.03***	0.003	1.07***	53.94***	0.235	173

*p<0.05, **p<0.01, ***p<0.001
 Independent Variable: Sustainability Score

Table 11: Incorporation of Sustainability Practices (Sustainability Score) and its Effect on Perceived Guest Visits, Length of Stay, Satisfaction, Revenue, Profit, and ADR.

in fact a priority for the corporation. The author's further stress that anyone or combination of the proposed strategies will be most effective when openly broadcasted and made available to the public. Findings from this study support that there is a perceived positive relationship

between the degree to which a hotel embeds sustainability into its marketing strategy and the benefits derived from it. As many green hotels do not market their sustainability practices, this study suggests that they perhaps should.

	Unsuccessful	Neither Successful nor Unsuccessful	Successful	n
Attracting New Business	18%	34%	49%	175
Retaining Old Business	16%	35%	49%	174

Table 12: Frequency of success attracting new and retaining old business.

Correlations in this study are similar to findings by Windolph, et al. [23] who found a positive relationship between the knowledge and application of tools. Although this study did not look at environmental reporting, it did examine communication and discovered that the extent to which hoteliers communicate their sustainability practices to the community, impacts their perceived revenue and profit. This study also found that the perceived percentage of visitors who stay with a company because of their sustainability practices increases when the company believes they market these practices and incorporates green marketing into their business strategy. Additionally, the findings from this study support the conclusions by Berezan, et al., Sing, et al. [30,35] who found that adopting green practices can have financial benefits. Interestingly, although Berezan, et al. [35] declared in their study that most respondents were willing to pay a premium for a green hotel, this study did not find any significant benefit from visitors staying with hotels because of sustainability, but it did find that there were benefits. As UNEP [4] declared, sustainable development is a perceived benefit by corporations in the hotels.

A key finding of this study relates to the amount that sustainability was incorporated into a hotel's business strategy. The results show that the extent to which hotels perceive they benefitted from marketing sustainability practices though guest visits, guest length of stay, guest satisfaction, revenue, profit, and average daily rate can be predicted by examining the extent to which a hotel believes that green marketing has been incorporated into a hotels green marketing strategy. This finding is in agreement with Tollin, et al. Rahman, et al. Davari, et al. [3,8,40] who state that green marketing leads to greater profitability. Although this study did not determine consumer's views or preferences, findings are in accord with Gao, et al. [38] in that the more a hotel communicates their green practices, the higher the customer satisfaction. Additionally, although this study examined hotels that were already part of a green certification program, it does not dilute the findings. Many hotels have incorporated sustainability practices for multiple reasons and it is not always imbedded into their overall business strategy nor is it communicated to the outside world.

When examining regression results in the study, regression supports the idea that incorporating environmentally sustainable products and designs into ones company, and making the customers aware of such facts, can have a positive influence on perceived profitability and sustainability of the environment [3-7,26]. For example, increased guest length of stay has the potential to have a lesser impact on the environment due to guests potentially reusing their towels and not having their sheets changed, thereby reducing water and energy consumption.

The implications and learning's for industry from this study can be summarised in three main points. First, this study has demonstrate that incorporating sustainability initiatives into marketing strategy shows perceived benefits rather than just being a 'nice to have' element. This supports the notion that green marketing can have a positive influence on a hotel's bottom line and as Davari, et al. [3] illustrate, it may increase profitability. To increase these benefits, hotel managers should focus on marketing their sustainability initiatives in order to capitalise on length of stay, guest satisfaction and revenue.

Second, the findings show that hotels perceive there is an actual market of 'green' consumers. As Roper, Ottman [10,11] concluded, these consumers could be considered a target market for hotels and should be capitalized on. This study found that the more hotels believe they marketed their sustainability practices, the greater they believed the percentage of visitors was who stayed with them because of this. Therefore hotels may wish to consider using varied marketing channels such as the internet to reach said consumers as Chan [41] reported that the internet is an effective channel for marketing of hotels green initiatives. Although there is a potential market segment who may choose a hotel based on green practices, hotels should be aware that some customers do not wish their experience to be negatively impacted by green practices such as low flow showerheads [35].

Third, as the findings from this study have shown, increased levels of spending on environmental initiatives lead to a perceived increase of visitors, length of stay, and revenue. This implication is a key, as many studies that have found positive benefits have focused solely the consumer's perception have not examined it from a supply perspective [35-36]. Studies that have examined the supply perspective did not look at perceived direct benefits [5,34,37].

Conclusions and Future Research

Research indicates that proper selection of an appropriate green marketing strategy is important, as there is not one strategy that best fits all businesses. Firms that have a green orientation and can effectively communicate sustainability are likely to achieve greater profitability and better establish a place in the market, as well as benefit from higher levels of employee commitment and increases in overall company performance. Successful green marketing can help promote consumer brand loyalty and perceived brand quality, increase corporate reputation and image, increase revenue and profitability, give corporations a competitive advantage in the market, ensure a balance between development and environmental sustainability, and minimize environmental costs and impacts associated with the company. Within hotels in North America, the findings reveal that companies who believe they incorporate green marketing into their business/strategy perceive greater guest visits per year, longer guest visits, greater guest satisfaction, higher revenue, greater profits, and higher daily rates. Indeed, these findings positively support a number of authors who declare that that socially and environmentally responsible actions do in fact result in increased customer satisfaction and brand value [3,19-21]. Overall, as public concern for the environment increases, it is of the utmost importance that corporations integrate environmental concerns into their marketing, management strategies, and development of their products and services [42-55].

There are a number of strengths and weaknesses of this study. Strength of this study is that although there are many studies examining the implementation of sustainability practices in hotels, there are few that have examined benefits of marketing such practices. Another strength is that this study can conclude with statistical significance that there are benefits to being more sustainable. There are no shortage of studies claiming benefits [8,26-27]. However, few studies show hard data in support of green marketing in the hospitality sector. There are also a number of limitations of this study that should be mentioned.

First, although there are multiple significant findings in this study, a higher sample size would have provided greater generalization of the results from this study. Second, the results from this study are hotel manager's perceptions rather than actual financial reports [56-59]. This study could not obtain actual financial or operating procedures from hotels or corporate social responsibility reports as most hotels are not publically listed and respondents were anonymous. Having such results would have provided a useful comparison of actual operating costs to be able to make comparisons. Thirdly, it would be beneficial to undertake further research with the consumer to determine actual benefits in comparison to future willingness to pay studies.

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