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The Influence of Green Hotel Policy and CSR on Interest in Staying at Hotels

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Abstract : This study aims to evaluate the influence of Green Hotel Policies and Corporate Social Responsibility (CSR) on consumers' intention to stay at the hotel, considering the mediating role of Trust. The research method employed a questionnaire distributed to 100 respondents who frequently stay at hotels, with data analysis conducted through validity tests, reliability tests, and hypothesis testing. The results indicate that Green Hotel Policies and CSR have a positive and significant influence on the intention to stay, both directly and through Trust. CSR has a more dominant influence (coefficient 0.516) compared to Green Hotel Policies (coefficient 0.318). Additionally, Trust is proven to be an effective intervening variable in strengthening the relationship between Green Hotel Policies and CSR with the intention to stay. These findings support the importance of implementing environmentally friendly policies and sincere, consumer-relevant CSR programs to enhance trust and the intention to stay. This study also highlights differences in consumer perceptions of sustainability practices, where education and clear communication are key to reducing skepticism.

Keyword: Green Hotel, CSR, Trust, Intention to Stay, Sustainability

INTRODUCTION

The hospitality industry is currently entering a new era with the introduction of the Green Hotel concept, which emphasizes environmental and social aspects, commonly referred to as environmentally friendly or Green Hotels. The novelty of this concept lies in its focus on energy efficiency, water conservation, and the procurement of environmentally friendly goods and services, both in terms of quality and the sustainability of suppliers (Arista, 2020; Kamboj et al., 2022). The Green Hotel concept has been widely implemented by hotels worldwide, including in Indonesia, such as Hotel Dharmawangsa, Aston Hotel Bogor, Rumah Turi Hotel in Solo, and Majapahit Hotel in Surabaya (Puspa, 2024). However, the introduction of efficiency and eco-friendly aspects raises concerns about its impact on consumers' willingness to stay at Green Hotels. This study explores the influence of these aspects on consumers' intention to stay at Green Hotels.

While there is a general increase in interest in environmentally friendly practices, consumer behavior toward Green Hotels remains complex. Some consumers strongly prefer hotels with green initiatives, viewing them as reflective of their pro-environmental values (Tan,

2023). They are willing to pay more to stay at hotels committed to sustainability, especially when such information is communicated clearly and credibly (Wang, 2023).

Conversely, a significant number of consumers exhibit resistance or rejection toward the Green Hotel concept. Factors influencing this include a lack of understanding of the environmental benefits, perceptions that green services are more expensive or less comfortable, and skepticism toward hotels' environmental claims or *greenwashing* (Han et al., 2019). Research indicates that functional and financial risk perceptions can lead to hesitation and even hinder decisions to stay at Green Hotels (Peng & Chen, 2019).

Previous studies define Green Hotels as those implementing energy efficiency, water conservation, waste management, and the use of sustainable materials (Jobin, 2024). However, Green Hotel Policies are not the sole factors influencing consumer interest and satisfaction; service quality also plays a critical role, as noted by Puji (2023). This study adapts variables from prior research to align with its objectives.

The growing global attention to environmental issues has also influenced sustainable tourism trends in Indonesia. Consequently, more hotels in Indonesia are adopting Green Hotel concepts through policies such as renewable energy use, reduction of single-use plastics, waste management, and water and electricity conservation. However, this adoption has not uniformly received positive responses from all consumers. Studies reveal that while some Indonesian consumers exhibit high environmental awareness, this does not always translate into their decisions to stay at Green Hotels (Pratiwi & Paramita, 2021). A key challenge is the low understanding of the Green Hotel concept itself. Many consumers are unaware of what constitutes an environmentally friendly hotel or cannot distinguish between conventional and sustainable hotels (Utami et al., 2020). Additionally, the perception that Green Hotels are more expensive and less comfortable remains a significant barrier (Hidayat et al., 2022).

Moreover, consumer participation in hotel sustainability programs, such as towel reuse, linen recycling, or waste reduction, remains low, particularly when clear incentives or adequate education are lacking (Ariska & Wahyuni, 2023). This suggests that environmental concern is not yet a primary factor in consumer decision-making within Indonesia's hospitality industry. Nevertheless, certain consumer segments—especially younger generations and tourists with strong environmental values—show more positive responses to Green Hotels. They are more open to sustainability innovations and willing to pay a premium for stays aligned with their personal values (Rahmawati & Santosa, 2022).

In addition to Green Hotels, Corporate Social Responsibility (CSR) has become a critical strategy for businesses, including the hospitality industry, to build stronger relationships with consumers. CSR reflects a company's commitment to social and environmental responsibilities, which can influence consumer perceptions and behavior. However, CSR implementation can also pose challenges and negative impacts if not managed effectively.

Previous research highlights the positive effects of CSR, such as its influence on brand image and customer loyalty in hotels. Effective CSR can build trust and emotional connections with consumers, thereby enhancing loyalty. (Livia et al., 2020). Furthermore, CSR initiatives focused on the environment can promote eco-friendly consumer behavior. Through consumer engagement and positive emotions, CSR can motivate guests to participate in sustainable practices during their stay. (Raza, et al, 2023). Other researchers note that positive perceptions of CSR can increase consumers' intention to repurchase and reduce their likelihood of switching to competitors, with trust playing a pivotal role in customer retention. (Huang et al., 2023)

Despite these benefits, some studies also identify negative impacts of CSR, such as consumer skepticism toward initiatives perceived as insincere or merely marketing strategies. Research by Kim and Ferguson (2019), shows that if consumers doubt the motives behind CSR programs, it can lead to negative attitudes, including reduced purchase intent, distrust, and negative word-of-mouth. Additionally, dissatisfaction with CSR programs can result in consumer discontent. A study by Panungkelan et al (2018) found that CSR had no significant

impact on consumers' decisions to stay at Hotel Swiss-Bel Maleosan Manado, indicating that irrelevant or poorly communicated CSR initiatives can diminish their effectiveness.

METHOD

Aligned with the research objective of evaluating the influence of Green Hotel Policies and CSR on consumers' intention to stay by studying consumer behavior related to hotel selection, this research examines the relationship between independent variables (Green Hotel Policies and CSR) and the dependent variable (intention to stay), both directly and through the mediating variable of Trust. The study concludes by outlining actions required for the independent variables to achieve the desired outcomes for the dependent variable. The research stages are as follows:

1. Problem Formulation

As stated earlier, the research problem focuses on identifying measures hotel management should take when implementing Green Hotel Policies to enhance consumers' intention to choose Green Hotels.

2. Research Model

A preliminary survey was conducted to select independent variables relevant to the study. Variables from prior research were tested on 30 respondents to identify those suitable for the research topic and product. The research model designates the intention to stay as the dependent variable, with Green Hotel Policies and CSR as independent variables. Trust serves as the mediating variable.

3. Data Collection

Data were collected via questionnaires. The method used in data collection is non-probability sampling, namely respondents are selected according to research needs. This study requires respondents to be hotel customers who frequently stay at a hotel at least once a year. Data were gathered using online forms distributed via email and the internet. The study included 100 respondents.

4. Variable Operationalization

Independent, dependent, and mediating variables are latent variables requiring indicators for explanation. Each latent variable is explained by four indicators, resulting in 16 indicators for the study.

5. Data Analysis and Discussion

Data analysis began with construct reliability and indicator validity tests, followed by tests for multicollinearity and HTMT.

6. Conclusion

The conclusion summarizes hypothesis testing results, indicating the significance and weight of the independent variables' influence on the dependent variable.

RESULTS AND DISCUSSION

Data for this study were obtained from respondents who answered questions regarding their age, education level, and ratings of statements in the table below using a Likert scale.

The respondent profile was dominated by individuals aged 31–45 (63%), while those under 30 accounted for only 4%. Respondents aged 46–60 comprised 23%, and those over 60 accounted for 10%. Educationally, 64% held bachelor's degrees, 32% held postgraduate degrees, and 4% were high school graduates. The profile indicates a dominance of young, highly educated individuals aged 31–45.

Table 1: Research Indicators Statement

| Corporate Social Responsibility | |
|--|---|
| C1 | A hotel is considered to have conducted CSR activities when it actively supports social initiatives in the community surrounding the hotel. |
| C2 | A hotel is considered to have conducted CSR activities when it treats all guests fairly and without discrimination. |
| C3 | A hotel is considered to have conducted CSR activities when it involves employees in its CSR programs. |
| C4 | A hotel is considered to have conducted CSR activities when its leadership is committed to sustainable CSR programs. |

| Implementation of Green Hotel Policies | |
|---|--|
| G1 | A hotel implements Green Hotel policies when it has a written environmental management policy. |
| G2 | A hotel implements Green Hotel policies when it involves guests in eco-friendly programs (e.g., encouraging guests to conserve water and electricity). |
| G3 | A hotel implements Green Hotel policies when it publicly reports environmental performance and holds environmental certifications. |
| G4 | A hotel implements Green Hotel policies when it provides environmental training for its employees. |

| Trust Level | |
|--------------------|---|
| T1 | I believe that this Green Hotel genuinely cares about the environment. |
| T2 | I am confident that this Green Hotel's CSR efforts are not merely for publicity. |
| T3 | In my opinion, this Green Hotel appears honest and transparent in implementing its eco-friendly policies. |
| T4 | I trust that this Green Hotel operates in compliance with applicable regulations. |

| Interest in Staying at a Green Hotel | |
|---|---|
| S1 | I will stay at a Green Hotel in the near future. |
| S2 | I will choose a Green Hotel over other hotels. |
| S3 | I would recommend a Green Hotel to others. |
| S4 | I would feel more comfortable staying at a Green Hotel. |

Source: Researcher

The study's findings were preceded by statistical tests of the variables and indicators. Responses from 100 eligible respondents underwent validity and reliability tests, yielding the following results:

Table 2: Validity and Reliability

| Variable | Indicator | Average | Loading | Cr Alpha | CR | AVE |
|--------------|-----------|---------|---------|----------|-------|-------|
| CSR | C1 | 3,71 | 0.836 | 0.771 | 0.853 | 0.592 |
| | C2 | 4,08 | 0.727 | | | |
| | C3 | 3,18 | 0.744 | | | |
| | C4 | 3,43 | 0.767 | | | |
| Green Policy | G1 | 3,41 | 0.807 | 0.804 | 0.872 | 0.630 |
| | G2 | 3,82 | 0.788 | | | |
| | G3 | 3,83 | 0.815 | | | |
| | G4 | 3,23 | 0.764 | | | |
| Trust | T1 | 3,54 | 0.780 | 0.720 | 0.826 | 0.545 |
| | T2 | 3,26 | 0.639 | | | |
| | T3 | 3,45 | 0.803 | | | |
| | T4 | 3,82 | 0.721 | | | |
| Stay | S1 | 3,97 | 0.801 | 0.814 | 0.877 | 0.640 |
| | S2 | 3,53 | 0.784 | | | |
| | S3 | 3,85 | 0.822 | | | |
| | S4 | 3,4 | 0.794 | | | |

Source: Result from SmartPLS

The table displays indicators for each variable, along with their average performance on a 1–5 Likert scale (1 = strongly disagree, 5 = strongly agree). One indicator, T2 (explaining the latent variable Trust), had a loading factor of 0.639 (below the 0.7 threshold but above 0.5). Despite this, the Cronbach's alpha (0.720), AVE (0.545), and Composite Reliability (0.826) values met the criteria, allowing T2 to be retained (Henseler & Schubert, 2023). Thus, all indicators and variables were deemed valid and reliable for statistical analysis.

Hypothesis Testing and Discussion

Hypothesis testing results were derived from statistical calculations of relationships between dependent and independent variables, both directly and through the intervening variable. The results are presented below:

Table 3: Direct Relationships Between Variables

| | O - Sample | M- Sample | STDEV | T Statistics | P Values |
|-----------------------|------------|-----------|-------|--------------|----------|
| CSR -> STAY | 0.380 | 0.382 | 0.087 | 4.356 | 0.000 |
| CSR -> Trust | 0.405 | 0.406 | 0.096 | 4.240 | 0.000 |
| Green Policy -> STAY | 0.222 | 0.213 | 0.092 | 2.418 | 0.016 |
| Green Policy -> Trust | 0.283 | 0.292 | 0.104 | 2.708 | 0.007 |
| Trust -> STAY | 0.337 | 0.344 | 0.079 | 4.250 | 0.000 |

Source: Result from SmartPLS

Statistically, the relationships between independent variables and the intervening or dependent variables were positive and significant (p-values < 0.05). In addition to direct relationships, indirect relationships between Green Policies and Stay, and between CSR and Stay, were tested, yielding the following results:

Table 4: Indirect Relationships

| | O - Sample | M- Sample | STDEV | T Statistics | P Values |
|---------------------------|------------|-----------|-------|--------------|----------|
| CSR -> Trust -> STAY | 0.137 | 0.141 | 0.049 | 2.786 | 0.006 |
| Green Po -> Trust -> STAY | 0.095 | 0.101 | 0.045 | 2.132 | 0.033 |

Source: SmartPLS

Hypothesis testing confirmed that the indirect relationships between Green Policies and Stay (via Trust) and between CSR and Stay (via Trust) were positive and significant (p-values < 0.05).

Table 5: The Influence of CSR and Green Policies on Stay

| | O - Sample | M- Sample | STDEV | T Statistics | P Values |
|-----------------------|------------|-----------|-------|--------------|----------|
| CSR -> STAY | 0.516 | 0.523 | 0.078 | 6.617 | 0.000 |
| CSR -> Trust | 0.405 | 0.406 | 0.096 | 4.240 | 0.000 |
| Green Policy -> STAY | 0.318 | 0.314 | 0.089 | 3.558 | 0.000 |
| Green Policy -> Trust | 0.283 | 0.292 | 0.104 | 2.708 | 0.007 |
| Trust -> STAY | 0.337 | 0.344 | 0.079 | 4.250 | 0.000 |

Source: SmartPLS

Examining the overall influence of CSR and Green Policies on the intention to stay (Stay), CSR was more dominant (coefficient: 0.516) than Green Policies (coefficient: 0.318). Both factors, however, had significant positive effects. Efforts to enhance Stay can involve consistent implementation of Green Hotel Policies and CSR activities, as outlined in the questionnaire. The study also confirmed that CSR and Green Policies significantly and positively influence Trust, indicating consumer confidence in these initiatives.

Prior research supports these findings, though some studies present conflicting results, such as CSR not enhancing Trust or having non-positive relationships. These discrepancies may stem from differing interpretations of CSR, such as perceived insincerity or *greenwashing* (Luo & Bhattacharya, 2006). Similarly, Green Policies may not uniformly increase Stay if they are irrelevant to consumer needs (Chen YS, Chang, 2013). Other studies note that the influence of Green Policies and CSR on Trust and Stay also depends on respondent characteristics. For instance, Yadav's research found that Green Policies did not significantly influence Stay among Southeast Asian respondents but were significant among affluent European demographics. This study did not assess respondents' economic status but focused on educated, relatively young, or working-age individuals.

CONCLUSION

Green Hotel Policies and CSR positively and significantly influence the intention to stay, both directly and through the intermediary variable of Trust. Trust serves as a partial mediator in these relationships.

Efforts to enhance the intention to stay through Green Policies and CSR programs will yield significant results if implemented genuinely, focusing on broader societal benefits—including consumers and hotel employees—rather than merely improving the hotel's image.

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