

Analysing the Role of Responsible Luxury in the Indian Hospitality Sector

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Article Info

Volume 82

Page Number: 14195 – 14202

Publication Issue:

January-February 2020

Abstract

This paper evaluates the role of responsible luxury within the Indian hospitality sector. According to the concept of responsible luxury, comfort and opulence must be secured through sustainable practices. This paper adopts a qualitative approach using both primary and secondary data. The secondary data lead to the formulation of a theoretical framework containing the key elements of responsible luxury including communications, responsible procurement, resource conservation, sustainable development and indoor environment quality. The primary data was collected through an online questionnaire administered to 40 managers of various hotels in India. The questionnaire collected information on guest requirements with respect to responsible luxury and what the hotels must do to implement the principles of responsible luxury. Descriptive statistics and regression analyses were used to analyse primary data. It was found that only the luxury and premium hotels situated in urban India have adopted some of the concepts related to responsible luxury. Indoor environment quality was found to be associated with indigenous design & fittings, promotion of day-light and fresh-air, use of green seal materials and reduced usage of chemicals and plastic. Similar findings were made with respect to the other constructs identified in the theoretical framework. Regression analysis indicated the factors were significant predictors of the constructs related to responsible luxury. These findings indicate which factors on responsible luxury, hotels in India must focus on and implement.

Article History

Article Received: 18 May 2019

Revised: 14 July 2019

Accepted: 22 December 2019

Publication: 28 February 2020

Keywords: Hotel, Luxury, Accountable, Sustainable Practices, Responsibilities

I. Introduction

The tourism sector plays an important role in the Indian economy. The sector contributed upto 9.4% of the national GDP and 8% of national employment in 2017 (Sabnavis, 2019). It is the also the 3rd largest foreign exchange earner for the country currently (Sabnavis, 2019). A measure of the fast – growing tourism sector is the forecast made by HVS (2012) which indicated that by the end of 2021, there will be an estimated 343000 hotel rooms required. This implies enormous demand for hotels in India in the year ahead. A larger number of hotels will also increase demand for resources consumed and result in the production of vast amounts of waste. This is

because hotels are one of the largest consumers of resources such as water, electricity and food in the country. Just the 2 cities of Delhi and Mumbai alone with about 15,000 hotel rooms generate 148 to 885 tons of solid waste per day (Singh and Amandeep, 2018). There is much research on how hotels in India must tackle waste and the need to adopt various sustainability practices as well. Efficient waste management has been significantly associated with a host of benefits including cost efficiencies, profitability, enhanced hotel brand image and positive customer reviews (Parvez et al., 2019). However, it is not clear how hotels can balance sustainability / waste management without compromising the comfort

of their guests or the ability to provide guests with memorable stay experiences. This paper proposes the concept of 'responsible luxury' which combines luxury and responsible practises in a way that creates a win-win situation for the hotel, the environment and the guests. This is currently an under-researched topic with respect to the Indian hospitality sector.

Research Question: *How can the Indian hospitality sector implement the concept of responsible luxury?*

II. Literature Review

Hotels provide guests with numerous luxury amenities and facilities to not only meet guest expectations but exceed them (Berghaus et al., 2018). This is in line with the concept of luxury which denotes ease, comfort, pleasure and a sumptuous environment where every indulgence of the tourist is catered to. According to the concept of responsible luxury, comfort and opulence must be secured through sustainable practices (Boone et al., 2016). It is a combination of luxury and those practices that enrich society and the environment as well (Gardetti, 2017). Within the hospitality sector, responsible luxury refers to the ability to provide guests with all the comforts they need without burdening the environment or society (Lo and Brookshire, 2018). Responsible luxury is often associated with corporate social responsibility as this activity reduces negative impact of business operations on stakeholders and creates benefits for society as well (Jung and Ha-Brookshire, 2017). However, Atasu (2016) mentioned that responsible luxury is a far broader concept and is dependent on communication to secure a 'buy in' from customers. This is because for most customers, ethical considerations may not necessarily influence their luxury product purchase decisions. Responsible luxury, according to Kapferer (2015) is associated with respect for tradition, craftsmanship, use of local materials, quality and elegance. This was interpreted in terms of conservation values that simultaneously promote luxury.

Responsible luxury is also associated with efficient utilization of resources (Hoffmann and Maniere, 2016). This is required as hotels consume large amounts of resources such as energy and water. Furthermore, responsible luxury also refers to processes to reduce and even eliminate waste from operations. A related activity is materials procurement and usage. This refers to sourcing processes used by the hotel to procure various items required for its operations which Godey et al., (2017) state must be done as sustainably as possible. Hotels must maximize the quality of their indoor environment to impress guests and get them to return (Vikas et al., 2017). Furthermore, Berghaus et al., (2018) said that hotels must minimize as much as possible, the impact of their operations on the environment suggesting that sustainable development principles must be incorporated into their functioning. Based on the above findings, the theoretical model in figure 1 was developed.

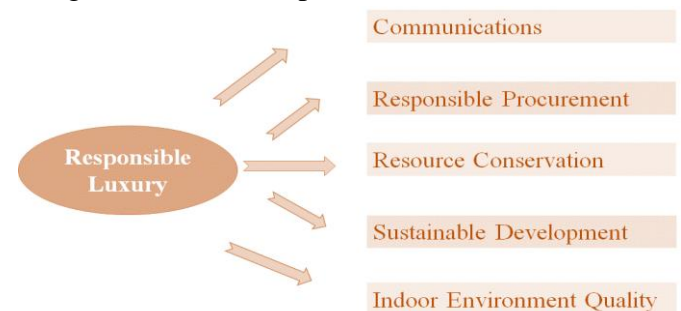


Figure 1. Theoretical Model

III. Methodology

A mixed methodology was adopted using both qualitative and quantitative data. The qualitative data was collected from secondary literature sources that identified key constructs of responsible luxury. These constructs are summarized in figure 1. Qualitative data was also collected from a questionnaire administered to 40 managers of different hotels in India. The questionnaire collected information on perceptions of managers with respect to how responsible luxury concepts must be implemented in India. Quantitative data was also collected from the questionnaire and analysed using descriptive

statistics and regression statistical tool of excel. The objective of the quantitative analysis was to identify what themes related to responsible luxury were quoted most often by the respondents and to identify which variables were significant predictors of responsible luxury.

IV. Analysis and Discussion

Demographics—Figure 2 indicates the geographic distribution of the hotels across urban and non – urban conglomerations in India that stated they were aware of responsible luxury and its key concepts.

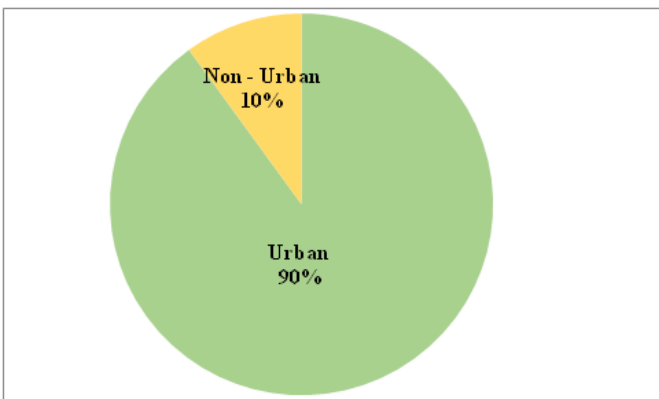


Figure 2. Geographic Distribution

From figure 2, it is observed that the hotels located in urban India are more aware about responsible luxury than their non – urban counterparts. Figure 3 evaluates the awareness about responsible luxury among different categories of hotels.

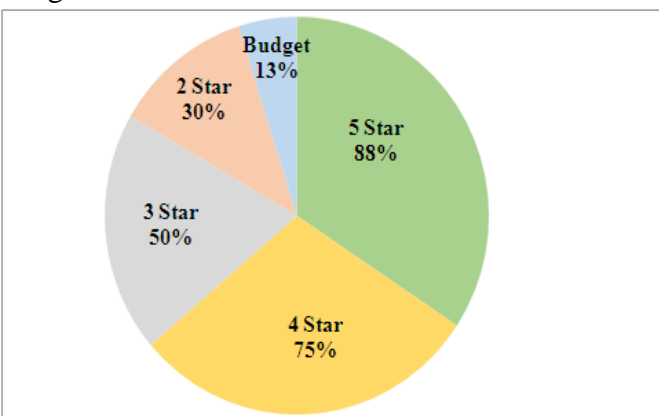


Figure 3. Responsible Luxury Awareness – Categories of Hotels

Figure 3 indicates that the higher the star category of the hotel, the higher the awareness about responsible luxury. This also implies that the guests that frequent luxury and premium category

of hotels are more aware about responsible luxury and consider this aspect when making choice of hotels.

Responsible Luxury—From the theoretical model in figure 1 it was identified that indoor environment was a key construct related to responsible luxury. Figure 4 gives the views of the respondents with respect to indoor environment. All the respondents indicated that the indoor environment was an important factor in creating perceptions related to responsible luxury. This can be most commonly achieved through the use of indigenous design, construction materials and indoor fittings. Respondent 2 from Mangalore stated that his hotel ‘was constructed wholly of locally available sandstone, Mangalore tiles for the roofs and the design was in accordance with local Malnad traditions’. Similarly, another respondent from Bengal indicated that his ‘hotel was made entirely of terracotta bricks in accordance with local traditions’. Most respondents stated that the decorations, paintings, room and lounge ornaments, even the furniture must be made by local craftsmen using local materials and wholly reflect the cultural sensibilities of the region.

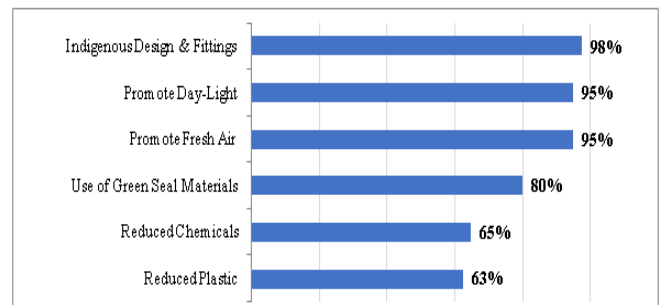


Figure 4. Indoor Environment

Respondent 18 from Tanjore town indicated how his hotel was ‘temple themed’ because of the nearby Brihadeshwara temple with most of the ornaments consisting of statues and paintings of temple deities, the furniture being carved according to temple designs. Another way to maintain high-quality indoor environment was to promote fresh air and daylight. Most respondents indicated that upto 30% of all indoor air-circulation must not be through air-conditioners but by designing the structure in ways that

facilitated air-circulation. Similarly, the use of large plain glass windows, skylights, open air / glass ceilings were all features that can be used to promote natural lighting as much as possible. Most respondents also said that the chemicals used for cleaning and in the garden featured a ‘green seal’ that ensure they were eco-friendly. This ensured that effluent discharges from the hotel did not harm the local flora and fauna. Another feature that created perceptions about responsible luxury was the reduced use of plastic. Respondent 20 said how in her hotel, there were no plastic plates, cups and saucers. Guests were only served on china plates and cups. Even the water bottles in the rooms were made of glass. The principle that may be derived from these views is that an indoor environment that is ecologically sensitive plays an important role in ensuring that guest comfort is not compromised, guests get to experience a unique form of indigenous hospitality and the hotel is able to create an impression that it is ‘planet – positive’. Figure 5 indicates respondent views on what must be done to conserve resources.

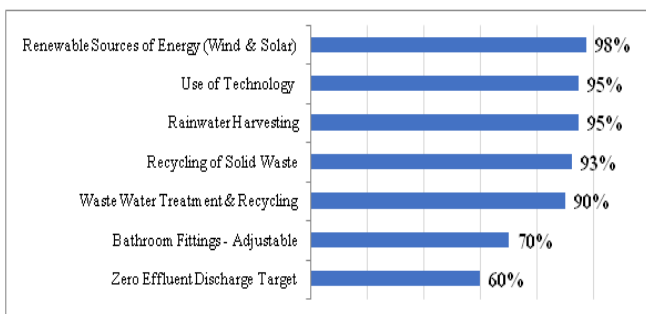


Figure 5. Resource Conservation

Most respondents recommended the use of wind and solar energy for heating, lighting and cooking purposes. This can conserve the use of electricity and eliminate need for fossil fuels. By efficient rainwater harvesting techniques, hotels can considerably reduce the amount of water extracted from the ground / municipality pipelines. Furthermore, by identifying efficient methods of solid waste recycling, the amount of waste generated by the hotel gets reduced with most materials being recycled back into the system. For example, respondent 20 indicated how old bed-

sheets were converted into towels for reuse. Respondent 26 said that cooks hired from neighbouring villages knew how to convert fruit and vegetable peels into jams and pickles that were much appreciated by their guests. The use of adjustable fittings – especially in bathrooms and kitchens – that controlled amount of water discharged from taps was another way to conserve water. All the respondents were unanimous that technology played an important role in resource conservation. Respondents 32 and 39 indicated how the use of cooling towers and automation were instrumental in considerably reducing water consumption in hotels. Similarly respondent 16 said how the use of an organic waste converter was essential for any program of recycling and reuse to be implemented in a hotel.

Figure 6 shows how sustainable development plays an important role in responsible luxury.

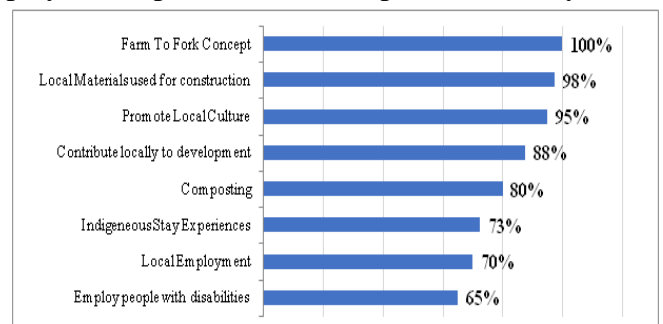


Figure 6. Sustainable Development

Most respondents indicated that the implementation of ‘farm to fork’ concept was an important factor in promoting responsible luxury. By sourcing only local food ingredients, it becomes possible for the hotel to provide guests with dishes that are indigenous and not available anywhere else. Furthermore, the food cooked in this way is wholly organic and therefore more healthful. In this way, the farms and villages in the locality are provided with a source of income and guests are provided with unique culinary experiences. Respondents reiterated the point that hotels must be constructed using locally available materials and in accordance with local designs. This creates an internal living space that is conducive to local climatic conditions as well that promotes the comfort of the guests. As far as

possible, the hotels must promote local culture. Inviting local artistes to host special performances in the hotels provides local employment, preserves local cultures and provides guest with unique entertainment experiences that they would not find elsewhere. Respondent 2 indicated how her hotel organized regular tours to the local towns and villages so that guests would experience local festivals and events like village fairs. Hotels must set aside some part of their income to promote local development. For example, most respondents said that hotels must contribute to the opening of schools and hospitals in their neighbourhoods. Guests can be got to contribute to local charitable activities and in this manner their stay choices can be made to reflect their values. As far as possible all hotel staff must be from the surrounding region only. This further contributes to localizing the whole hotel stay experience for guests. By hiring people with disabilities in the hotel premises, the management is making a very visible statement of responsible luxury to hotel guests. By adopting sustainable practices, the hotel is able to provide guests with unique and indigenous stay experiences, contribute to local development, conserve resources and create enhanced good-will as well. Figure 7 gives respondent views on responsible procurement.

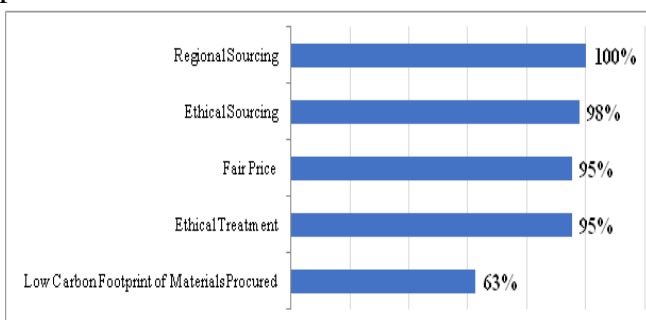


Figure 7. Responsible Procurement

From figure 7, it is observed that responsible procurement is associated with regional sourcing. This matches with the point made by the respondents earlier that ingredients used for cooking or construction materials for building the hotel must be procured locally. Furthermore, these ingredients must be procured ethically. This

means giving the farmers a fair price for their produce and procuring construction and other materials in ways that minimize negative impact on the environment. Respondents also indicated that ethical treatment was associated with responsible procurement. This refers to treatment of the hotel staff and of people / communities living in the vicinity of the hotel. They must be treated in ways that are non – discriminatory, respectful and progresses their economic development & health. Figure 8 indicates how communications can be used to communicate the notion of responsible luxury.

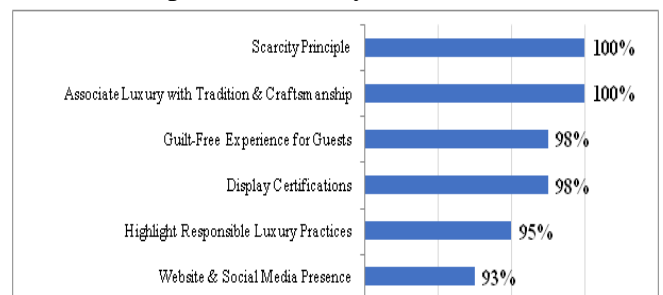


Figure 8. Communications

Most respondents indicated that an important way to create perception of luxury among guests was to implement the scarcity principle. That is, guests must be informed about the uniqueness of the food being served them, the furniture and ornaments in their rooms, the entertainments and the quality of service provided to them. It must be highlighted to guests that these aspects of their stay cannot be easily duplicated in any other hotel. By highlighting the uniqueness of hotel design, furniture, fittings, ornaments, cuisine etc, the hotel will be able to associate luxury with local tradition and craftsmanship. As far as possible the hotel must display green certifications such as those from Leeds or Green Seal to subtly communicate to guests that responsible practices are being adopted. Furthermore, hotels must also explicitly communicate about their responsible practices and how these practices contribute to guest experiences, in all their marketing collateral including social media.

Regression Analysis—A series of 5 regression analyses were performed where the dependent variables were ‘Communications’, ‘Responsible

Procurement’, ‘Resource Conservation’, ‘Sustainable Development’ and ‘Indoor Environment Quality’ were the dependent variables. The objective of the regression analysis was to determine which of the various independent variables discussed in the previous section were significantly predictors of the dependent variable and the nature of this relationship. Table 1 gives the regression table for Indoor Environment Quality.

Table 1 – Indoor Environment Quality

Indoor Environment Quality	Beta Coefficient	Significance Value 'p'
Indigenous Design & Fittings	2.4588	0.0001
Promote Fresh Air	3.2548	0.0013
Promote Day-Light	1.2586	0.0024
Reduced Plastic	-2.2355	0.0236
Reduced Chemicals	-3.2589	0.0359
Use of Green Seal Materials	2.8746	0.0587

From the values of $p < 0.05$ threshold, it is observed that ‘indigenous design & fittings’, ‘fresh air’ and ‘day-light’ were the most significant predictors of indoor environment quality. From the values of beta, it may also be inferred that these predictors are positively associated with the dependent variable. That is, the higher the use of indigenous design and fittings, promotion of fresh air and day light, the higher the quality of the indoor environment. The negative values of beta for ‘reduced plastic’ and ‘chemicals’ indicate that the lower the usage of these materials, the better the indoor environment quality. Table 2 gives the regression table for Sustainable Development.

Table 2 – Sustainable Development

Sustainable Development	Beta Coefficient	Significance Value 'p'
Indigenous Stay Experiences	1.7854	0.0002
Farm To Fork Concept	3.2157	0.0002
Local Employment	2.3570	0.0013
Local Materials used for construction	2.4568	0.0024
Promote Local Culture	1.8576	0.0025
Employ people with disabilities	1.2588	0.0236
Contribute locally to development	2.3565	0.0236
Composting	3.2587	0.5265

The three most significant predictors of ‘Sustainable Development’ are indigenous stay experiences, farm to fork concept and local

employment. The other factors are also significant predictors but less so. From the positive values of Beta it can be observed that all the factors are positively associated with sustainable development suggesting that an increase in any of them will result in an increase in the dependent variable. For example, an increase in a hotels effort to promote local culture or to provide local employment will further promote sustainable development of the region in which the hotel is situated. Table 3 gives the regression table for Resource Conservation.

Table 3 – Resource Conservation

Resource Conservation	Beta Coefficient	Significance Value 'p'
Use of Technology	2.3467	0.0000
Rainwater Harvesting	2.1245	0.0001
Renewable Sources of Energy (Wind & Solar)	-3.2579	0.0002
Recycling of Solid Waste	2.3547	0.0013
Waste Water Treatment & Recycling	0.2355	0.0022
Zero Effluent Discharges	-2.6579	0.0588
Bathroom Fittings - Adjustable	1.2549	0.0624

From table 3 it is observed that a hotel’s ability to conserve resources is dependent on its leverage of technology. From the values of $p < 0.05$, it is observed that rainwater harvesting, use of renewable energy sources, recycling of solid waste and waste water treatment, in that order, are all significant predictors of resource conservation. Table 4 gives the regression table for Responsible Procurement.

Table 4 – Responsible Procurement

Responsible Procurement	Beta Coefficient	Significance Value 'p'
Fair Price	1.3256	0.0001
Regional Sourcing	2.1254	0.0001
Ethical Sourcing	2.3567	0.0003
Ethical Treatment	1.2659	0.0266
Low Carbon Footprint of Materials Procured	-1.5875	0.0569

From table 4, practices such as offering farmers a fair price for their produce, sourcing of materials and food items from the surrounding locality and ethical sourcing practices are the most significant predictors of responsible procurement. Table 5 gives the regression table for Communications.

Table 5 – Communications

Communications	Beta Coefficient	Significance Value 'p'
Associate Luxury with Tradition & Craftsmanship	4.257	0.000
Highlight Responsible Luxury Practices	0.999	0.001
Scarcity Principle	2.356	0.002
Website & Social Media Presence	1.257	0.024
Display Certifications	1.236	0.027
Guilt-Free Experience for Guests	-3.258	0.055

The regression values in table 5 indicates that when a hotel is able to create an ambience that matches with local culture and associate such surroundings with tradition and craftsmanship, it will be able to successfully communicate perceptions about luxury to guests. The ability to highlight responsible luxury practices through various forms of marketing collateral and adoption of a scarcity principle are positively and significantly associated with communicating responsible luxury to guests.

5. Conclusion & Recommendations

From the findings above it can be concluded that responsible luxury as a concept has so far been adopted only by the luxury and premium hotels in India. However, hotel managers across different types of hotel are familiar with the concept and know what needs to be done to implement it. The implementation of responsible luxury is also important for its ability to attract more numbers of tourist guests that do not want to compromise on their comforts but also want to minimize impact of their stay / visit on the environment. To implement the concept of responsible luxury in Indian hotels, the following recommendations are made based on the descriptive statistics and regression analyses.

It is recommended that hotel managers across India become familiar with the concept of responsible luxury not only as a mechanism to promote sustainable operations but also attract more numbers of hotel guests and increase revenue turnover / goodwill of their hotels as well. Training classes must be conducted by those familiar with the concept and its implementation to hotel management across the country.

The indoor environment offers many opportunities to create perceptions about responsible luxury among hotel guests. It is recommended that hotels use the cultural environment in which they are situated as inspiration to design and construct the hotel building, furnish and decorate it. Use of local materials is recommended not just for aesthetics but because they serve the practical purpose of suiting the building and its internal climate to the local ecosystem. Furthermore, by localizing the interiors as much as possible, guests are provided with unique experiences that they cannot have anywhere else and this communicates perceptions of luxury to them. The buildings must be constructed to maximise natural air and light utilization which will conserve energy and reduce dependence on other energy sources as well. This practice along with minimized use of plastic and chemicals etc will indirectly communicate to guests that this is a hotel which follows ecologically sensitive operations.

The ability to promote sustainable development and to communicate this to guests is another way of adopting responsible luxury. The most important way to do this is through food. By sourcing local ingredients and offering local dishes to guests, they are provided with a cuisine that is not available anywhere else and this communicates the notion of luxury to them. The use of local materials in the buildings, hosting entertainments from local artistes within the hotel premises, employing locals and also encouraging guests to contribute to various charitable activities that the hotel is sponsoring are all ways that promote sustainable development on the one hand and communicate the concept of responsible luxury to guests, on the other.

To conserve resources, it is recommended that the hotel uses contemporary technologies related to water, fuel and electricity conservation. These include technologies related to harvesting solar and wind energy, rain-water harvesting, waste treatment, recycling of solid waste, etc. The initially high investments for this can be earned back through cost savings. In addition, the visible

use of resource conserving technologies is another subtle way of communicating to guests that the hotel is adopting eco-friendly principles that do not compromise on their luxury and comfort in any way.

Hotels are recommended to source raw materials for their operations from the local regions as much as possible. These must be done in ways that conserve the natural resources of the areas and in a manner that benefits the local population. Furthermore, the hotel must be associated with fair and respectful treatment of staff and of local communities. These practices have the effect of providing tourist guests with unique stay experiences and of benefiting the local communities as much as possible.

To promote the fact that the hotel has adopted responsible luxury as a concept, it is recommended that the hotel associate its interiors with tradition and craftsmanship. Small cards or posters placed near wall – art or on furniture can inform tourists that these items have been made locally and educate them about the design and its meaning. These associations are important to associate tradition and craftsmanship with luxury. The hotel must highlight its green certifications visibly in the hotel and through the use of marketing collateral. Possibly the most powerful mechanisms for communication include the hotel website and social media which can host pictures, videos and write-ups about the hotel and its responsible luxury practices as well.

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