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# Green Marketing Plan Developments and an Investigation into Its Application

A Case Study of the Left & Right Hotel, Shenyang, China

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<p>Traditionally hotels in China have been independently owned and operated, and not part of a chain. However recent consumer trends have shifted toward high-class hotels and chain hotels, these types of hotel are able to provide a more competitive price and a uniform standard of facilities. Independently owned hotels are facing increased competition from the newer types of hotel and as such must design and implement a suitable marketing plan in order to maintain current market share, and introduce a strategy to increase future market share.</p> <p>The study was conducted to investigate and examine the feasibility and validity of introducing green marketing to the Left &amp; Right Hotel in Shenyang China. The purpose of this thesis is to undertake analysis in order to ascertain the meaning and importance of a green marketing plan, focus on the green marketing strategies and proposal to consumers as well as assessing how the market should or will respond to the new marketing image. It was argued that in order to stay competitive in the modern world, the Left &amp; Right Hotel needs to revolutionise and lead a new brand of green marketing, eco-friendly branding and advertisement in order to beat the competitors and achieve higher portion of market shares in China.</p> <p>This thesis was built with three parts. First part will analyze and compare independently owned hotels and chain hotels, examining the strengths and weakness of independently owned hotels and forecasting the trends of the future. In the second part, the author will produce a green marketing plan for the Left &amp; Right hotel. The final approach was a development of further research and sureveys, will help to understand how the green marketing effects on the hotel and how the brand image will influence the business. Some interview questions will help to give a better understanding and evaluation to the result.</p>	
Keywords	Individual Hotel, Green Marketing, Green Marketing Plan

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## I. Pre-study Before Making Green Marketing Plan for the Left & Right Hotel

### 1. Introduction

#### 1.1 Overview

Marketing theory, from 1950s to 2000s, has been expanding its research from the conventional areas of logistic, brands, advertisement and propaganda. It means due to its unique function, its principles have distinguished itself with other theories. While extolling these processes and the trend of standardizations with aid of organizations such as World Marketing Organization, people are trying to use a clear approach to offer a more general, brief explanation to the effect of different marketing strategies, which leads to the development of a series of new approach and different solutions. However, characteristic limitations determine international marketing couldn't be such as an undoubted theory as chemistry's or physics'. That leads to the discussion of the limitations of marketing theory as well as the effectiveness of new marketing plan in the 21<sup>st</sup> century.

One of the distinct characteristics of the period from late 1980s to the present is the theory of green marketing, which puts an increasing emphasis on the core principles of "environmental-friendly" and "sustainability" (Mentzer, 2001). For example, in the food industry, sustainability is a guarantee of the hygiene and balanced relationship between demand and supply. Therefore, an investigation into the introduction of green marketing strategies and focuses can more or less show its effective applications in service industry today, especially hotel industry.

#### 1.2 General Introduction of Industry

The theories and applications of green marketing have been developing rapidly during the past decade. Due to the increasing public awareness of environmental protection, sustainability and material over-consumption, the hotel industry today have added these green marketing features into their marketing strategies, advertisement and brand image. For example, Hilton Hotels, the mega-

international hotel chain based in China announced and applied environmental-friendly management systems in their hotels first in 1999. The hotel chain was the first to introduce the ideas of unnecessary towel washing; washable hotel shoes and bathrobe provision; solar panel installation and water recycle system within their hotels (Semenik 2002). These ideas were quickly adopted and incorporated into the hotel and service industry across the world. However, the increasing competition of hotel industry means that Chinese hotels, in this case, Left & Right Hotel which was a newly established themed hotel in the city of Shenyang on the 6<sup>th</sup> June 2012, is facing the need for usage and application of green marketing if it was to survive and achieve sustainable development on the hotel industry competition arena.

In the thesis, the author made a green marketing plan for the Left & Right Hotel after discussing with the hotel owner and managers. The green marketing plan was made before the hotel opening, examining period was from July 2012 to January 2013, which lasted for half year. Related research and surveys were taken as a post study to examine how the green marketing strategies in reality and come to conclusion and findings that how green marketing plan effected on the hotel business and what to improve.

### 1.3 Objective and Purpose

The research plan constructed consists of all objectives (see page 3) that must be considered and approached during the entire plan. The report has clearly identified all of the major components required to achieve the goal of introducing green marketing and branding to target audience. The thesis includes advantages and disadvantages assessment, target market analysis, communicative objectives as well as creative strategies.

The main purpose is to research how this new marketing plan has influenced or changed consumer attitudes towards Left & Right Hotel in China. Furthermore, the current research also serves as the benchmark for the evaluation of the new strategies, therefore introducing and offering recommendations as well as con-

clusions to the effectiveness of the new marketing campaign.

The aim of the current research is to investigate the point out to which the new green marketing plan has influenced and changed consumers' attitudes towards their green service and advertising, and whether or not the new marketing plan contributed to the changes of future and present consumers' attitudes positively to the hotel image and branding.

The objective of the current research is to suggest other solutions and improvements upon their marketing. The main objective of the research is to determine whether consumers viewed the new marketing branding negatively or positively. Surveys would be conducted and collected in hotel from randomly selected consumers, therefore checking generalization and representativeness of the data. The second main objective of the current research is to propose a successful and possible solution to the value of information and management.

## **2. Research Method**

In this chapter, the method of conducting this study, reasons to choose the case study, the ways of data collection are explained. At the end, the author explains the research limitation during the research period.

### **2.1 Literary Research**

The literature used in this study was mostly found from the books in Metropolia University of Applied Sciences' library and the Shenyang city library in China. Some of the information was found on the website, which related to the green marketing, individual hotels and chain hotels on Google or Baidu (the biggest Chinese searching engine). E-journals also have been used as a method for data collecting. Being the secondary data, the literary research provides a background and helps the author to give a sampling plan and formulate an appropriate research design.

## 2.2 Choice of Case Study

Case study method is an empirical data, relies on multiple sources of evidence, and it can be seen as a comprehensive research strategy.(Naresh K.& David F, 2006). In the thesis, the author chooses the single case study method, by analysing the current situation, making a marketing plan for the selected hotel and examining the effectiveness of the process, to achieve the study goal. The case study needs to be chosen very carefully, in order to find the most suitable, typical and meaningful case, give a convincing study of the topic.

In this thesis, the Left & Right Hotel was chosen to be the case study, because of: First, the Left & Right Hotel is a recently established hotel, willing to have a green marketing plan to fit the marketing environment, it is easier to see the process development and give an analysis to examine if the green marketing plan will be accepted by the customers or not, it suits the research topic very well. Second, the owner of the hotel is a true environmental protector, he would like to allow the author to study, research and do the surveys freely inside the hotel, which gives a big convenience to the author.

## 2.3 Surveys and Interview

Primary data was collected directly by the researcher during the data collecting process. Data collection was undertaken through questionnaires, interviews, surveys.

In this thesis, surveys and interviews are taken to be the primary data collection. Surveys are taken by the guests who stay in the Left & Right Hotel, when they arrive to check in, the information desk will give them the notify selected guests that there will be a survey about the green marketing performance and suggestions take place in the hotel, once they participate, they will receive a gift from the hotel, they can participate at anytime. The survey is outgoing, communicative, educated, experienced and have a pleasant appearance, gives customers a warm feeling. 350 guests were asked to do the survey during two weeks, 226 guests completed the survey. Interview is one of the most important sources of

the information for case studies. In this thesis, Mr. Hu, manager of the Left & Right Hotel is the interviewee. Interview questions are given to him beforehand, and the interview is taken place in his office at Left & Right Hotel, the interview lasted for approximately 50 minutes. The author wrote down the key words when doing the interview. Immediately post interview the author collected the comments received from Mr. Hu.

#### 2.4 Research Limitation

Although the research has reached its aims, there were still some unavoidable limitations appear.

##### a. Time Limit:

Since the author lives in Helsinki, Finland. She went back to Shenyang China for 20 days to collect the data, processing time of data collection is two weeks in total, including the surveys and interview. Most of time is spent on the survey part, because the customers have mobility and not all of them will have time to sit down and talk. Besides, the time for writing the thesis has limited the researcher to make a large size of data collection. Due to the time limitation, the study cannot give a very deep academic result, it is only a basic research. Therefore, to generalize the results for larger groups, the study should have involved more participants at different levels.

##### b. Short of Survey Samples:

Even though there are 226 customers answered the surveys, but still the amount of samples is not enough for a deeply study, compare with the 8 million population in City Shenyang, the sample size is relative small, this will cause misrepresentation. Also, the surveys are only taken inside of the Left & Right hotel, some of the customers would like to do it because of the little gifts, so the result may not have high credibility for each survey.

##### c. Language:

All interviews were conducted in Mandarin Chinese. The interviews were translated from Mandarin Chinese into English, this process takes a significant amount of time.

d. Subjectivity:

Since both the survey questions and interview questions were conducted by the author herself, it is unavoidable that in this study, a certain degree of subjectivity can be found. In fact, it would have been sort of subjective if they had been decided by more researchers instead of only the author herself.

### **3. Literary Review**

This part is built as the base for the research, it lays the background for the research questions. It discusses what is green marketing and a green marketing plan, provides an idea for branding image and why it is important, explains the situation of independent and chain hotels in China. It also gives a general information about the current phenomenons and other theories that could possibly aid in formulating a differentiated green strategies.

#### **3.1 Individual Hotel**

Individual hotel, also called independent hotel, refers to the individual, enterprise or organization owns and operates independently of individual enterprise. Individual hotel is a traditional form, characterised by individuals, scatters in the cities and regions, and conducts marketing activities independently, do not belong to any hotel group, also not to join any coalition. Independent hotels are extensively distributed and have always been the main part of the hotel industry in China.

However, with the development of the society and changing of people's opinions, individual hotels somehow lost their market share compared with before, they notice that, domestic and international chain hotels have a considerable advantage in capital, technology, brand and management. Facing a big

threat, "independent hotels alliance" has appeared in China. The individual hotels make a combination and cooperation with each other, integrate their resources. Build up the networking and branding as far as possible, in order to enhance market competitiveness of individual hotels.

A feasible way and the best strategic choice for Chinese individual hotels to survive in the fiercely competitive environment and seek the development, is to make the individual hotels alliance as a based platforms, then pursue to a higher differentiation with other hotels.

### 3.2 Chain Hotel

Chain hotel refers to the hotel brands which developed to a certain scale, then open branches in major cities throughout the country. They often have a whole set of reservation system and hotel feeds, qualified health services index, have a price advantage than star-rated hotels. But due to the regional economic difference, also there will be a certain price difference, most of the chain hotels are fast type economical hotels with a high cost performance, so it is a good choice to business trip and tourism.

Nowdays, there are almost 100 chain hotel brands in China, relatively famous ones are BuDing Hotels, Home Inn, HanTing Hotels, Seven Days, Su8 chain hotels. The advantages of the chain hotels are: firstly, with the help of brand influence and experience, chain hotels can reduce the risk of investment and management, to avoid independent hotels solo management drawbacks. Second, the chain hotels brands have a relative professional management team, can provide a solid operation to the franchisees.

According to Martin (2000), chain hotels can be regarded as a modern social culture where the use and functionality of traditional market places were replaced by and integrated with mass marketing, centralization and localization, i.e. a brand. This idea refers to the process of integrating hotel individual market place into a single entity which consists of all those hotel business practices in a

highly concentrated area which specifically designed for consumerism. However, the main benefit of having a highly concentrated area of shops, namely, a chain hotel, is to increase attraction visits by people to the chain hotel as it offers a wide range of variety of services that can be easily accessed and purchased. The integration of hotel shops into a single large chain hotel is beneficial to both buyers and sellers. This is because on the side of the buyers, it is time-saving, energy-conserving and convenient to be able to purchase everything they need (including house services, entertainment services, cloths, food and services) in a hotel area. On the other hand, this is also beneficial to sellers as a bigger chain hotel tends to attract more consumers to the site and therefore increases the potentiality of purchases and therefore increases revenue for those shops. This idea of a bigger chain hotel attracts more marketing is supported by (Martin 2000), in the sum of the entity is bigger than the sum of its parts. Therefore, a member of the chain hotel in terms of selling services, it is beneficial for individual sellers to make sales within a chain hotel environment.

### 3.3 Advantages and Disadvantages of Individual Hotels

Before making the green marketing plan, the author collected the advantages and disadvantages of individual hotels by comparing with the chain hotels. It is easier to make plan after knowing the strengths and weakness and giving a direct way to reach the study aim.

#### 3.3.1 Advantages of Individual Hotel:

##### a. Advantages in Operate Mode:

The operation of individual hotels is more flexible. The chain hotels have a strict system of procedures and processes in order to ensure a uniform guest experience throughout all hotels in the chain. For example when one steps into the chain hotel like Home Inn Hotel in China, all the sub branches are all the same, from the hardware facilities, decoration, even the clothes of the waiters and waitresses. The personnel cannot change, because it is the uniform requirement. But the individual hotel will not be inflexible in this manner, they can adapt

and make suitable changes according to the local market needs and its own operating characteristics.

b. Advantages in Management Cost:

Individual hotels are both the owner and also the manage the company, therefore the payment to the owner is saved. The chain hotels are the management companies, they are not the owner, and as a result, the chain hotels' investment in management costs because is much higher than the individual hotels. Besides, the employees in the individual hotels are basically natives, the average salary is about 2500 RMB, and however, the salary in the chain hotels is about twice as much as in individual hotels. In this way, it gives a cost advantages for the individual hotels.

c. Advantages in Enterprise Service Culture:

The service advantage of individual hotels in China is to make local characteristics culture as a background. Coverage of the service is very wide, has variety of forms, and emphasizes the differences among different regional culture. Also they mix the area's history culture, ethnic customs, habits, clothing, art and local festivals into the service to develop new services, in order to meet the new customer demands. Due to the Chinese individual hotels enterprise culture with employees and customers, they have an apparent tolerance and ability of communication, individual hotels become the best choice for the domestic tourists.

d. Advantages in Stable Customers:

Individual hotels always have a group of loyal customers, who will always make the same hotel as the first choice when they need to consume. Because the service in the individual hotels is variety and flexible based on the customers'

needs and wants, they always satisfy the customers when they require things. As a result, there are repeat customers for individual hotels. For example, government and companies would like to arrange their partners every time in the same individual hotels which have a contract or relationship with them, because the hotel will arrange meetings and give a high class services exactly as what they want them to prepare. In this way, the individual hotels will have a very stable long-term customer relationship, and become into a big stable customer advantages.

### 3.3.2 Disadvantages of Individual Hotel

#### a. Disadvantages in Management Mode:

The famous hotel chains management group owns a mature, reasonable, effective and systematic management mode to regulate the behavior of hotel employees. However in the domestic individual hotels in China, due to the influence of the manager's characteristics and the personnel changes, rules and regulations are out of function, cannot be implemented and executed well. This could be considered as a big disadvantage of Chinese individual hotels.

#### b. Disadvantages in Marketing Management:

Chain hotels rely on their successful brand management that has been accepted by most of the customers. The global publicity coverage is very high, they have a wide range of visibility and influence. Especially in the international market development and the information exchange and communication area, they have an incomparable advantage over individual hotels. Most chain hotels have a big global online reservation network, customers can reserve at any time and any place with the hotel system, and in a few seconds, the reservation can be confirmed, it is very convenient. However, the individual hotels in China are equipped only with hotel computer management system, some of them have their own page or have the contract with tourism agency, and it is far behind the needs of the customers and the development of social economy in China.

### c. Disadvantages in Human Resource Management:

Chain hotels have continuous and complete training, the group of senior management personnel may communicate their experience between different regions and different positions all over the country. At the same time chain hotel groups have regular staff training for different levels of employees, in order to increase their job skills and enhance the competitiveness of human resources. However, Chinese individual hotels don't have the ability to follow the steps on this area, the low human resource management became a big disadvantage. Chain hotels leverage their personnel management skills to refine staff training ensuring similar levels of service across the world.

By the above analysis of advantages and disadvantages of individual hotels compared with chain hotels, we can see that the individual hotels have significant potential of competitiveness. In China, the individual hotels need a revolution in marketing management, they need a better understanding of themselves and a comprehensive understanding of the market. Think about the right marketing strategies and make an effective marketing plan is necessary, it is also why the newly founded Left & Right Hotel needs a green marketing plan to make itself more competitive in the market.

### 3.4 Green Marketing

Environmental issues have become an important and global topic from the early 1970s, people started to pay attention to the changing of the climate, the usage of non-renewable energy resources and other things that impacts the environment. The Earth Day was first held in 1970 in United States of America, it could be seen as the first step of the modern environmentalism. From the 1980s, green marketing appeared as a revolution, it revolutionizes how we power our economy, switching the multitrillion-dollar energy industry from fossil fuels to renewable energy. It helps homes and businesses waste less energy, save resources, prevent pollution, stimulate economic growth, and fight climate changes. The green marketing revolution is changing how we live and work to strike a

balance between living well today and allowing for future generations to live well tomorrow (Croston 2009). Nowadays, we define green marketing as the process of planning and executing the marketing mix to facilitate consumption, production, distribution, promotion, packaging, and product reclamation in a manner that is sensitive or responsive to ecological concern. The management of green marketing activity continues to evolve as companies incorporate new thinking about climate change throughout their organizations (Robert 2011).

Green marketing is increasingly an important issue for most entities involved in marketing whether they are buyers, sellers, or the regulator of an industry. Almost all business will be affected by the environmental considerations. Consumers are seeking goods and services, which are claimed to be, or perceived as more environmentally friendly than alternatives. It is time for the companies to take responsibility and start acting better for the environment and society.

### 3.5 Marketing Plan

Planning is merely a systematic way for an organization to attempt to control its future. A plan is a statement of what the organization hopes to achieve, how to achieve it, and when it will be achieved. Firms that engage in planning believe that planning:

- ✧ Encourages systematic thinking about the future
- ✧ Leads to improved coordination
- ✧ Establishes performance standards for measuring trends
- ✧ Provides a logical basis for decision making
- ✧ Improves the ability to cope the change
- ✧ Enhances the ability to identify market opportunities

Marketing plan is the systematic process for developing and coordinating marketing decisions. Essentially, then, marketing planning provides the framework for implementing a market orientation. It provides the focus for information gathering, the format for information dissemination, and the structure for developing and coordinating the firm's strategic and tactical responses. (Joseph, Gordon, Thomas, 1996).

The basic steps in a marketing plan are showed in Figure-1.



Figure-1: Basic Steps in Planning (Marketing Management: Strategies and Programs, 1996).

A green marketing plan for the Left & Right Hotel was made by the autor in the second part by basicly following the steps mentioned above.

## II. Making Green Marketing Plan for the Left & Right Hotel

### 4. Green Marketing Plan for the Left & Right Hotel

As a developing country, China still has a long way to go on the green revolution, especially in the service business. Because of the fast growth of the high class hotels and the economic chain hotels, individual hotels are at the disadvantage. As a result, Left & Right Hotel needs a green marketing plan to make itself stand out from the large number of competitors to give consumers a fresh opinion. However, the revolution is not just about changing the buildings, products, and balance sheets of business, there are the easy parts. The hard part is transforming the thinking that lies behind these.

In this part, it gives a green marketing plan for the Left & Right Hotel, contains the general situation analysis, budget, target marketing select, green marketing strategies and tactics of this plan. Green marketing strategies contain several things to negative impact on the Earth's environment, they are the green consumer, green products, green sales force. Also included is a plan about how to deliver the green marketing messages and branding image to the customers. At the end is the evaluation of performance.

#### 4.1 Situation Analysis

The hotel business belongs to the service industry. Service businesses have a relatively low environmental impact per unit of wealth generated when compared to manufacturers, this does not mean that service businesses are unconcerned (Peattie 1992). Services also face the same type of green challenges as manufacturers in terms of their choices of suppliers, their investments, and their contribution to the welfare of customers, employees and society. However, the green challenge is producing a large number of opportunities for service business.

From recent research, there are 689 hotels in City Shenyang(Trip advisor 2013). Among those hotels, there are 120 high class starred (over 3 stars) hotels, 110 apartment hotels, 355 economic chain hotels, which occupied almost half of the marketing, and the amount of individual hotels is 104. We can see in number of individual hotels is not big, most of the individual hotels have the service level equals to the 3-star hotels, and the price is a bit higher than the economic chain hotels with a small scale.

Left & Right Hotel is a new individual hotel, started its business on the 6th, June 2012. It is a theme hotel which locates in the new business area of city Shenyang. There are 180 rooms in the hotel. To not only make profit but also to be a leader in the green hotel business, the Left & Right Hotel needs green marketing strategies to highlight the brand image to the customers.

#### 4.2 Budget

Making a budget can help green the hotel's startup when creating a plan for the business. Drawing up an operational budget can give people an idea of how much it will take to run the business every month. A budget is a tool to help the hotel achieve their goals, and if being green is one of the goals of the hotel, then examining the budget impact of greening the operations right upfront will help the hotel to get where they want to go. Many people believe that going green will cost a great deal, but actually after making a budget, it can be seen that by greening the operations can save money on some areas and build productivity in others. After the hotel's accounting apartment making the budget, this marketing project will entitle a maximum of 1,200,000 RMB in expense for advertisement and greener the marketing. It includes the activities from design, estimate, tender, construction and marketing. Personal selling and the internet will also be incorporated into the marketing plan in order to achieve the final goal of successfully introducing green and eco-friendly hotel to Chinese as well as travelers.

### 4.3 Target Audience

The global hotel market can be basically divided into three parts:

- a. Public sectors and profitable organization
- b. Travel agency
- c. Individual customers

After the author discussed with the hotel managers, it gave a conclusion that a green hotel is primarily designed for eco-friendly individuals. Most of them have a steady job and moderate income, they have own their private holiday. After several years of working, they have formed their consumption preference in taking a winter holiday. Therefore, they usually place more emphasis on brand and capability than global warming.

Meanwhile, they are always the keen environment protector. They support environmental advocacy programs and contribute money to support these causes. They are environmental-friendlily intuitive, frequent museums, are extremely health conscious and enjoy outdoor activities. They support and practice recycling, conservation of resources and prevention of pollution. However, most of the population are not like them, people will first concern the price when they purchase, then the level of the service. As this result, the Left & Right Hotel need time to spread the green idea to the population, make them accept the higher price and build the green idea.

The Left & Right Hotel is a nicely themed hotel, there are 180 rooms with different suits that are accommodated for different consumers and users, it has romance, cartoon, imperial, business, single, and family rooms, almost each room is decorated uniquely. The whole hotel gives people a feeling of peaceful, warm and relax. People will forget about the tired and the noisy city once they step into the hotel. In the hotel rooms, we put a lot of fresh plants and fruits instead of using the air freshener to give a clear air and good smell.

In the marketing plan, the Left & Right Hotel targeting the people from 25-45 years old, well knowledged white collar or business people and some university students, as they need a inexpensive, energy-saving and environment friendly holiday with the young and the characteristics of style. Firstly, hey have the ability to afford to the hotel rooms. Secondly, they need and can enjoy this kind of nice atmosphere to relax themselves. Furthermore, they may have a relative bigger social network, have a positive way for mouth-to-mouth advertisements. Most importantly, they understand the meaning of green marketing and can spread the information and protect environment from themselves.

#### 4.4 Green Marketing Strategies and Tatics

In this section are marketing strategies and tactics, showing the author's idea, the hotel should follow these strategies in the future business.

##### 4.4.1 Develop Green Consumers

The focus of all green marketing activities is in the centre of the framework- the green consumers.(Emmett & Sood, 2010). Green consumers are a group of people who demand for green products and willingness to pay more. The underpinning reason of all green marketing is to satisfy the needs and wants of green consumers in a manner that causes minimal harm to the environment. The Left & Right Hotel defines their target audience as highly educated people, which means, the target consumers are identified, this group of audience have a relative better tastes and require relative high standards. However, in China, because of the large number of population and the country's economic situation, still cannot achieve that everybody cares about the environmental protection, which is a big problem, the development of green consumers is important. How to keep the long-term relationship with consumers, how to attract more green consumers and how to turn the normal consumers to green consumers will be a tast for Left & Right Hotel in the future business. The author suggests spreading the concept of a green hotel in the nearby business office blocks by using poster, also when doing advertisements on buses and subways, let more

people know the special idea and green service of the hotel, reach the aim to develop green consumers.

#### 4.4.2 Create Green Products

Green products contain the packaging, design, delivery, and other aspects of the product can be varied in order to reinforce the difference between the traditional products and the green products. (Emmett & Sood, 2010). In the service business, like the thesis case study Left & Right Hotel, the product is not only involves the hotel design itself, but also means a green service and operation. Following are the green product which Left & Right Hotel will provide in their green marketing strategies.

##### a. Green Hotel Building

The first step for Left & Right hotel to carry out its green marketing plan is to start with the initial planning and construction, build up a green hotel building. In the planning and construction stages of hotel, the hotel investors should strengthen cooperation with the architect and design team, adopting a sustainable development design scheme. Use the energy-saving equipment, energy-efficient appliances and environmental protection material as much as possible. Also the suitable layout of the lights, exhaust ventilation and heating facilities are striving to make the hotel building as a low consumption and energy-saving green building, the hotel uses the water saving device to lower the temperature in the building, besides, instead of using the expensive decoration lights and pictures, Left & Right Hotel is using big amount of plants to make the hotel greener, gives customers a green feeling once they step in.



Figure-2.3.4.5: Green Hotel Building (Provided by the hotel owner).

## b. Green Energy

### ✧ Saving Water

Water is increasingly precious in many parts of the world, and as populations grow and the climate changes, this trend is likely to continue. The UN estimates that by 2030 half of the world's people will live in areas without sufficient water, straining businesses as well as people. Scarce water will mean more expensive water, providing an ever-greater incentive for businesses to conserve water. (Croston, 2009). Left & Right Hotel will start water saving strategy that all the washing systems will use sense touch as the switch button, water will only flow out for 10 seconds. In this way, people will speed up when they are washing

hands or taking shower, less water will be wasted. They will put warm tips near every water faucet to alarm people for saving water.

#### ✧ Going Solar

Every business requires electricity, but for a green marketing's startup, nothing would be better than using solar power. (Croston, 2009). Solar power is a kind of clean energy from the sun. Since the Left & Right Hotel was built in the high floors of a tall building, it is easy to get better and more sunshine and convenience to use solar energy. Solar power is becoming cheaper and cheaper, the hotel chooses to use it for the clean and economic reason.



Figure-6: Solar Shower Energy (Provided by the hotel owner).

#### c. Green Guest Rooms

The first requirements for Left & Right Hotel's green rooms are using no pollution and low energy consumption "green decoration material" and "ecological decoration material" as much as possible when build and decorate the guest rooms. Second, the core products that provided in the hotel guest rooms need to accomplish the goals of "comfortable, safety, healthy and environmental protective". The environmental protection efforts of the Left & Right Hotel is mainly reflects in cost a lot on the rooms, including a five-star brand spiral big bed,

height of buckwheat pillow, ten seconds speed hot water shower, pure natural cotton or linen fabric of bed sheets and towels, pure plant oil soap and packet towel (to avoid secondary pollution, using starch materials).

Based on not lowering the service level and service quality, the Left & Right Hotel focus attention to reduce the amount of hotel supplies, especially to reduce the use of disposable goods. For example, there is no disposable slippers, toothbrush or disposable shower-gels in the room. Again, the hotel should place green plants as the green decoration, at the same time make the air cleaner.



Figure- 7.8.9.10: The Nice Themed Guest Rooms with Green Material Decoration (Provided by the hotel onwer).

#### d. Green Catering

The green marketing strategies for Left & Right Hotel also have the plan for green catering. As we all know, the catering is an important part in the hotel, the

level and atmosphere of the hotel restaurant and room service will indirectly show the idea of the hotel. As a result, the Left & Right Hotel also pays attention to their green management to serve green food to the customers.



Figure- 11: Green Catering (Provided by the hotel owner).

Green food first requires the hotel to promote and use pollution-free, additive free, safe, fresh, high-quality ingredients and seasoning. In order to ensure the "green" supply of food, the hotels need to select the production base to produce, transport, store and package the food accord with a green standard. Do not use the endangered wild animals and plants as raw material, eventough the traditional dishes are popularizing of rare animals and plants. To meet the green standards, it is necessary to use seasonal food as raw material, at the same time strive for energy saving on the cooking process.

#### e. Green Service

Green service, refers to the services provided by the hotel based on natural resources, ecological environmental protection and human health as the purpose, and at the same time scan satisfy the requirement of green consumers. Green service is not only reflected when products are consumed, but also include after hotels providing products and products have been consumed.

In room service, set up cleaning or replacement item remind, wash bedding according to customer's request. In the circumstance that does not reduce the quality of service implements the reuse of recyclable items, use reusable items as much as possible. In food and beverage service, the service personnel should guide the customer to consume green food and beverage when customers order. Ordering quantity should be reasonable according to the number of customers, make every effort to achieve economical and balanced nutrition goals, reduce resources wasting. Remind customers to pack the valuable staple food or drinks when they leave, and provide a thoughtful service.



Figure- 12: Green Recycling Note (Provided by the hotel owner).

#### 4.4.3 Green Sales Force

A green sale is the concept of environmental protection and resource conservation enterprise promotion, by emphasizing the enterprise in the field of environmental protection and resource conservation action to improve and strengthen the enterprise's green image, promote green products.

The Left & Right Hotel implement the strategy of green marketing should take the initiative to provide green products and green service information to the media, lead customers to buy green products. Through various forms of promotion

such as poster advertisements, light box advertising and brochures in the lobby, guest rooms and restaurant to highlight the green messages. In addition, the hotel also should develop green public activities, active as green sponsorship. The hotel through green marketing activities, not only can help itself to delivery green information more widely and directly to the public, enhance the hotel's business performance, but also can be set up a green image of the hotel.



Figure- 13: Hotel Poster (Provided by the hotel owner).

#### 4.4.4 Green Pricing

The price of a product is important because it is a key factor in customers' purchasing decision. It is important in several ways:

- ✧ It is a key factor in customers' purchasing decisions. Where product differentiation is low, price may be the overwhelming buying criterion.
- ✧ The price a product can command is important in determining how much revenue it can generate.
- ✧ Prices act as a signal to consumers about the value of products.
- ✧ The price of a product will tend to determine which among a group of competitors a product is in most direct competition with. (Peattie, 1992).

The Left & Right Hotel use a green strategy to make its price. When setting the price, it will be based upon the *payment for the environment*, and *polluter pays* rules, calculate the environmental cost into the budget. The hotel will establish a reasonable price at the beginning, by comparing the prices of other competitors, the average living price for each room is 268 RMB, but, customers are told that if there is any green facility has been destroyed, the person who made the mistake and pollution need to pay for it. In this way, the hotel will strengthen customers' consciousness of environmental protection and resource conservation and reach the green strategy goals.

On the other hand, the hotel will offer a promotional pricing including special offer prices and cash back offers. Special offers will send to regular customers' email address as an advertisement, cash back offers will be show on some magazines, by cutting a coner of some page, customers can get a 20RMB cash back when they pay the hotel fee.

#### 4.4.5 Green Marketing Communication

The word communication is derived from the Latin *communis*, meaning common.(Antonio Fernando, 2010). Thus, communication is the process of transmitting a message to others and requires six elements, namely: a source, a message, a communication channel, a receiver and the processes of encoding and decoding.(Berkowitz, 2003). Communication can be understood as the process of establishing a common sense or a unity of thought between a sender and a receiver.(Shimp, 2002). Source or sender is the person or group of people (as a company) that sends the message to another part, encoding is the process of transforming thought into symbolic form, message if the set of symbols that the sender transmits, channel message involves the communication channels through which the message passes from sender to receiver, decoding is the process by which the receiver gives meaning to the symbols transmitted by the sender. Receiver is the part that reveives the message sent by the other part, feedback includes part of the response of the receiver that returns to the sender, noise is the distortion or unplanned static during the communication pro-

cess, which results in a message arriving at the receiver unlike the way it was sent by the sender. (Kotler & Armstrong, 2003).

Figure-14 shows, in a systematic way, the communication process above defined.

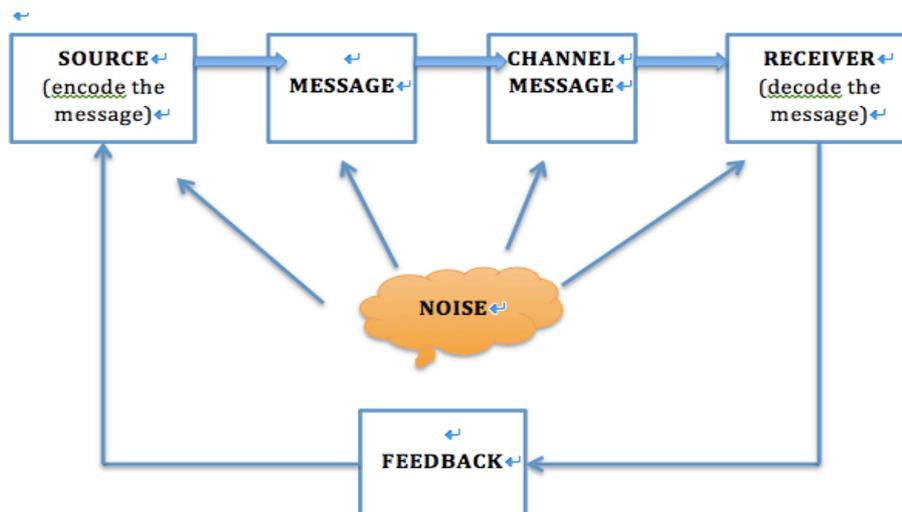


Figure-14: Elements of the Process of Communication

Source: Kotler, PHILIP. Marketing Management: The New Millennium Edition, São Paulo, Prentice Hall: 2000.

Green Marketing needs a green communication, special competitive advantage is gained by environmental strategies, quality does not refer to traditional product concepts, but environmental qualities as well.

Green communication, on the other hand, is using the right medium and conveying the right message using the right channels and media to reach the target audience, the green consumers. As a result, the choice of media and matching the message to the selected media is vitally important. Left & Right Hotel will use bus and subway TV advertisement as well as the low cost hotel agency such as [www.airizu.com](http://www.airizu.com) as their main ways of communication. In city Shenyang, 90% buses and all subways have TVs, there are some entertainment programs and advertisements played cyclically on it. The author plans the Left &

Right Hotel make their advertisement on bus and subway because the cost is lower than TV advertisement at the same time reach more audience. The cost of a 2 minutes TV advertisement is 80,000 to 100,000 RMB every month in one channel, depends on the play time. And the cost of the one bus line and subway TV advertisement is 30,000 RMB per month, play cyclically. The cost of the hotel agent website is free to put the advertisement, but they will charge commission from every customer's order. As the cost comparison shows, the communication medias which the Left & Right Hotel chooses are relative low cost ones.

Besides, the hotel could give out free T-shirts and shopping bags which has its image and slogan "Think Green, Think Futures" on them, this way can attract more people's interests to come and visit the hotel, and save paper advertising materials to meet the green strategy. Also, as the author mentioned in the pricing strategy, Left & Right Hotel have cooperation relationship with some magazines, they can do some promotional advertisement in the magazines.

#### 4.5 Employee Training

To improve the employees' working skills and the understanding of the green hotel business, the Left & Right Hotel needs to give training to all employees before they start the job. The training will last for 3 weeks. The employees need get to know the building well, easily to find any place when guests ask. They will also be taken to all the hotel departments to get familiar with all the services in the Hotel. Further more, they will train to be a green employee, means they need to improve their communication skills, computer skills, diversity, ethics and human relations are also important when serve customers. Also, they need to train for the safety reason. After training, the employees should be able to provide customers a good impression and good service, also they have a responsibility to deliver a green idea and information to customer. Managers for every department will have a regular meeting everyweek, and will have a regular training every season. By exchanging the ideas and experiences, the owner will know what happened recently and give a better improvement.

The employee training will increase job satisfaction and morale among employees, increase efficiencies in processes, resulting in financial gain, reduced employee turnover, know the feedback from the customer, at the end make a development of the hotel. Company will also give employees benefit to increase their motivation.

#### 4.6 Performance Evaluation

This green marketing plan was made by the author herself, all the ideas are built based on the background, objectives and purpose of the Left & Right Hotel, and discussed with the owner and managers of the hotel, after opening, the hotel will project a green image and green service based on this marketing plan to make the service greener. The idea of this plan has been used from June 2012 until now, it worked well, from the process of using, and this marketing plan is being completed step by step. The monthly cost of the hotel was inside the budget, most customers gave a high feedback of the hotel design and service. The amount of regular customers has increased, the marketing communication is very successful. However, there are still things that need to be improved. For example, the hotel booking system is not advanced, they need to develop the online advertisement and online booking system to meet the high requirements of technical society. There are also other things need to be improved, the author will discuss it in the next chapter.

### III. Post-study After Making Green Marketing Plan for the Left & Right Hotel

## 5. Research Findings and Discussions of the Green Marketing Strategies in Reality

The examining period was from the 1<sup>st</sup> July 2012 to the end of January 2013, during this half-year period, the green marketing plan created by the author was approached in the Left & Right Hotel. Further surveys and interview were taken in the Hotel by the author during the 10<sup>th</sup> to 30<sup>th</sup> January 2013, which lasted 20 days. (The way of surveys and interview, see page 4: 2.3 Surveys and Interview).

From the 350 customer surveys, the author received 226 returns with feedback information. The main idea to do the surveys is to understand customers' attitude of the green marketing in Left & Right Hotel, identify the target market group and get the customer suggestions for the future development. After analysing the surveys, the author has following findings:

### 5.1 Interviewee Background

#### ✧ Age distribution:

Five age ranges were made from the 226 customer surveys, as we can see in the following figure.

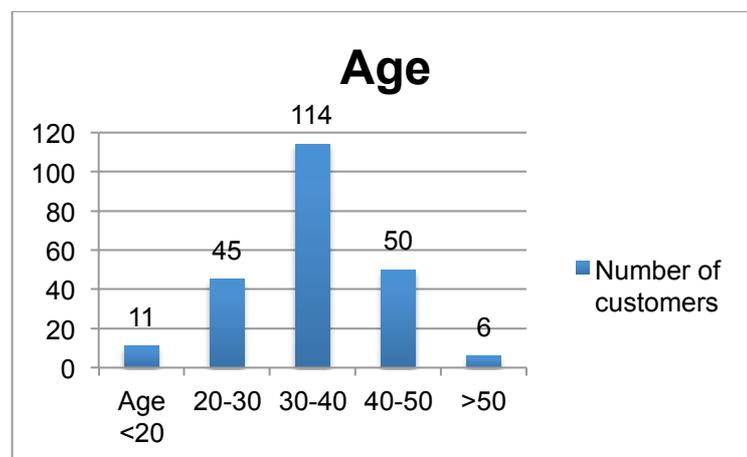


Figure-15: Age of the Selected Customers (n=226)

The numbers of customers who are under 20 years old and over 50 years old are small, because those people don't have many chances to stay in the hotel, or they will choose more economic hotels because they don't want to pay this much. The age group 30 to 40 has the biggest number of customers, 114 out of 226. And age from 20-30, 40-50 have similar customers. Which means, there are more middle aged customers come to the hotel, this group is defined as the target group.

✧ Job:

The author analysed data about the employment characteristics from the 226 customer surveys, as we can see in the Figure-16, more than half of the selected customers are office workers, businessmen is at the second place, and there are customers from other jobs, the people have no job are mainly students.

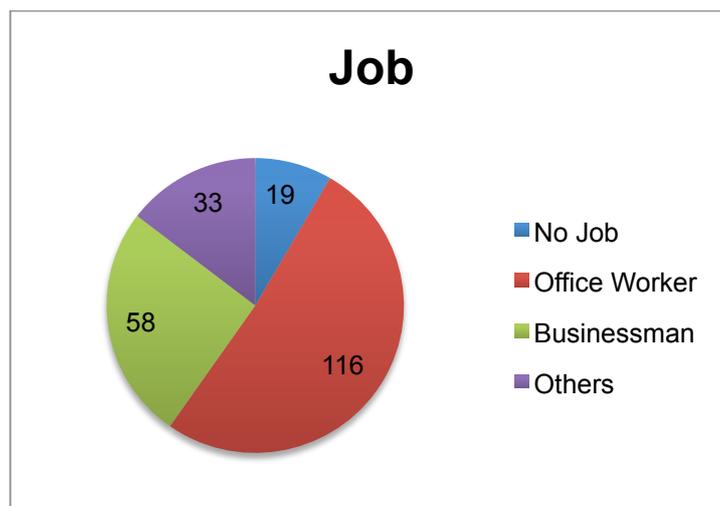


Figure-16: Job Data of the Selected Customers (n=226)

✧ Education background:

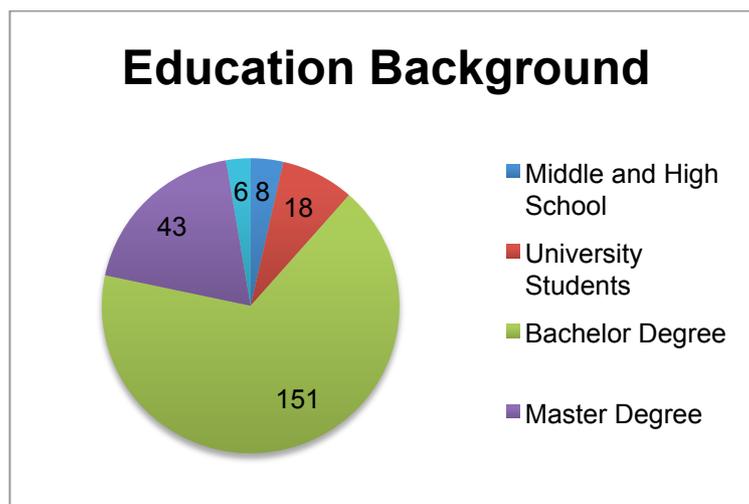


Figure-17: Education Background of the Selected Customers (n=226)

More than 2/3 of the selected customers have a bachelor degree, others have a lower or higher than bachelor. Based on the data above, the author defines well-educated office worker who have a good salary as the main customer group, the well educated businessmen who have a relative high salary as the potential customer group, university students are the question mark group.

## 5.2 Survey Findings and Discussions

From other questions that are asked in the survey, the author makes the following findings and discussions:

The majority of the selected customers have a big interest in green marketing. 80% of the customers knew the Left & Right Hotel on the bus and subway, 20% got the information in the magazines, heard from their friends and saw from other advertisements. They enjoyed the atmosphere and service in Left & Right Hotel, spoke highly of the employees. But they also figure out some places that the hotel needs to be improved:

- ✧ First, the hotel doesn't have an online booking system. The Left & Right Hotel doesn't have its own online booking system now, people can only book from the hotel or agents, it is very inconvenient, especially for the business people and travelers to get hotel information.

- ✧ Second, the price is relative high. Compared with the economic chain hotels who will provide the same level service, even though not as green as Left & Right Hotel will provide, the price here is higher. But concerning the green service and nice rooms, customers said if the price will be lower than now, they will absolutely return to the Left & Right Hotel for support the green revolution.
- ✧ Third, some customers are not satisfied with the 10 seconds shower systems. They said when taking a shower, it doesn't matter how many 10 seconds, they will finish it anyway. They suggested to make it normal for bath, but other places, for example when washing hands, the 10 seconds strategy is good.

Furter more, the author herself also has some suggestions for others in the future's marketing plan developments:

- ✧ Do the marketing research before starting a business. The marketing research is a very important way to collect the information that what the customer's needs and wants. A pre-research among the nearby customers before the business start will help to give the business a better start-up.
- ✧ Cancele the magazine advertisements. Magazine advertisements are not nessesary for a new-started hotel. Because not a big percentage customers will receive information from the magazines and it costs money.
- ✧ Put the survey paper in the guest room with the little present is a better choice than give out the paper once the customers just arrived at the hotel.

### 5.3 Conclusion

China is the world's largest developing country, it has a very large population with limited non-renewable resources. The energy consumption and environment pollutions act heavier and heavier in China nowadays. People have started to notice that to protect the environment and found ways to solve the environmental problems. The way of green marketing is long and has a lot of things to improve and perform. The Left & Right Hotel is a good example on

using green marketing strategies to give more people information to save energy, live a green life and protect the world environment.

Eventhough it is only a basic study created by the author, there is a need for a deeper study in the hotel's future. But it is a good start, and the author appeals to more business people to use green marketing strategies. Along with the trend of the sustainable development worldwide and being environmentally friendly to the society, China has to catch up with developed countries and find its own way to accelerate the speed of making performance.

Nowadays, China is still at the beginning of the green marketing development, Chinese people need to be educated more to get the awareness of green marketing and the advantages of it. Business people shouldn't only considering about how much money they can make, but also need to pay attention to how big protection they need to do for the world environment and give a better life to their next generations. With the green marketing starting to use in China, by the governmental support and more acceptance from the Chinese people, the concept of green marketing will be well known more widely and China is on the way to a bright future of being green.

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Interview:

Hu Ming, Manager of the Left & Right Hotel.

## 7. Appendices

Appendix 1

### **Employer Interview**

In Left & Right Hotel.

Interviewee: Mr. Hu Ming.

Title: Hotel Owner.

Language: Chinese.

Questions:

1. Background and general information of Left & Right Hotel.
2. Manager's own interests for the environmental subject.
3. Why do you think up making the green marketing plan and use green marketing strategy to go into the high competition market?
4. What is your attitude about green marketing?
5. Are the employees aware of the green marketing strategies? How do you make them to know it? Is the way successful?
6. Do you have any other competitors on the green marketing strategies?
7. As we all know that green hotels are still on the way of testing in China, why do you want to spend more and take the risk?
8. How is the customer's attitude about the green marketing?
9. Dose the customer's attitude been changed after time?
10. Do you think the customers who came to your hotel became greener by your education?

Appendix 2

**Customer Survey.**

1- Age:

2- Sex:

3- Reason for coming to the hotel:

4- Job:

5- Wage (if possible):

6- Education background:

7- Favorite colour:

8- Favorite music:

9- Do you have awareness of green marketing?

10- Do you think the green marketing is important?

11- How is your general feeling about the Left & Right Hotel?

12- Do you feel the differences between Left & Right Hotel and other individual hotels on the green marketing management? If yes, are they satisfied you? And why?

12- How do you evaluate our service?

13- Do you have any suggestions for the hotel? Or which part of the hotel do you think need to be improved?

Thank you for your valuable time, and welcome again to the Left & Right Hotel.