



Don't change my towels please: Factors influencing participation in towel reuse programs



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HIGHLIGHTS

- We examine consumers' willingness to participate and pay premium for towel reuse.
- A meta-analysis and a survey are conducted.
- The role of demographic, psychographic and behavioral factors is highlighted.
- The majority of hotel customers are willing to reuse their towels.
- A significant customer segment is willing to pay extra for towel reuse programs.

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ABSTRACT

Towel reuse is the flagship of hotel environmental practices. This paper examines the effects of consumer demographic, psychographic and behavioral characteristics influencing a two-stage decision making process including participation and support to a towel reuse program. A meta-analysis shows that 53% of customers are willing to financially support green hotels. A survey of 1304 Greek and foreign hotel customers in tourism hot spots in Greece reveals that 72% of hotel customers would adopt a towel reuse program while 44.1% are willing to pay extra an average of 2.15 euros per day to support it. Younger customers and customers that book high-priced hotels or with higher length of stay exhibit higher willingness to pay extra for towel reuse programs. As rising water and energy shortages in specific tourism hotspots bring hotels' environmental integration under increased scrutiny, the focal findings hold significant implications for hotel managers and tourism policy makers.

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1. Introduction

In the early 2000' the focal question regarding green lodging was whether it had a chance of aligning green value with corporate performance (Kirstges, 2002). Although reduced consumption of tourism services would benefit environmental preservation, the road to a greener world requires responsible consumption (Kotler, 2011). Current research insights support that an environmentally friendly corporate strategy positively affects hotels' performance (Leonidou, Leonidou, Fotiadis, & Zeriti, 2013). Hotels rather slowly though progressively show their commitment to adopting environmentally friendly practices (Manganari, Dimara, & Theotokis,

2015). Water conservation, towel and linen reuse programs, the use of energy-efficient light bulbs and wastewater treatments are among the most popular green practices adopted in the lodging industry (Bohdanowicz, 2006; Chan, Wong, & Lo, 2009).

Although hotels' commitment is required in order to introduce green practices (Teng, Horng, Hu, Chien, & Shen, 2012), customers' engagement is vital in producing green value. Hotel customers are the ultimate power brokers (Kotler, 2011), as they literally co-produce green value not only by selecting green hotels but mainly by actively participating in green hotel initiatives (e.g.; towel and linen reuse programs; recycling of material; water conservation; e.t.c.) (Lusch & Vargo, 2006). Thus, consumers' stated preference and attitude toward green hotel practices (Lee, Hsu, Han, & Kim, 2010) can act as a starting point for lodging companies in order to design and communicate green practices and ultimately engage consumers' active participation.

Elaborating on a recent study that shows that towel reuse is the

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most effective and widely used green hotel practice (Bruns-Smith, Choy, Chong, & Verma, 2015), the focus of the present paper lies in the investigation of consumers' willingness to participate in towel reuse hotel practices, while it goes one step further by examining consumers' willingness to support financially towel reuse programs. Empirical assessments regarding the financial and environmental benefits for hotels endorse the popularity of towel reuse practices. A rather conservative estimation supports that the daily cost for the provision of fresh towels can run to \$1.50 a room (Goldstein, 2009), while The Association of Institutional Linen Management estimates that hotels can save up to \$6.50 a day per occupied room (Griffin, 2001; National Association of Institutional Linen Management 2001). Although the environmental cost is not accordingly estimated, the Green Lodging Calculator assessed that a 150-room hotel can conserve 210,000 gallons of water and 143 gallons of detergent per year with a towel and linen reuse program, not to mention the energy saved (Green Lodging Calculator 2016). It becomes apparent that on one hand companies have both environmental and financial motivation to adopt towel reuse programs, while consumers have a growing tendency toward participating in towel reuse programs. On the other hand extant literature captures consumers' evolving inclination toward green hotels, but knowledge regarding consumers' willingness to participate and financially support specific green practices (i.e.; towel reuse programs) with specific amount of money remains scarce (Kubickova, Khaldoun, Parsa, & Hu, 2015).

Therefore, the questions below are both managerially relevant and theoretically interesting: are consumers' willing to participate in towel reuse programs? If no, which are the underlying reasons? If yes, are they willing to financially support towel reuse programs and by which amount? How do the demographic, psychographic and behavioral characteristics affect their choice? Therefore the goal of the present research is to examine *whether* consumers are willing to participate in towel reuse programs, *why* they are reluctant to participate in towel reuse policies, *whether* and *how much* money they are willing to pay extra for a towel reuse program, *why* they are reluctant to financially support towel reuse programs and which are the underlying factors of their decision. In the following, we review the relevant literature regarding the role of consumers' demographic, psychographic and behavioral characteristics in shaping their willingness to participate in towel reuse programs and to financially support green hotels. Next, we conduct a meta-analysis in order to report on consumers' willingness to pay extra for green hotels. Finally, we present the results of a survey regarding consumers' willingness to participate and pay extra for towel reuse programs. The survey was carried out in Greece which, during summer months and in certain tourism hotspots, suffers from drinking water and energy deficits which can be eased with extensive use of towel reuse programs.

Finally, the present paper claims two methodological contributions. First, it provides, to the best of our knowledge, the first review and meta-analysis of the proportion of respondents who are willing to pay for green hotel services. Second, it examines consumers' willingness to participate in and to pay extra for a specific environmental hotel practice, i.e., towel reuse, using a methodology that develops in two stages. In the first stage, we examine the factors influencing participation in a towel reuse program using conventional probit analysis. In the second stage, we examine willingness to pay with a selection tobit model which takes account, simultaneously, of the part of respondents who abstain from the program (selection), the part of respondents who adopt the program but are not willing to pay (censored to zero payment in the tobit) and the part of respondents who adopt the program and are willing to pay (positive values in the tobit).

2. Conceptual underpinnings

2.1. The effect of demographic and psychographic characteristics on consumer behavior toward green hotel practices

While the dilemma “to remove or not hotel towels” as a souvenir for staying in a hotel remains even for the most upstanding hotel customers, hotels raise to customers a different dilemma regarding their willingness to reuse or not hotel towels during their stay and help preserve environmental resources. From consumers' perspective, recent findings support that well designed communication of these incentives can influence customer participation rates (Goldstein, Cialdini, & Griskevicius, 2008; Hu, 2012; Theotokis & Manganari, 2015). As regards consumers' willingness to support environmental practices through premium pricing, extant literature reports ambivalent or even contradicting findings (Chan, 2013). A significant consumer segment is willing to pay extra for green hotels (Han & Chan, 2013; Han, Hsu, & Lee, 2009; Kelly, Haider, Williams, & Englund, 2007; Masau & Prideaux, 2003), another equally important consumer segment is reluctant to pay more or considers that the hotel should absorb the cost (Han & Chan, 2013; Kubickova et al., 2015; Manaktola & Jauhari, 2007; Millar & Baloglu, 2011), while a small segment considers that they should pay less for green hotels (Chia-Jung & Pei-Chun, 2014; Millar & Baloglu, 2011). It becomes apparent that the majority of prior studies focus on a range of green practices or green hotels in general regarding customers' willingness to pay extra. These studies are presented in our meta-analysis. At this point we should only underline that based on managers' statements in Spain each environmental measure generates 5.15% increase in room price (Sánchez-Ollero, García-Pozo, & Marchante-Mera, 2014).

Baker, Davis, and Weaver (2014) identified perceived inconvenience, decreased luxury and perceptions of corporate cost cutting as the most significant barriers for consumers' intention to book or pay premium for a green hotel. On the other hand, the level of the hotel's environmental responsibility and commitment positively affects customers' intention to pay premium (Chan, 2013; Han et al. 2009, 2011). Four studies that focus on gender differences in regard to consumers' willingness to pay more for green hotels, report contradicting results. Three studies show that female consumers are more inclined to pay premium for green hotels compared to male consumers (Chan, 2013; Han et al. 2009, 2011) and one study supports the opposite (Kang, Stein, Heo, & Lee, 2011). Interestingly, all four studies used a U.S. sample.

Although consumers' tendency to participate in towel reuse programs is well founded (Goldstein et al. 2008), the underlying factors that urge customer to request daily towel replacement or to adopt towel reuse programs are not well-documented. In regard to customers demographic characteristics, Bohdanowicz (2006) underlined the role of cultural differences. Choi, Parsa, Sigala, and Putrevu (2009) also found that culture does make a difference, as consumers' with a Greek origin showed higher willingness to pay for green hotels compared to consumers from US. In addition we assume that water shortages in Greece during the summer period raise awareness, consciousness and willingness to preserve the natural resources among Greek residents but not necessarily among foreign residents who, presumably, are not aware of this issue.

In regard to age differences, younger customers are more concerned about environmental issues in general and have a higher probability to reuse their towels (Chan, 2013; Shang, Basil, & Wymer, 2010). Ambiguous results are also reported, based on consumers' age and their willingness to pay. While some studies report no age differences in consumers' willingness to pay more for green hotels (Han et al. 2011; Kang et al. 2011), Han et al. (2009) supported that

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