Issues in the Hospitality Industry in Malaysia

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Abstract

In Malaysia, environmental issues such as water contamination, air pollution, waste disposal, climate change, global warming and deforestation have been occurring since a long time ago and these environmental issues are some of the most critical issues which have struck countries all over the world. All industries related to the environment have been and will continue to be affected if these issues are not eradicated as soon as possible. The hospitality industry is one of the industries that has directly affected the environment through its daily operations. In the hospitality industry, it is extremely important to minimize negative experiences gone through by the customer, since word of mouth usually spreads more quickly if it is related to a negative issue compared to that of a positive issue. Meta-analysis studies related to the hotel industry that have been conducted by previous researchers show that the studies related to green efforts, comprising a hotel's environmental record and environmentally friendly practices, have gradually increased year by year, but even then, the number is still less than other fields. This shows that the awareness among the community and researchers towards environmental preservation is increasing. However, due to the lack of studies exploring this environmental issue, this study was conducted to investigate the perception of customers on green practices and a green image in the non-green hotels in Malaysia. 11 participants were selected as respondents for a focus group discussion and three respondents were chosen for in-depth interviews. The results from the discussion shows that there are several needs and desires of the customer's when the stay at a hotel and the results can be used as a guide for the hotel managements to improve and enhance their existing practices and also take into account the requirements of the customer.

Keywords: Green Practices, Satisfaction, Hospitality industry, Malaysia.

Introduction

In Malaysia, environmental issues such as water contamination, air pollution, waste disposal, climate change, global warming and deforestation have been occurring since a long time ago and these environmental issues are some of the most critical issues which have struck countries all over the world. Since tourism is one of the industries that is linked to nature and the environment, the increase of tourists and poor management give negative impact to nature, communities, cultures and societies (Budeanu, 2005). However, a few decades ago, the emerging awareness of this issue has triggered alternative tourism such as natural tourism, green tourism, ecotourism and rural tourism.

The term "green tourism" is also called "environmental friendly", "environmentally sensitive", "ecologically compatible" and "ecologically sound" (Faulk, 2000). Since the term "green tourism" is often misunderstood and does not have a standard definition, thus Hassan and Nezakati (2014) suggested that the concept of green tourism needed to be further clarified. However, they summarized the green tourism has an important role in the environment management system especially the practices which able to reduce negative impact to the environment. Most countries try to support green tourism through green practices or environmental management practices (Hassan & Nezakati, 2014). The terms "green", "environmental" or "eco-marketing practices" are new approaches used in marketing. These approaches are not only for adjusting or strengthening existing approaches, but also to look for different perspectives or points of view and at the same time, to decrease the negative impact to ecology and social (Perera & Pushpanathan, 2015).

Hotel guests are individuals who have a relationship with an organization. Thus, customer satisfaction is one of the critical components that determines the hotel industry's value to guest, and an essential factor to provide revenues and profits (Maghzi, et al., 2011) and ensure customer retention (Es, 2012; Dominici, & Guzzo, 2010). Abbasi (2010) describe that customer satisfaction can generate money for the organization if customers are satisfied and loyal with the products and services provided. To ensure customer satisfaction is achieved, it is important to recognize and anticipate customer needs (Guzzo, 2010). This statement is agreed by Mwangeka (2014) and Angelova and Zekiri (2011) who state that customer satisfaction is related to the needs and expectations of the customers regarding several factors, such as previous personal experience, the products or services promised by the company, and the price of the goods or services. Customers are satisfied if they have positive feelings resulting from receiving beyond what was expected, as well as the purchase decision and the needs associated with the purchase (Akbar & Parvez, 2009).

The concepts of customer loyalty are important in marketing related research and real life because they reflect how successfully an organization is able to deliver value to their customers, while at the same time affect the performance and also the long-term relationship between customer and the company (Srivastava & Kaul, 2016; Upamannyu, et al., 2015). Dick and Basu (1994) noticed that customer loyalty is the strength of the relationship between an individual's attitude towards product, brand, service, store or vendor and repeat patronage. Loyalty is a result of customer satisfaction with the quality of services, performance, comfort and familiarity of the hotel (Upamannyu, et al., 2015; Dick & Basu, 1994). Han and Sheu (2010) defined green behavioral intention as a probability of an individual to visit a green hotel, give positive word of mouth towards the green initiative and be willing to pay for the

premium service and product offered. However, according to Mei, Ling and Piew (2012) sometimes consumers who are pro-environment do not necessarily behave in a green way and buy environmental friendly products.

Most hotels are now faced with the challenge of meeting and exceeding these customer expectations to ensure repeat patronage, which is the bedrock of any business (Caruana, Money & Berthon, 2000). Although several factors have been reported as relevant for gaining customer loyalty, customer satisfaction is highly recognized for its fundamental role (Jamal & Naser, 2002). According to Nurul Syaqirah and Putra Faizurrahman (2014), the success of the tourism industry, especially in the hotel sector, depends on customer satisfaction. Moreover, an emotional link to customer loyalty is one of the key strengths of any green product (Hartmann & Ibáñez, 2006). Na (2010) reveals that the importance of customer loyalty to the hotel industry is because the booking volume will increase as a result of recommendations and reviews from existing customers to other people. Thereafter, the profit and revenue of the hotel will also increase. This is why a hotel needs to fulfill its customer needs.

Due to the lack of studies exploring the relationship between green practices, green image, customer satisfaction and customer loyalty in the hotel industry (Asgharian, et al., 2012), this study was conducted to investigate the perception of customers regarding green practices and green image in the non-green hotels in Malaysia.

Methodology
This study focuses on in-depth interviews and focus group discussion to acquire detailed information from the respondents. In this study, semi-structured interviews were used to gather the information from the respondents. This method was deemed more appropriate because the researcher could add more or modify the questions according to the circumstances until all the questions were answered. A total of 11 respondents were involved in the focus group discussions (FGD), and three respondents were chosen to be interviewed. These interview and FGD was conducted to assess other factors that encourage customers to be more satisfied and loyal to the hotel that they stayed at and to determine the needs of customers in the hospitality industry. To simplify the results, the researcher used Atlas.ti software to model the feedback from respondents.

Results and Discussion
Previous research found that the respondents were satisfied with all the practices applied in the hotel they stayed in (Berezan, Millar and Raab, 2014). Meanwhile, Perera and Pushpanathan (2015) and Chikita (2012) in their research indicated that green marketing practices and environmentally friendly hotel practices have a strong relationship with customer satisfaction. However, contradictory findings by Mohd Suki (2015) indicate that the environmental friendliness of a company is not a significant predictor of customer satisfaction. In these cases, it was found that green practices are not a priority for customers when they stay at the hotel. It can be concluded that customer satisfaction towards green practices in a hotel is not an influence, as the customers did not get direct benefits from the practices. Furthermore, the respondents felt that these attributes were not enough to influence their satisfaction regarding a hotel. Besides that, previous research by Mohd Suki (2015), Mwangeka (2014) and Xie and Chaipoopirutana (2014) found that the perception of customers regarding green image in a hotel influences their level of satisfaction towards the

hotel. This shows that customers are satisfied with the attributes and holistic form of the green image applied in the hotel. However, the research by Doszhanov and Ahmad (2015) found that the relationship between green image and customer's intention to use green products is not significant.

Inconsistent result from previous study lead the researcher to conduct the interview. Therefore, a focus group discussion and interviews with experts were conducted to identify the pertinent factors. Two groups of focus group discussion were conducted in this study – domestic tourists and international tourists – and three experts were involved in the in-depth interviews. Figure 1 reveals 12 necessities of customers when staying in a hotel, which (when fulfilled) can increase the level of satisfaction and loyalty for the hotel. Among these needs are comfort, cleanliness, safety, quality, friendly staff, price, good environment, appropriate facilities, website appearance, efficiency in dealing with customer feedback, information regarding green practices and parking space. Cleanliness is a top priority when staying at a hotel. This was proven when four of the eight respondents said that their top priority is room cleanliness when staying in hotels. Apart from cleanliness, comfort is also a priority to be taken into consideration if they want to book a hotel room.

Normally, customers will assess and review the comments or feedback from previous customers who have stayed in the hotel through the hotel's own web site or through sites that offer differentiation and promotion of the room such as Booking.com, Agoda.com, Trivago.com and so on. This shows that an attractive and user-friendly website is important in ensuring that customers get detailed information for them to make an informed choice. In addition, customers require appropriate facilities and quality that is comparable to the prices offered by the property. Facilities provided should be in good condition, usable and managed properly. For example, gym equipment and swimming pools that are available should be managed properly to satisfy new customers. High-speed internet connectivity is also becoming a priority for customers.

Additionally, the external environment of a hotel should also be emphasized in the hotel. For those who prefer hotel rooms that have windows, they would want an attractive environment. Security inside and outside the hotel is also becoming a priority to customers. This means that every hotel should provide sufficient parking space and security for customers, even if the location of the hotel is in among shop units. This is so that the customer will feel confident when parking their vehicles. Apart from that, customers also expect good service from the hotel staff, especially from employees who are directly engaged with them, such as the front desk officers when making a reservation, checking in and checking out.

Figure 1: Customer Needs when Staying at the Hotel
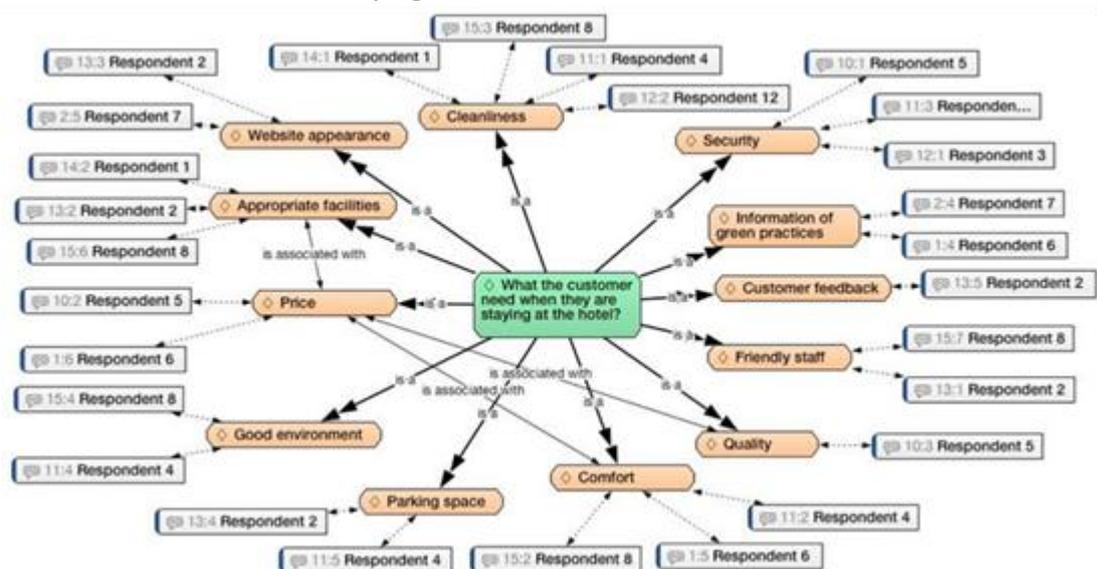
If a hotel adopts the characteristics of green practices, they should inform the customer in detail so that the customers will understand the needs of the hotel and hopefully act as required. However, the hotel employees must also understand and adopt the green practices so that it is in line with what is intended by the hotel management. If there is any feedback from customers, the hotel must investigate and take action for improvement. If all this can be met and provided by the hotel, it is possible for the customers to re-stay at the hotel and give positive recommendation to others. This will then increase the number of customers at the hotel and bring in higher profits. From this analysis, it can be concluded that green practices are not the priority when customers decide which hotel to stay in. Hotel customers are more concerned with the facilities and the quality of products and services provided than the green practices carried out by a hotel. This finding is consistent with the results by Abbasi et al. (2010) who found that service quality and service features are the element that customers are concerned with in the hotel industry.

Recommendation
The findings of this research are expected to benefit the government (specifically the Ministry of Tourism and Culture), hotel managements, and also non-green hotel guests. For the Ministry of Tourism and Culture, it will help the government to ensure that the green practices are suitable to be adopted in the context of Malaysia. Besides that, it will help the Ministry of Tourism and Culture in recognizing more hotels that apply the green practices in their hotel. This research is also beneficial for policy makers for reviewing the importance of the implementation of environmental management systems in terms of environmental impact, economic impact and marketability.

The managers of non-green hotels can improve and incorporate more green practices in their daily operations based on the guidelines provided by the government to ensure protection of the environment. Top hotel management can also improve the image of their hotel in accordance with the requirements of customers who are concerned with having a conducive environment and not impacting negatively on the environment. For

hotel guests, hopefully this will encourage them to go for services provided by non-green hotels, even though the hotel has not been awarded as a green hotel.

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