

The Importance of the Quality and Sustainability Labels in the Perception of the Luxury Hotel Industry

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ABSTRACT

The paper explores valorisation of hotel service quality elements and puts them in the context of guests' preferences related with luxury accommodation. The focus of the paper is perception of luxury hotel offer and influence of sustainability labels and excellence awards on tourists' preferences. The purpose of the paper is a better understanding of consumers' attitudes when choosing luxury hotel accommodation developed and awarded within the sustainability concept. The methodology includes qualitative and quantitative analysis of the defined quality elements, perception of luxury and impact of sustainable awards and certificates on consumers' preferences. The research was conducted using an online questionnaire in the last quarter of 2021, and it was carried out on a sample of 102 respondents, guests of upscale and luxury hotels. The research results were processed using quantitative statistical methodology, including mean values, percentages, STDEV, VAR and the Chi-square test of probability, while the open-ended question was processed using qualitative methodology, and the results are presented through the new model. Interpersonal communication followed by physical facilities and characteristics of luxury hotels are highlighted as important parameters, as is the valorisation of sustainable labels and certificates. However, by testing of the research questions and expected values, the authors have learnt that guests, consumers of luxury hotel products, predominantly do not valorise sustainable awards and certificates as key factors of perception of luxury. The findings suggest that sustainable initiatives in modern hospitality are entailed; however, the perception of luxury is not conditioned by awards and certificates. The research results, as well as the acquired knowledge, could encourage hoteliers to a more meaningful and effective promotion of certificates and awards in order to present a series of investments, activities and sustainable initiatives that have resulted in a certificate of excellence. The research bridges a scientific and professional gap in understanding of advantages of labels and awards and presents a platform for future research.

KEYWORDS

Hotel Awards, Certificates, Labels, Quality, Sustainability, Luxury Hotel Offer.

ARTICLE HISTORY

Received 11 July 2023 Accepted 24 April 2024

1. Introduction

Tourism offer relies on natural and cultural resources, which are the key enablers of tourism destination development. Attractions, which make them destinations at a world level, are threatened by human actions. Sustainable practices highlight hotel organisations. Today's hotel offer users do not feel good if they know that a stay in a hotel, renowned for disregard of the local economy wellbeing, negatively affects the environment. Nor will they feel positive about booking a holiday connected with an organisation known for disregarding a local economy's wellbeing. The idea of enjoying oneself at the expense of others' fulfilling their own basic needs does not sit well with most people (UCF, 2023). Careful use of resources plays a key role in hospitality. Hotel organisation performance depends on preservation of natural and cultural attractions which draw tourists to tourism destinations, but also to hotel facilities. At the turn of the 21st century, Wight (1997) noted that the tourist demand trend was more directed towards luxury hotel accommodation, managed by big chains, but what are the current positions of the CSR and luxury sustainability? The theoretic platform is expanding and dynamic changes in the contemporary hotel industry change the patterns of value perception. Feng et al. (2018) discuss service experience in luxury hotels and whether being "cool" is important to luxury hotel brand management Khoi et al. (2022). What does "being cool" mean? Is sustainable luxury cool and are the eco labelling certificates proof of the hotel corporate social and ecological sensibility?

Eco labelling of tourism and hotel services has been studied in the past, but there is no agreement on two key points: whether or not eco certification increases tourist demand for a product among the general tourist population, and whether or not there is a specific market segment whose purchase decisions are influenced by eco labels. The research of Karlsson & Dolnicar (2015) indicates that eco labelling does not have a big impact on general tourist demand, but a niche market exists which is influenced by eco labelling when choosing among alternative tourist providers. The roots of environmental labelling programmes can be found in the growing global concern for environmental protection on the part of governments, businesses, and the public, elaborate Ren et al. (2022).

Luxury hospitality is becoming an increasingly important part of tourism (Kim et al., 2022). A hotel offer is created through a scope of development, through the ability of an offer to be diversified, but also of its specialisation in international tourism. Through offer, the luxury hotel competitiveness trends are based on loyalty to the brand and authenticity of experience, explain Wu et al. (2023) and they point out that, in luxury hotels, tourists are searching for not just special experience; they want to feel special. Directed towards sustainability, hotels can improve efficiency and attract an increased number of tourists who are looking for ecologically and socially responsible services. Acquisition of certificates leads hotel facilities to success through sustainability in hospitality. Hospitality certificates add a certain level of prestige to a hotel's "identity card". Sustainable initiatives, eco labelling and certificates of excellence contribute to the perception of new luxury evolved from traditional valorisation.

Waida (2023) notes that the implementation of certificates serves as a symbol of achievement, and continues that, by being awarded, hotel companies are better profiled in the market. They can also maintain long-term loyal relationships with clients; namely, retain existing, and acquire new, clients. Certification classification by subject is divided into products, persons and/or systems, and management systems (Waida, 2023). Furthermore, according to Preziosi et al. (2021), environmental sustainability practices and implemented eco-labels of a hotel are positively recognised by the guests, and are therefore positive differentiation factors. It should be noted that the adoption of green practices, such as hotel efforts to avoid single-use or single-dose products, communication about green practices carried out, environmental and cultural activities available in the area and public transport are perceived as factors of excitement related to contribution to a higher goal for a better world.

A large number hotel accommodation offer consumers nowadays recognize the importance of environmentally responsible initiatives and are looking for sustainable accommodation facilities. Operation of hotel facilities can have a harmful effect on the environment. Therefore, it is important that the providers of the luxury hotel offer adopt ecologically sustainable practices in order to protect the resources on which the attractiveness of the offer depends. Socially responsible business activities conducted by hotel industry companies could be awarded with various environmental certificates and quality marks. They

are a significant factor in the competitiveness of the offer on the tourist market. Based on these marks, users of the hotel's accommodation offer know that the hotel runs its business respecting all three pillars sustainability and it means that it cares about both, the environment and local community and culture. In continuance, technological solutions and innovation that are introduced in order to reduce resource consumption contribute to business efficiency and results.

The aim of this paper is to research in what measure affirmed sustainable initiatives and realised awards contribute to the perception of luxury in modern hospitality. Its purpose is a better understanding of consumers' attitudes when choosing luxury hotel accommodation developed and awarded within the sustainability concept. The paper explores valorisation of elements of hotel service quality and puts them into the concept of experience of luxury and guest satisfaction. Apart from the quality elements, organisational aspects of the competitiveness factors are also investigated for the needs of an integral excellence research.

Research questions are posed, which affirm new knowledge and affect the defining of the determinants of luxury hotel operations:

Q1 - Do consumers value the responsible and sustainable hotel initiatives marked by special eco labels as an integral part of the luxury hotel offer?

Q2 - Do consumers value certificates of quality and luxury in the perception of luxury hotels?

In consideration of the problem area, the authors started from the premise that, in the context of luxury, consumers imply implementation of sustainable initiatives. As a platform for statistical methodology and testing of the problem question using Chi-square test, they set the probability of respondents' agreement at 80%. For the second problem question, predictions are somewhat lower; the agreement level is expected to be 60%.

The paper is divided into three main sections. In the first section, a theoretical platform is presented and review knowledge, which affects the shaping of the luxury hotel offer, is considered. In the second section, research methodology, materials and design are presented, followed by the research results. The third section contains discussion and concluding considerations.

2. Theory and Literature Review – Linkage of Luxury, Quality and Sustainability in the Hotel Industry

Luxury tourism offers represent a functional, hedonistic and a symbolic, expressive value. From the stated, an extended concept is developed, which defines five fundamental elements of a luxury tourist accommodation product: exceptional quality, visual distinction and conspicuousness, hedonistic value, uniqueness, rarity and exclusivity, as well as social value, considered within the context of sustainability (Vigneron & Johnson, 2005). For the purposes of comprehension of the conjunction of determinants and the research problem area, fundamental determinants within the context of a synergic value affirmation are presented.

2.1 Aspects of Luxury Hotel Offer - Quality as a Fundamental Prerequisite

It is difficult to precisely define luxury hospitality because of the problem of clearly defining the concept itself of "luxury" and what it exactly implies. The starting point of luxury experience would imply guests' high expectations, a desire and need for a perfect atmosphere and environment, as well as impeccable services (Walls et al., 2011). Although luxury can be understood and interpreted differently, mostly because of specificities in cultures, financial possibilities, degree of education and similar characteristics, we thus arrive at a different understanding and conception of the term "luxury", i.e. what, for some, means commodity, for others will be a primary necessity of life, and vice versa (Mohsin & Lockyer, 2010).

Bakker (2005) examines how luxury tourism is characterised by personalised top offers which, with their particularities of service provision, will attract users. They are differentiated, unique and exclusive, and represent a product, a service that is not offered to just anyone, but which is, at the same time,

not available to everyone. The main elements of luxury hotel offer which evoke special experiences are uniqueness, prestige and social status, price and the time (Chu et al., 2016).

In the age of growing international tourism, providing excellent quality service at hotels is increasingly more important (Yang, 2014). Therefore, hotel service provision must also be continuously improved by quality standards. Additionally, as international travellers expect standardised quality, hotels need to provide a professional, efficient and international offer. Moreover, Lu et al. (2015) evaluated services offered by luxury hotels and the way customers actually experienced them.

According to Iloranta & Komppula (2022), luxury tourist product aims to add wellbeing and joy to customers' lives by offering an experience that makes them feel special. The concept of luxury hotel offer adds value to service users by providing authenticity and by active participation, through unique hedonist experiences. Popescu & Olteanu (2014) see luxury hotel offer as: excellence, which interprets price levels with the perceived value, uniqueness, hedonism, quality and belonging to a certain social circle. Accordingly, luxury accommodation is linked to the exclusivity and tourists' high purchasing power Bakker (2005), Berry (1994).

Luxury accommodation offers certain characteristics and it is pointed out that it is differentiated, unique and exclusive, and that it is difficult to define what tourists see as superior, convenient and engaging (Cerović et al., 2020; Geerts & Masset, 2022). Today's tourists are looking for: personalised service, quality equipped accommodation units, exclusivity and positive and professional interaction with the staff. For designing of a luxury tourism offer, all offer stakeholders should be focused on providing personalised experiences and unforgettable moments through an offer that is authentic, impressive, unique and exclusive, point out Jiang et al. (2022) and Cerović et al. (2019). It is emphasised that "the sun and luxury are excellent, but travellers demand more enriching experiences". Furthermore, Purohit et al. (2023) reveal human interaction-based hotel attentiveness/caring and emotion-based indulgence as necessary conditions for brand evangelism. Further, Floričić (2022) asserts that luxury as such is defined as a state of great comfort and elegance; however, as people's tastes differ, individual concepts of luxury equally differ. Hotel chains which wish to promote their brand as luxury are frequently dependant on co-creation in order to make personalised experiences that are more related to a psychological element than to traditional luxury products. In that case, co-creation integrates personal feelings, i.e., guests' preferences, so that a unique luxury experience can be realised. Furthermore, authors identify physical environment-based tangible sensorial experience and differentiate important elements in the luxury hotel design (Ahn & Pearce, 2013; Purohit et al., 2023).

Table 1. Design Characteristics for the Luxury Hotels

Design Direction	Design Characteristics for Luxury Hotels
Lobby design	• Social interaction areas, not only for hotel guests, but also for outside guests • The presented design theatrically introduces one into luxury appointment of other areas in the hotel and its environment
Guest room design	• Safety, comfort, privacy and quiet and spacious rooms • Unique design, emphasis on details, technology and managed lighting • Comfortable interior surroundings in the room • Comfortable workspace – facilities inside the hotel room • Stylish design furniture, luxury fabrics and top high-tech entertainment appliances
Bathroom design	• Spacious bathrooms • Deep bathtubs, walk-in showers, use of precious materials, marble and chrome • Separate ladies' and gents' toilets • Quality appearance of the bathroom content and equipment • Technology, such as small plasma television sets, flexible lighting
Art in the hotel interior and exterior	• High quality artefacts in guest bedrooms, corridors, stairways and elevators • Areas – gallery zones in hotels
Spa and Wellness services in hotels	• Attention directed towards interior design, influencing guest rest and relaxation • Spacious changing rooms and public surfaces • Multiple indoor and outdoor relaxation zones • Care of guests' ecological responsibility and comfort • Offer of Spa bites and foods in the form of healthy, organic options

Food and Beverages Department (F&B) in the hotel	• Organic food and unusual offer of food • Offer of top-quality food and drinks
Arrangement of landscape and hotel exterior	• Nurtured horticulture in parks and gardens, with planted trees and plants • Open-air spaces with trees and gardens • Different colours and textures (combinations of materials) in the hotel exterior arrangement

Source: Ahn, Y. H., & Pearce A. R. (2013)

Due to the COVID-19 pandemic, the perception of luxury in modern hospitality is going through a process of transformation. Ghattas (2020) points out that, although luxuriously designed and equipped hotels, top gastronomy, personalised service and exclusivity continue to be a key to competitiveness, new luxury includes the formation of some new, innovative services and conceptual revalorisation of the existing facilities:

- *Wellness and Wellbeing* - wellness, wellbeing and health through mental, sensory and physical well-being, organised in the hotel;
- *Workspitality* - high technological equipment and professional services, designated workspaces in hotel rooms;
- *Biophilic Design and Sustainability* - biophilic design and a complete sustainability concept in "green" hotels.

Quality is very important for tourism destinations and the hotel industry to enhance long-term innovation, competitiveness and sustainability. Garrigos-Simon et al. (2019) and González, Sasidharan, Álvarez Hernández and Azpeitia Herrera (2018) show that improvement of the quality of tourism, and thus hotel, offer, needs the commitment of tourism operators in terms of innovation, continuous improvement and renewal, aimed at enhancing the tourism industry. Al-Gasawneh & Dalain (2023) discuss that quality in tourism is a result of the process which presumes consumers' satisfaction with all products, services, requests and expectations at a reasonable price, and in line with the key quality determinants, such as: safety, hygiene, accessibility, transparency and authenticity of the product and harmony of tourist activities with the natural and social environment. Pohland & Kesgin (2018) explore pricing determinants of quality and differentiate aspects of various categories of hotels, with the emphasis on luxury hotels. Tari et al. (2017) explore the problem area of the relationship between quality and realisation of business results and highlight the component of excellence in hotel services with business performance. Furthermore, Kimes & Ho (2018) elaborate the importance of revenue management in the luxury hotel industry. Elshaer & Augustyn (2016), on the other hand, determine the direct effects of quality management on competitive advantage.

Dedeoglu & Demirer (2015) research the global context and point out that the perception of guests about the service quality in the international context is very wide, and that guest satisfaction by the provided services considerably and subjectively varies. Two different variables affect their perception: guest expectations and service standards. The concept of expectation is very important as it, to a great extent, affects the level of guest satisfaction. As the end result, a perceived service quality, which reflects the difference between guest expectations and received services, is obtained (Fernando, 2019). The degree to which an expected and a received service are similar or different directly affects the degree of guest satisfaction or dissatisfaction. Moreover, service standards are emphasised, through which it should comply with the set norms. Luo & Qu (2016) claim that exceeding the expected service levels and physical standards affects the excellence perception which is still the best market positioning promoter and affirmer, and which also encourages loyalty.

Quality management is one of the most important tasks of modern management which no longer refers only to product quality management, but also to service quality management and the management of the entire organisation. For those reasons, an increased number of hoteliers and other stakeholders of tourism offer are undertaking steps towards the introduction of the TQM system (*Total quality management*), stress Khan et al. (2020). Moreover, the two levels of quality are identified; firstly, the general quality which could be described as a measure or an indicator of the sum of the use/value of the product or service for meeting of specific needs at the right time and in the right place. Secondly, they define the

term “new quality”, which could be described as a modern perception of quality affected by a series of factors, such as standards, added value, experience, and similar. Further conclusions of experiences in luxury hospitality facilities are presented by Manfreda et al. (2023) in their study, in which they offer important practical implications for luxury accommodation operators on designing, staging and managing quality experiences. They lean on the findings of Awan et al. (2023), where they point out significant and positive effects of functional, natural, and cultural experiencescape on customer satisfaction, while sensory and social experiencescape had a non-significant impact on customer satisfaction.

2.2 Sustainable Ecolabels and Luxury Hospitality Certificates

Green building principles are increasingly respected in modern hospitality and efforts have been made to meet the certification criteria. This indirectly impacts the external and the internal appearance of the hotel, and an increasing number of hotels are using “green roofs and living walls”, so-called biophilic design. Certified hotels distinguish themselves as leaders in application of green business practice and this provides them with a better position in the tourism market and competitive advantages, but also has a positive impact on business results (Jalilvand et al., 2018). Green hospitality is becoming a synonym for and imperative of modern hospitality good business practice (Mustapić & Vlahov, 2015). It is possible to implement initiatives through activities which do not generate additional costs, including different regulation and rationalisation measures, as well as through activities which generate small to medium costs, and which result in higher levels of savings of a financial and practical nature (Radić et al., 2009). Each investment in green business is the result of a hotel's strategic defining and its developmental programme by which the level of investment is defined, as well as the models of realisation in the hotel business, stresses Črnjar, (2002).

Similar to consumer goods producers, luxury manufacturers are also under continuous pressure to remain competitive and cope with the changing and increasing customer demands. Several scholars consider sustainable luxury to be one way to cope with this pressure. Furthermore, Kunz et al. (2020) explain that sustainable luxury affects whole supply chains and goes beyond the production of luxury products, making the incorporation of the exploitation of raw materials like gold necessary to fully understand its idiosyncrasy compared to sustainable commodity goods. Wu et al. (2023) and Feng et al. (2018) express the quality of hotel luxury offer through three key aspects: 1) it is associated with emotions and sensory experiences; 2) it surpasses what is needed; 3) the high price of luxury offer is usually not related to the costs of service preparation and provision (Pohland & Kesgin, 2018). Scholars have defined the luxury sector's important role in the process of changing production processes and motivating consumers to change their consumption patterns towards a more sustainable way of living, which will be needed to overcome the challenges identified herein (Joy et al., 2012).

Implementation of energy efficiency measures in construction (for example by means of conversion of abandoned spaces, buildings in the local community), business (for example lighting which reacts to touch, reduction in drinking water consumption), and establishment of an overall system of waste management towards the “zero waste” concept, are activities which are based on a sustainable hotel operation concept (Cunha & Oliveira, 2021). Besides sustainable management of energy sources, water, food and waste, the importance is emphasised of socially responsible business and practices in the local community. This also refers to appreciation of diversity, respect of other cultures, both from the social aspect and the aspect of economic and financial allocation of a part of the profits for realisation of socially responsible initiatives in the destination. By inclusion of local autochthonous products in the gastronomic offer, the production of small, medium and micro primary and secondary economy sector entrepreneurship is affirmed, and local products are placed through the tertiary sector – tourism and hospitality.

Dang-Van et al. (2023) present the findings of their study that indicate that green hotel practices are positively related to consumer brand identification, and this relationship is positively mediated by perceived green service innovation, perceived utilitarian value, and perceived hedonic value. Moreover, Sharma et al. (2023) explore green purchase behaviour; namely, they identify factors influencing consumers' green purchase intention and provide strategic insights to marketers to create better marketing opportunities for green offers. A recent paper by Moise & Gil-Saura (2020) explores guests' satisfaction and points out the impact of “green” practices on perceived value, satisfaction, intention to revisit and WOM.

With the aim to achieve new competitiveness and recognisability of ecologically and socially aware hotel companies, systems of special labels have been created which, using standards, set requirements in accommodation facility design, equipment and operations. Eco-labels and certifications are given to products and services that are deemed to have fewer impacts on the environment than similar products and are therefore more environmentally preferable. The goal of eco-labelling initiatives is to promote products and services that are less damaging to the environment. Eco-labelling in the hospitality industry helps customers understand which sustainability-focused practices hotels have implemented in their daily operations (Cloudbeds, 2023). According to Booking.com's Sustainable Travel Report (2019), 70% of global travellers say they would be more likely to book accommodation knowing it is environmentally friendly, whether they are looking for a more sustainable stay or not, claims Bøcker (2021).

The advantages of holding ecolabels are numerous but, primarily, by having them, hotels demonstrate and prove high quality and care for the environment, reduced consumption of water, electricity and the amount of waste which, in turn, reduces the business costs. By certificates, hotels opt for preservation of the environment, promote healthy accommodation, healthy nutrition and a healthy environment for both guests and employees, and directly affect their satisfaction.

Finally, certification by green hospitality certificates contributes to a better service quality, strengthens the market position and differentiates the facilities which hold them apart from others (Eco hoteli OMH, 2018). Green certificates and green awards positively affect the guests' perceived value in hotel facilities. Lee et al. (2019) confirm the positive impact of perceived value and satisfaction, intention to revisit, and intention to pay a green premium. A hotel that has obtained green certificate(s) promises green services, products, and operations, and possesses thereby (potentially) important strategic assets, when it comes to attracting customers and employees.

In the Republic of Croatia, projects have also been initiated which aim to accept modern ECO standards in hospitality. The Association of Employers in Croatian Hospitality designed the project "Green business in hospitality" within which the *Sustainable* hotel certificate is awarded, followed by the National Association of Family and Small Hotels of Croatia, which developed the programme of eco labelling of hotel facilities with the label Eco Hotel (Golja & Globov, 2020). The stated certificates envisage the criteria in the field related to architecture and design, so the following are regularly assessed:

- 1) Environmental protection policy by application of ecologically acceptable materials;
- 2) Application of renewable energy sources;
- 3) Noise levels and harmful gas emissions control;
- 4) Expressed care of the landscape and the environment;
- 5) Materials used in hotel construction;
- 6) Unique hotel design.

"Certificate or confirmation is a document which is issued in accordance with previously determined and defined certification system regulations by which it is ensured that either a production process or any other type of service, which comply with certain norms, has been established. Any type of certificate consists of a corresponding label, which a company can display on its documents or products." (Bačun et al., 2012).

By being awarded a certificate, a hotel company is better profiled in the market; it develops and maintains long-term loyal relationships with clients, retains existing and acquires new clients. It is important to point out that a certificate in itself is not a key to success (Sutherland et al., 2021). They elaborate that the company which holds a certificate and carries out its operations in line with recommended norms is not fully protected from the competition or business failure, but a certificate can help a lot with a better business process management, a higher market position, a better relationship between the quality and the product price, as well as with satisfaction of clients, employees, management and macro and micro environments (Waida, 2023). Certificate classification by subject is divided into products, persons and/or systems, and management systems. What they have in common is the fact that a certificate, i.e. confirmation of certification, represents a proof of compliance with all the stated and established norms on the basis of an examined and graded sample which, de-

pending on the situation, can be larger or smaller, i.e. it depends on the subject class which is passing through the certification process.

However, in consideration of the advantages of certifications, potential dangers, related to a flawed, unethical conduct in implementation of green standards also needs to be looked at (Zhang et al., 2022). So-called "sustainable greenwashing" represents a kind of emphasising and application of only those standards which are suited to the company, while the others are dismissed. Promotional activities highlight only what is positive and project an incorrect, incomplete, picture of the activities and initiatives, elaborate Majeed & Kim (2023), while Rahman et al. (2015) pursue the consequences of unethical promotion of green initiatives from the aspects of consumers' perception.

According to Sutherland et al. (2021), certification of quality is an important strategic concern for hotel industry practitioners, since it entails explicit and implicit investments in time, personnel training and finances. By certification, documentation, as well as the practical work of the whole organisation which wishes to be certified, is assessed, and it can only be done if it meets the criteria and determined norms. Certification refers to various areas of hotel offer organisation: energy, waste and recycling, building, products and packaging, supply chain, water, food, transportation, community, and employees (Green Business Bureau, 2023).

Hotel companies decide on certification also when they wish, in a timely manner, to acquire competitive advantage. With the intention to ensure an always safe and reliable product for their clients, and to continuously increase quality, producers include and certify various management concepts, the main goal being provision of reliability and effectiveness of the process or service product, claim Jia & Wahnschafft (2015). They continue that the majority of national and international product certification requirements aim to ensure that the product is intended for sale or export to a specific market, compliant with quality regulations, health validity and safety, and environmental protection. By certification, the quality which is recognisable in the market is guaranteed, and the certificate gives the hotel company a certain status, which is respected by both the clients and the competition (Jia & Wahnschafft, 2015).

Ecologically acceptable options are welcome within the hospitality industry, where hotels, and especially luxury hotels, opt for green solutions. Floričić (2020) states that it is possible to affirm ecological and social responsibility strategies upon implementation of technological solutions and innovations in hotels, while including all the components which have green technology status, i.e. the choice of such a technology which would enable them to, by their business activities, protect the environment and the social community in which they operate. Furthermore, she points out the importance of planning of hotel accommodation structures in accordance with the sustainability strategies but, at the same time, focuses on competitiveness, evaluated by attitudes and perceptions of the consumer segment.

Hotels can ask for green certificates for several reasons, such as cost savings and an efficient environment management system. There is a big potential for the hotel industry to rethink business models and services aiming to reduce consumption and waste, and to increase the sustainability-oriented experiences of the hotel guests (Eskerod & Đurić, 2018). Kasim (2009) stresses that the leading hotel chains in Western Europe and North America consider green marketing as a tool for positioning of their hotels, distinction of hotel offer from the competition and creation of a relationship of trust by their ecological awareness. Bernard & Nicolau (2022) claim that environmental certification has a positive effect on hotels' market value (reducing the effects of the alluded negative publicity). The most important eco-green certificates of those present in the hospitality business are noted: LEED, Green Leaders, Green Key Global, Green Tourism Active, Audubon Green Lodging Program, Green Seal, Earth Check, Green Globe, Friend of Environment, EU Ecolabel, Travelife and Sustainable Hotel.

Today, it is increasingly difficult to win hotel awards given the demanding criteria. This is why, given the complexity of human labour and interpersonal communication, which are evaluated through the award system, the realised awards are appreciated and presented. An excellence and luxury award in the hospitality industry represents an independent and public acknowledgment of a hospitality company's effort to produce consistent and high-quality service across the board, from the processes of checking in and out to the services offered to guests (Jobs, 2022). Awards in hospitality

implement the important mission of affirmation of quality through valorisation of the best hotels in accordance with specific evaluation categories. The evaluation results are directed towards promotion, placement and new competitiveness. Ricca (2024) emphasizes the importance of strategic marketing linking of hoteliers who possess certificates of excellence, sustainability and quality developed through classic hotel brands with consortia brands of luxury tourism. The latest successful example of connecting Hyatt and Hilton hotels with the SLH-Small Luxury Hotel consortium brand is highlighted, where benefits for guests are realized through a developed loyalty program with a number of benefits for guests, an additional developed distribution network for hoteliers and recognition, strengthening the perception of luxury in the hotel industry.

The purpose of presentation of awards is manifested in striving for improvements through innovations, development and cultural education of the society, with an increase in tourism attractiveness and guest care. Competitiveness is an important factor and, with implementation of activities, different innovations and investment, a step forward in the quality is achieved, as well as an advantage in relation to the competitors from the industry (Bernard & Nicolau, 2022). By award winning, the hotel, as the best representative in the proposed nomination, obtains international or national recognition which affirms it as a leader in a certain market segment or in tourism, generally.

The Certificate of Quality represents a powerful promotional tool, and hotels which obtain it as an award for excellence should use it in every form of promotion and marketing placement. Consumers' psychology always prefers a product with an award and, provided the hotel product is strategically adequately priced, this will, in most cases, prevail in attracting guests.

All hotels are treated completely the same when it comes to the assessment for award winning and, in this way, a platform is set up for a reliable award system. At the international level, 18 different luxury hospitality certificates can be distinguished, namely: Andrew Harper grand awards, Boutique hotel awards, British travel awards, Conde Nast traveller, Expedia Insider's select list, Hoscar awards, International hotels awards, International restaurant and hotel awards, International star diamond awards, Jet Setter, Mr & Mrs Smith hotel awards, Travel + Leisure awards, Travel weekly Magellan awards, TripAdvisor traveller's choice awards, Wellness travel awards, World luxury hotel awards, World luxury spa awards and World travel awards (Floričić, 2021).

3. Materials and Methods

In order to fully consider the topic, the research design is presented. Following the review of literature and theoretical determinants, which included scientific methods of analysis, synthesis, generalisation and systematisation, desktop research of awards and certificates was carried out. Further, consumer perception of the importance of awards and certificates for the hotel competitive advantage and market positioning, is explored. The research was conducted using an online questionnaire in July 2021, and it was carried out on a sample of 102 respondents who were guests of an international branded hotel in Croatia. The questionnaire was open for three days. As the trends in luxury hotel industry perception are changing, the attitudes of consumers of all ages, but similar profiles, are important. The gender of the sample was not profiled. The sample is reliable and the statements are relevant for the study, as the respondents, as a sample group, are the consumers of an upscale and luxury hotel product.

The questionnaire was formed in three main parts: 1) the general part with demographic questions and questions on respondents' preferences, 2) research of respondents' preferences and perceptions by means of the scale of level of agreement and 3) an open-ended question, through which the respondents presented their perception of luxury in modern hospitality. The variables were identified and chosen as relevant to the research according to the modified SERVQUAL methodology. The modification was based upon the classification of Avelini Holjevac (2002), developed after (Pohland & Kesgin, 2018; Feng et al., 2021) and adjusted for the research problem. The research results were processed using quantitative statistical methodology, including mean values, percentages, STDEV, VAR and the Chi-square test of probability, while the open-ended question was processed using qualitative methodology, and the results are presented through the new model created by the authors. The results represent new knowl-

edge which contributes to the development of the science and practice and represent a platform for new considerations.

4. Findings and Discussion – Sustainability Labels and Awards in Positioning of Luxury Hotels

The basic goal of the research was to examine the influence of service quality and satisfaction, as well as of the award system and introduction of luxury hotel certificates.

In the research participated 102 persons of whom 72 were female (70.6%) and 30 male (29.4%). The majority of respondents were between 30 and 39 years old (44.1%), then between 18 and 29 years (28.4%), between 40 and 49 years (12.7%), and over 50 years of age, 14.7% of respondents. The majority of respondents had a higher level of educational degree (51%), a university degree (29.4%), other degrees of higher education (21.6%), followed by those with secondary school education (46%), and with three years of secondary education and less, 3.9% of respondents. The highest number of respondents declared not having children, 64 of them, i.e., 62.7%, which means that they mostly travel individually, with a partner or with friends. Considering the purpose of the respondents' travel, the primary respondents' satisfaction motive was evidenced in 89.2% of respondents, followed by visits paid to friends and relatives (28.4%), recreation (19.6%), visits to museums and historical heritage sites (15.7%), and other differentiated motives. Given the complexity of the questions, multiple responses were evidenced.

With regard to the frequency of travel, it is evident that the respondents travel once (35.3%) or twice (36.3%) a year. A share of 27.5% of those who travel three or more times a year points to the importance of the sample, and the data that 41.2% of respondents have an average expenditure of over €200, points to a higher purchasing power and inclination towards high quality accommodation in 4 or 5-star hotels, where they spend between 4 and 7 nights (54.9%). A high share of shorter stays, between 1 and 3 nights (25.5%) follows, and stays of more than 7 nights (17.6%).

To the question: In your opinion, what does service quality mean to you? (Table 2), the majority of respondents replied: Accessibility (accessibility of services, location and waiting time), 63.7% of them, followed by Communication (45.1%), professionalism and responsibility (preparedness of employees to provide the requested service), 40.2% of them. The identical number of guests considered Reliability in service provision and Safety as equally important (39.2%), followed by Understanding (personalised service), 28.4% of them, Competence (competence of contact staff), 27.5% of them, Credibility (behaviour, professionalism, 26.5% of them) and, at the very bottom is the importance of Tangible elements, such as exterior, interior, employees' appearance, equipment, and promotional materials (20.6%).

Table 2. Ranking of the Perception of Hotel Service Quality Elements

Service quality	n	Share %
1. Accessibility (accessibility of services, locations, waiting time)	65	63.7
2. Communication	46	45.1
3. Professionalism and responsibility (preparedness of employees to provide the requested service)	41	40.2
4. Reliability in service provision	40	39.0
5. Safety	40	39.2
6. Understanding (personalised service)	29	28.4
7. Contact staff competence	28	27.5
8. Credibility (fairness and professionalism)	27	26.5
9. Tangible elements (exterior and interior, employees' appearance, equipment, promotional materials)	21	20.6

Source: Own Elaboration

These statistical indicators stand out: Median: 40, Mod: 40, Min: 21, Max: 65, arithmetic mean: 3.3, and STDEV: 2.73. The average service quality level in luxury hotels is 3.3, with average deviation STEV of the arithmetic mean of 2.73, with VAR. of 7.45. During the survey, the respondents were expressing the service quality level on the basis of the given answers. The largest number of respondents were of the opinion that the service quality is based on accessibility, i.e., accessibility of services, location and waiting time. The lowest service quality level was determined in tangible elements, i.e., exterior, interior, employees' appearance, equipment and promotional materials. In grading the service quality, it was established that this part was the least important among respondents.

The next question referred to the importance of the quality physical environment of the luxury accommodation. Namely, physical environment affects the perception and achieves positioning in the service user's mind. The majority considered quality physical environment as important (59.8%), but not as a primary, i.e., a very important factor (14.7%) when choosing their destination, i.e. their stay in luxury accommodation. It is indicative that over a quarter of the respondents (25.5%) believed that a high-quality luxurious environment is not of key importance. On the other hand, the data is significant that 61.8% of respondents stated that it was important for them, and 25.5% that it was very important to experience a high-quality interaction with hotel employees; a mere 12.7% of them claimed that it was not important. The following question concerned the quality of the rooms in the luxury accommodation facilities, where almost a half of the respondents considered it as an important factor that the room where they were staying was of good quality (47.1%) while, for the other predominant group of respondents, the quality of the room was not important at all (39.2%). It can be concluded that one part of the respondents expects full service quality in a luxury hotel, while the other part of the respondents believes that interaction with the employees, as well as the quality of the services which are on offer during their stay in the destination, are more important.

The next question referred to the needs of the luxury hotel guests for the purposes of their satisfaction. The largest number of respondents, 81.4% of them, considered the overall quality, i.e., room cleanliness, comfort, feeling of security and spatial experience, as most important. The quality of food and drinks follows. 56.9% of the respondents believe that luxury hotels have a versatile offer of food and drinks, a pleasant atmosphere and an overall staff service so, for that reason, 50% of the respondents considered the staff quality as important, which includes a timely service, politeness, professionalism, and tidiness. 49% of the respondents stressed the importance of value for money in luxury hotels, while the smallest number of respondents (44.1%) considered booking services, accuracy of booking, speedy check-in, speedy check-out, availability of information and wake-up call service as important. The results lean on research by Mohsen and Lockyer (2010), who dealt with the topic of guest satisfaction in luxury hotels.

Table 3. Elements of Influence on Satisfaction with Stays in Luxury Hotels

Elements of influence on satisfaction with stays in luxury hotels	n	Share %
Overall quality (room cleanliness, comfort, feeling of security, spatial experience)	83	81.4
Food and drinks quality (menu versatility, atmosphere, overall staff service)	58	56.9
Staff quality (timely service, politeness, professionalism, tidiness)	51	50.0
Service (simplicity of booking, accuracy of booking, speedy check-in, speedy check-out, availability of information, wake-up call service)	45	44.1
Value for money	50	49.0

Source: Own Elaboration

In the statistical analytics of the data from Table 3, the following indicators stand out: median: 54.5, Mod: non-existing = 0 element "overall quality", Min: 45, Max: 83, STDEV: 2, range 38 and arithmetic mean: 2.81. The average level of guest satisfaction during their stay in luxury hotels is 57.4, with an average deviation from the arithmetic mean of 15.04. In the course of the survey, the respondents were expressing the satisfaction level on the basis of the given sub-questions. The largest number of respondents were of the

opinion that the overall quality, which includes room cleanliness, comfort, feeling of security and spatial experience created the highest level of satisfaction during a stay in a luxury hotel.

In the analytics, the conclusions of the Table 2 and Table 3 results are presented. The application of the arithmetic mean in the case of service quality can help in the comprehension of how far or how close service quality is from the ideal value and how different service aspects are mutually compared. This can help companies to identify the areas in which service quality needs improvement and to compare their services with rival companies. Mod is a value which appears most frequently. In this case, there is no clearly defined Mod, as no value surpasses 50% of the total number of respondents. All these measures give us valuable information about how the respondents grade different aspects of services and how their opinions differ. This information is crucial for the development of strategies which could improve the service quality and user's satisfaction.

After the exploration of quality, the importance of the award system and acknowledgement of quality and sustainability in luxury hospitality was examined by the next set of questions. 45.1% of respondents considered the question of the importance of the eco certificate in the operations of the hotel where they were staying as important, while for 43.1% of them it was not important. Only 11.8% of the respondents believed that it was very important to possess eco certificates in one's business. From this, it can be concluded that, nowadays, a low level of public awareness is still present about green business, given that consumers themselves are not familiar with the eco certificate programmes. By introducing them, hotels reduce their adjustment to a minimum due to a decreased external pressure to invest their efforts and money in order to fully dedicate themselves to eco certification.

Table 4. Evaluation of Importance of Quality Elements, Award System and Luxury Hotel Certificates

Quality elements	Not important	%	Important	%	Very important	%	n	AVR	STDEV
High quality environment	26	25.5	61	59.8	15	14.7	102	34	24.02
Staff interaction	13	12.7	63	61.8	26	25.5	102	34	25.94
High quality rooms	40	39.2	48	47.1	14	13.7	102	34	17.78
Award system	61	59.8	32	31.4	9	8.8	102	34	26.06
Eco certificates	44	43.1	46	45.1	12	11.8	102	34	19.08

Source: Own Elaboration

From the users' point of view, quality refers to the level up to which a certain product or service satisfies their needs. In exploration of the importance of quality, award system and certification of luxury hotels, we arrive at illogicality of thought. Namely, in evaluation of the quality elements, 61.8% of the respondents were of the opinion that interaction between the staff and the service users was important, and 25.5% believed that it was very important, while, for 12.7%, it was an unimportant quality element. Evaluation follows of quality elements of the hotel facility through the perception of a quality environment and high-quality rooms. The perception of environment is important in the assessment of hotel quality and acquisition of certificates and awards for the facility itself and where the integral arrangement, design, ambience and other intangible quality factors are evaluated. In the evaluation of the environment, more than half of the respondents, 59.8% of them, stated that this quality element was important. In contrast, the awards system was not considered to be an important element, as 59.8% of respondents stated, contrary to the respondents' claims, agreement of more than a half of respondents concerning the importance of interaction and interpersonal communication.

Although the respondents recognised eco certificates as relatively important, a significant number, 43.1% of them, stated that they were not important, which is a basis for further research regarding the expected values. This can be considered within the context of the assertions by Majeed & Kim (2023) and Zhang et al. (2022), who address the questions of sustainable "greenwashing", a selective promotion of selected positive initiatives which introduce guest distrust into fair, sustainable practices.

Within the context of the above stated, deviations, realised regarding the expected values, have been explored using Chi-square test.

Q1 - Do consumers value the responsible and sustainable hotel initiatives marked by special eco labels as an integral part of the luxury hotel offer?

The prediction of importance is 80% of agreement. The research is shown in Table 5 below.

Table 5. Importance of Eco Certificates in the Perception of Luxury Hotels

	Not important - %	Important - %	Marginal Row Totals
Obtained frequency	43.1	56.9	100
Expected frequency	20.0	80.0	100
<i>Marginal Column Totals</i>	63.1	136.9	200 (Grand Total)
<i>Chi-squared test: 33.351</i>	Degrees of freedom:1		p-value: 1e-8

Source: Own Elaboration

Should we look at the level of significance in the question of *the importance of Eco certificates in the perception of luxury hotels*, it can be noted that the value of the Chi-square test equals $p < 0.05$, which means that a statistically significant difference was noted regarding the *observed groups*. However, the answer to the problem question Q1 is positive.

Q2 - Do consumers value a certificate of excellence and luxury in the perception of luxury hotels?

The prediction of agreement is 60%, and the research is shown in Table 6 below.

Table 6. Importance of Luxury and Quality Awards in the Perception of Luxury Hotels

	Not important - %	Important - %	Marginal Row Totals
Obtained frequency	59.8	40.2	100
Expected frequency	40.0	60.0	100
<i>Marginal Column Totals</i>	99.8	100.2	200 (Grand Total)
<i>Chi-squared test: 16.335</i>	Degrees of freedom:1		p-value: 0.00005307

Source: Own Elaboration

Should we look at the level of significance in the question of *the importance of luxury awards and acknowledgements*, it can be noted that the value of the Chi-square test equals $p < 0.05$, which means that a statistically significant difference was noted regarding the *observed groups*, where it can be seen that the frequency of expressing unimportance is more significant than expected. The answer to the problem question Q2 is, therefore, negative.

Furthermore, to the next question which referred to the importance of eco certification in the hotel of choice and stay: "Do you think that hotels should invest more in the business quality by introduction of certificates of sustainability, food safety, quality management, travel safety, and similar?" the majority of the respondents (92.2%) believed that they should, while a small share (7.8%) were of the opinion that they should not.

Finally, the perception of luxury in hotel offer was explored.

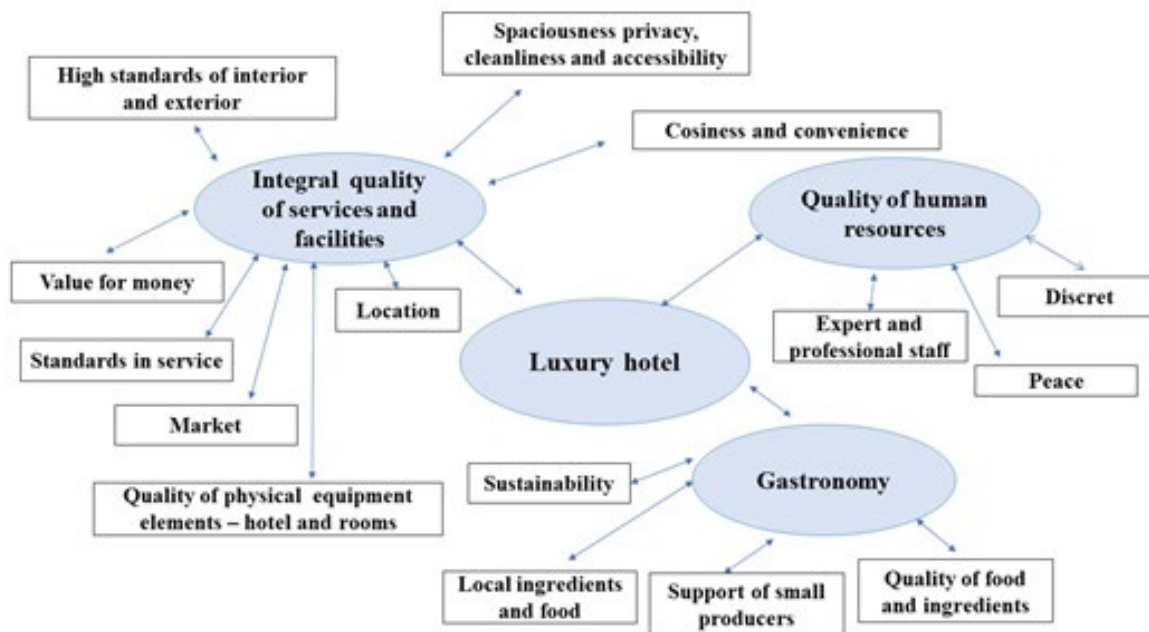
Table 7. Ranking of Perception of the Concept of Luxury

Rank	What is your perception of hotel luxury?	N	Share %
1	Quality	52	51
2	Business excellence	22	21.6
3	Market positioning and recognition	18	17.6
4	Loyal guests	6	5.9
5	Name, term, symbol, logo	3	2.9
6	Standardisation	1	1
Total		102	100

Source: Own Elaboration

In Table 7, the perception is explored of luxury in hotel offer. The respondents were asked to, out of the offered answers, choose what is associated with luxury. The results show that 51% of the respondents associated the concept of luxury with quality, 21.6% of the respondents believed that business excellence was the basis for luxury hotel operations, while 17.6% of them were of the opinion that market recognition was the characteristic of luxury hotels. 5.9% of the respondents believed that loyal guests were the basis of luxury hotel business performance, and 2.9% of the respondents opted for the name, term, symbol or logo. The smallest number of respondents opted for service standardisation (1%). It can be concluded that the respondents did not perceive sufficiently the importance of standardisation and brand as a label of luxury hotel as an important element of luxury hotels.

The last question of the research, which was of an open-ended type, asked the respondents to highlight what the concept of luxury hotels meant for them. The processing of the answers was based on the identified values, expressed in Table 4, and the frequency of elements and new knowledge in the perception of luxury hospitality were also explored in the research. Of 102 questionnaires, 53 (51.9% of the respondents) persons answered the stated open-ended question. There were 48 valid answers, of which none referred to the award system and eco certificates. A possible interpretation of the afore stated is noted in the implication of advantages, activities and initiatives which are recognised by awards and certificates but which, at the same time, are not recognised as competitive advantage. This is contradictory to the authors' research; on the other hand, it represents information and stimulus for a better marketing valorisation of the realised awards and certifications, coupled with education of stakeholders at all levels. A review of the respondents' answers follows, presented in a link table model, which describes the identified elements of the cycles of integral quality and business excellence. This is complementary to the writing of Tari et al. (2017) and claims by Elshaer & Augustyn (2016).

Figure 1. Concept of Luxury Hotel – Perception of Respondents

Source: Own Elaboration

By the testing in Tables 5 and 6, and subsequent evaluation of eco certificates in relation to the respondents' answers, the need is emphasised to further invest in them, with the aim to present an overall integral hotel offer quality, which leans on the theoretical determinants, presented by Lee et al. (2019) and Bernard & Nicolau (2022). Furthermore, through the open-ended question, the expression of elements of perception of luxury was explored and, here, the respondents did not indicate eco certificates as a tool to a hotel's competitive advantage in perception of luxury. This weighs in favour of the claim that, ecology, social responsibility and cultural authenticity imply sustainability, but also, on other hand, not the luxury in hotel offer. It leans to the knowledge presented by Ahn & Pierce (2013). Further, the results show that tourists identify ecological practices as a specific dimension of eco-labelled hotels and they correspond to the theory of Preziosi et al. (2021).

5. Conclusion

The hotel service quality is extremely important from many aspects. Hotels base their business on quality improvement, which they confirm by quality certificates. A multitude of certificates can confuse hotel guests. Therefore, in order for the certificates to be reliable, they have to be awarded by independent certifying companies whose experts control all business aspects. The criteria should be public and available to hotel guests, to provide them with the necessary transparency. In ideal circumstances of the hotel business, apart from the quality certification, certificates should also consider all the aspects of sustainability. Alongside environmental protection, this also includes social standards such as working conditions in hotels and cultural and economic aspects, but also includes business excellence. The research results are correspondent with the theoretical platform (Jia & Wahnschaft, 2015; Khalil et al., 2022). Quality certificates are awarded to products and services which are deemed to be ecologically acceptable, irrespectively of the proscribed requirements for sustainability strategies. However, with their synergy, a step forward has been made in the striving for excellence and competitive advantages (Sutherland, 2021; Waida, 2023).

Luxury tourism rests on a presumption that the standards of responsible and sustainable tourism and supervised intensity of visits to the destination and luxury hotel facilities form an integral part of luxury tourism offer which, even after the current crisis on the international tourist market, may have development potential and perspective. In these new conditions, management of the destination tourist development becomes a more challenging and responsible task, especially if luxury tourism is a strategic

orientation. Such a tourism strategy includes continuous monitoring and exploration of the global tourism trends in order to, by means of constant adjustment, stimulate and maintain the trust of tourism destination guests. Luxury tourism development is based on flexibility, innovativeness and possibility of adjustment to clients by means of a high service standard.

In today's modern hospitality, with the increasingly powerful progress of technological innovations, it is becoming increasingly difficult to fulfil the guests' expectations and wishes, let alone surpass them. Luxury hotels must be guided by the fact that they can achieve success in the market solely by quality; their brand must be unique and different in relation to their competitor's brands. Today's users of luxury hotel offer with a higher purchasing power are not looking only for luxury hotel facilities and top accommodation; they are looking for additional services and contents such as entertainment, cultural events, gastronomy, and similar. The initiatives of the future in luxury tourism include the establishment of individualised services, creation of authentic experiences, use of modern and contemporary technology, social engagement on the Internet, in order to show their "status" in front of their families, friends and acquaintances.

The purpose of this paper is to explore to what extent awards and certificates contribute to the perception of luxury in modern hospitality. The research encompassed preferences and perception of luxury in modern hospitality. Following the research in this paper, based on a survey questionnaire, it can be concluded that the price and quality continue to be the most important determinants when deciding on a purchase, and only after these follow comfort and design of specific luxury destinations. We can also come to the conclusion that loyal consumers are less sensitive to changes in the price of certain products as, for them, quality plays the main role and is more important than the price. The findings lean on the knowledge presented by Popescu & Oltenau (2014) and Sharma (2022).

In the segment of guests who are looking for the highest level of luxury, i.e. "experience in a package", constant accessibility, efficiency and speed are essential, as well as a highly individualised approach to the client. With an inevitable presentation of an authentic local story, good and quality guidance and professional staff "in time" accessibility to clients, they could feel the ratio between the price and the quality. The findings are correspondent with the theoretical platform of Purohit et al. (2023) & Manfreda et al. (2023).

Under the concept of luxury hotels, the respondents understand advantages, activities and the initiative which are confirmed by certificates, but they do not recognise them as being competitive advantages. On the other hand, this represents information and stimulus for a better marketing valorisation of realised awards and certificates, coupled with education of stakeholders at all levels. From this the limitation of the study also arises, given the problem area of education in the field of measurements and values, which certificates and awards represent. The results are presented through the concept of elements of luxury hotel values, and represent new knowledge which contributes to the development of the science and practice, thus constituting a platform for new considerations.

Both scientific and practical implications contribute to the knowledge for hotel industry managers with recommendations for activities targeting quality and business excellence. They are based upon the theoretical platform and lean on the results of the research.

- Education of staff, innovation of business processes;
- Implementation of sustainable protocols and initiatives intensifying hotel promotion and image perception;
- Educational initiatives oriented on consumers, tourists that present benefits of sustainable initiatives, responsible behaviour and the needs of local community;
- Establishing cooperation with the local community and identifying authentic domestic goods that could be included in integral hotel service;
- Organisation of charity initiatives where, various stakeholders; tourists, luxury goods suppliers and hotel companies support local associations and people in need through joined initiatives;
- Development of the strategic marketing that include strategic contracting of sustainability labelled and awarded hotels with luxury hospitality consortia brands.

For the development of luxury tourism, luxury hotel offers and certificates which show evidence of hoteliers' investment and initiatives, it is necessary to ensure a high level of quality in the facility, in the tourism destination as a whole and to establish a system of responsible and reliable promotion with-

out doubting corporative sustainability greenwashing. Certificates and awards, based on exact indicators which record values and initiatives, are important for it; however, for them to be presented, education of stakeholders and efficient communication are needed. Future research could be focused on monitoring improvements and efficient benefits resulting in hotel awards and certificates, as well as on the exploration of luxury hotel industry certificates and labels.

ACKNOWLEDGEMENTS

This paper has been financially supported by the Faculty of Tourism and Hospitality Management Opatija, for the project ZIP-FMTU-002-11-2021.

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