

GREEN FINANCE AND SUSTAINABLE MARKETING IN INDIAN TOURISM: AN ESG PERSPECTIVE

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ABSTRACT

Background/Purpose: India's tourism sector is expanding rapidly, generating economic benefits while simultaneously intensifying environmental and social pressures. In response, green finance and Environmental, Social, and Governance (ESG) frameworks are increasingly promoted as mechanisms to support sustainable tourism development. However, empirical evidence linking green finance access, ESG adoption, sustainable marketing practices, and consumer behavioral outcomes in the Indian tourism context remains limited. This study aims to examine how green finance facilitates ESG implementation in hotels, how ESG practices influence sustainable marketing, and how these efforts shape tourist perceptions, willingness to pay, and revisit intentions.

Methods: A cross-sectional research design was employed using primary survey data collected from 156 registered hotels and 384 tourists across six Indian states representing diverse tourism destinations. Structured questionnaires measured green finance adoption, ESG practices, sustainable marketing activities, sustainability perception, willingness to pay, and revisit intention using five-point Likert scales. Data reliability was assessed through Cronbach's alpha. Correlation analysis, multiple regression analysis, and mediation testing were conducted using SPSS to evaluate the hypothesized relationships.

Results: The findings indicate that green finance adoption has a significant positive effect on ESG practices in hotels, demonstrating the importance of financial access for sustainability investments. ESG practices significantly enhance sustainable marketing efforts, suggesting that operational sustainability encourages active communication of environmental initiatives. Sustainable marketing positively influences tourists' sustainability perceptions, which in turn significantly increase willingness to pay premium prices and revisit intentions. Mediation analysis reveals that sustainable marketing partially mediates the relationship between ESG practices and consumer sustainability perception, highlighting the critical role of communication in converting sustainability initiatives into consumer value.

Conclusions/Implications: The study concludes that green finance acts as a foundational driver of sustainable tourism by enabling ESG adoption and strengthening sustainable marketing outcomes. For tourism businesses, sustainability investments supported by green finance can generate competitive advantages when transparently communicated. Policymakers and financial institutions should expand accessible green financing instruments and promote credible ESG frameworks to accelerate sustainable tourism development in India.

Keywords: *Green finance, ESG practices, sustainable tourism, consumer behavior, hotel industry, India*

1. Introduction

India's tourism sector contributes significantly to GDP and employment but faces growing pressure to adopt sustainable practices. With climate change concerns increasing globally, tourists now prefer environmentally responsible accommodations. Green finance provides hotels with resources to invest in eco-friendly operations, yet adoption remains limited, especially among smaller properties. Green finance refers to financial products supporting environmental projects, including green loans, sustainability-linked credit, and ESG investments. ESG (Environmental, Social, Governance) frameworks help businesses measure and improve their sustainability performance. While large corporations increasingly adopt these practices, India's fragmented tourism sector lags behind. Previous research has examined green finance and sustainable tourism separately, but few studies connect financial mechanisms with marketing outcomes and consumer responses in one framework. Most Indian tourism studies use small samples or qualitative methods, limiting generalizability. Additionally, research rarely explores how financial incentives translate into consumer-facing benefits.

This study addresses three questions: First, does green finance access improve ESG adoption in hotels? Second, do ESG practices enhance sustainable marketing effectiveness? Third, how do consumers respond to sustainability efforts through their purchase decisions? By examining these questions with data from multiple Indian tourism destinations, this research provides practical insights for hotel operators seeking competitive advantages through sustainability. The findings also guide financial institutions designing green products and policymakers promoting sustainable tourism.

2. Literature Review

The United Nations Environment Programme highlights that green finance is a critical mechanism for channeling capital toward environmentally sustainable sectors such as tourism, enabling investments in energy efficiency, waste management, and low-carbon infrastructure that strengthen long-term sustainability outcomes (UNEP, 2019). Complementing this view, Bramwell and Lane (2011) argue that sustainable tourism development depends heavily on institutional support and policy-driven financial frameworks that balance economic growth with environmental protection and embed sustainability principles into destination planning and governance. From an organizational perspective, Weber (2014) demonstrates that the integration of structured Environmental, Social, and Governance (ESG) practices improves risk management, transparency, and stakeholder trust, which is particularly relevant for service-oriented sectors like tourism where reputation and accountability are central to performance. On the demand side, Han, Hsu, and Sheu (2010) show that environmental initiatives adopted by hospitality firms significantly shape consumer attitudes and revisit intentions, emphasizing that sustainability efforts must be clearly communicated to translate environmental responsibility into customer loyalty. Similarly, Leonidou et al. (2013) identify sustainable marketing as a strategic link between environmental practices and market performance, noting that credible and verifiable green marketing enhances brand image and competitive advantage. Focusing on the Indian context, Reddy and Kumar (2021)

observe that limited awareness and restricted access to green finance hinder sustainability adoption among small and medium tourism enterprises, underscoring the need for simplified green financial instruments and supportive policy interventions to accelerate ESG-driven sustainable tourism development.

2.1 Green Finance and ESG in Tourism

Green finance channels investment toward environmentally beneficial activities. Research shows that access to green loans and ESG-linked credit helps firms adopt renewable energy, waste management systems, and water conservation technologies. Studies from developed countries demonstrate positive relationships between green finance and corporate environmental performance.

In India, green finance remains concentrated in large corporations and manufacturing sectors. Tourism businesses, particularly small hotels and guesthouses, face barriers including limited awareness, perceived high costs, and complex application procedures. Recent studies suggest that simplified green loan products could accelerate adoption in hospitality sectors.

ESG frameworks provide structured approaches for managing sustainability. Hotels with strong ESG performance typically demonstrate better resource efficiency, lower operational costs, and enhanced brand reputation. However, Indian research on ESG adoption in tourism remains limited, with most studies focusing on listed companies rather than operational properties.

2.2 Sustainable Marketing and Consumer Behavior

Sustainable marketing involves communicating environmental commitments through branding, certifications, and operational transparency. Effective green branding can differentiate properties in competitive markets and attract environmentally conscious travelers. Studies show that authentic sustainability claims build consumer trust, while exaggerated or false claims damage brand credibility.

Consumer behavior research indicates growing environmental awareness among travelers. The Theory of Planned Behavior suggests that attitudes, norms, and perceived control influence sustainable consumption decisions. However, attitude-behavior gaps persist, where expressed environmental concerns don't always translate into actual choices.

Indian consumer studies reveal mixed findings. Urban, educated, and younger travelers show stronger sustainability preferences, yet price sensitivity often overrides environmental considerations. Research examining how sustainability practices influence actual booking decisions and repeat visits remains scarce.

2.3 Conceptual Framework

We propose a sequential model where green finance enables ESG adoption, which facilitates sustainable marketing, ultimately influencing consumer responses and business performance. This framework integrates supply-side perspectives (how hotels implement sustainability) with demand-side analysis (how consumers respond).

Figure 1: Conceptual Research Framework

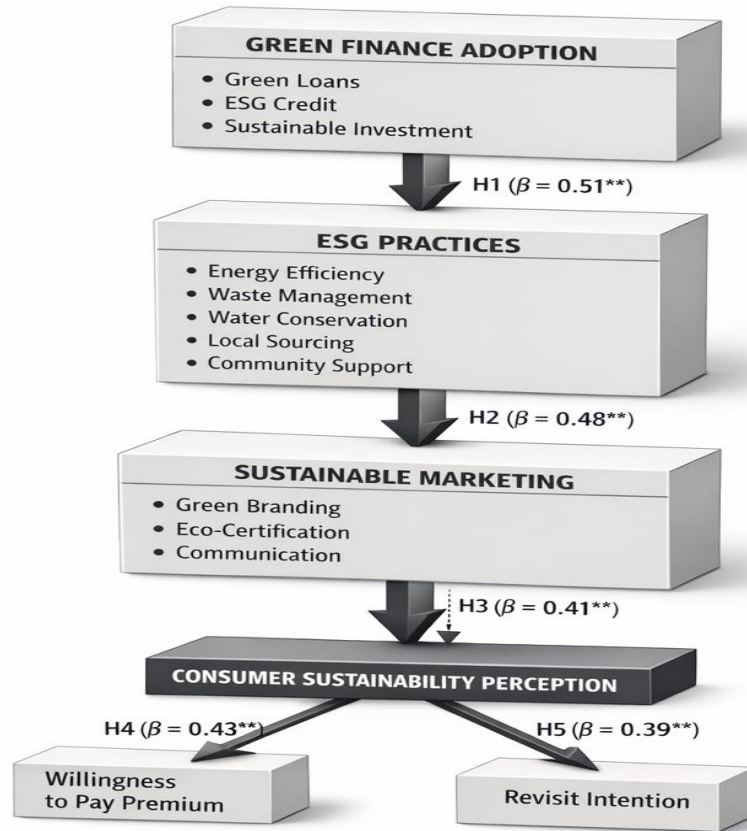


Figure 1. Conceptual Research Framework

The figure illustrates the conceptual research framework linking Green Finance Adoption to ESG Practices, followed by Sustainable Marketing, and its impact on Consumer Sustainability Perception, leading to Willingness to Pay Premium and Revisit Intention.

Note: $^{**} p < 0.01$.

1. Dashed line indicates mediation effect.

2. H1, H2, H3, H4, and H5 represent hypothesized paths standardized regression coefficients (β).

Hypotheses:

H1: Green finance adoption positively influences ESG practices in hotels.

H2: ESG practices positively affect sustainable marketing efforts.

H3: Sustainable marketing positively influences consumer sustainability perceptions.

H4: Consumer sustainability perceptions positively affect willingness to pay premium prices.

H5: Consumer sustainability perceptions positively influence revisit intentions.

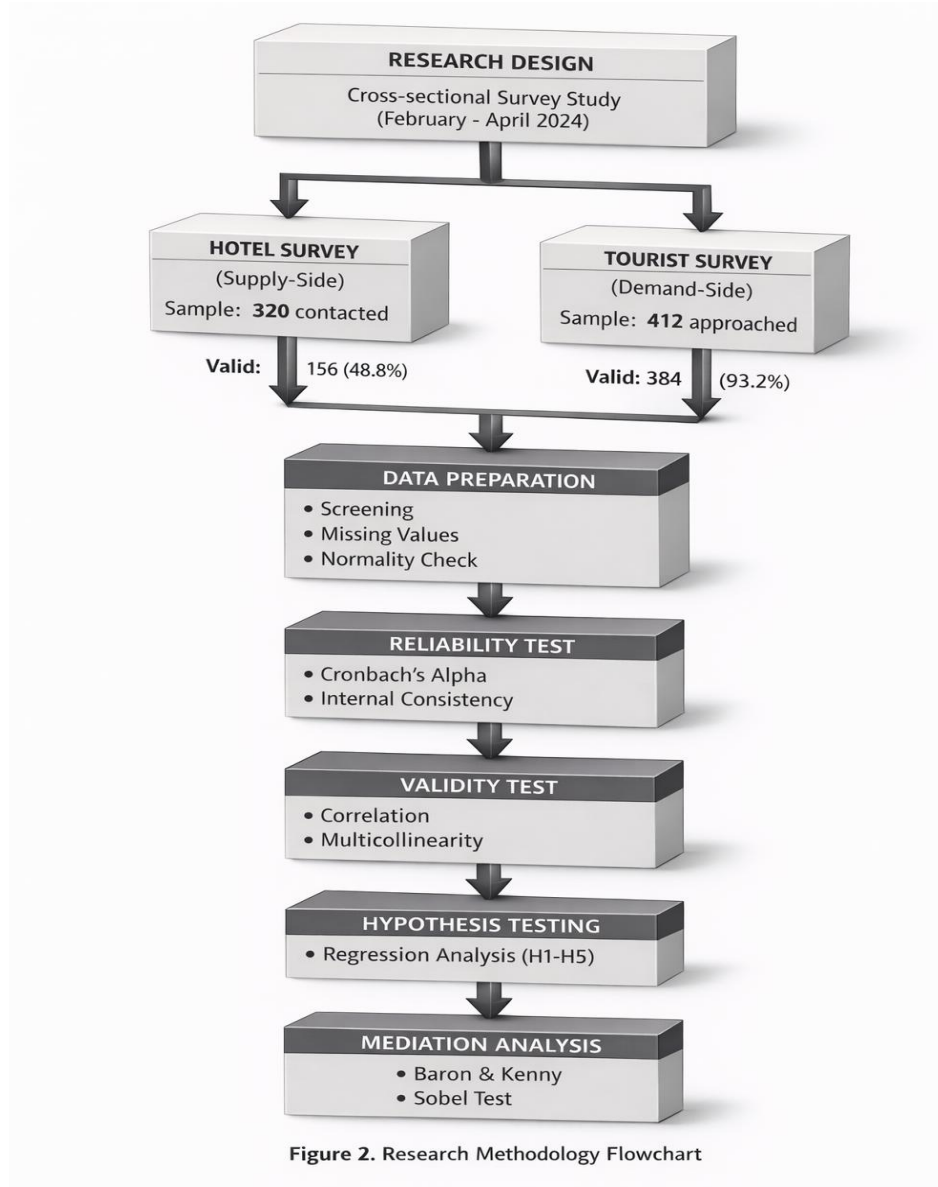
3. Research Methodology

3.1 Research Design

This cross-sectional study collected data from hotels and tourists between February and April 2024. We selected six Indian states representing diverse tourism types: Rajasthan and Uttar

Pradesh (heritage tourism), Kerala and Goa (beach/backwater tourism), Himachal Pradesh (mountain tourism), and Karnataka (mixed urban/eco-tourism).

Figure 2: Research Methodology Flowchart



3.2 Sampling and Data Collection

Hotel Sample: We contacted 320 registered hotels through tourism department directories and industry associations. Owners or senior managers completed online questionnaires. After removing incomplete responses, we obtained 156 usable surveys (48.8% response rate). The sample included 64 budget hotels, 58 mid-range properties, and 34 luxury/premium establishments.

Tourist Sample: We approached tourists at hotels, airports, and tourist attractions. Eligibility required being 18+ years old and having stayed in commercial accommodation during their trip. We collected 412 responses and retained 384 complete questionnaires (93.2% retention rate). The sample comprised 72% domestic and 28% international tourists.

Table 1: Sample Distribution Across States

State	Hotels (n)	Tourists (n)	Primary Tourism Type
Rajasthan	28	72	Heritage/Cultural
Uttar Pradesh	24	58	Heritage/Religious
Kerala	31	81	Backwater/Beach
Goa	27	69	Beach/Leisure
Himachal Pradesh	22	54	Mountain/Adventure
Karnataka	24	50	Urban/Eco-tourism
Total	156	384	Mixed

3.3 Measurement

Hotel Variables:

- *Green Finance Adoption:* Three items measuring access to and use of green loans, sustainability-linked credit, and ESG investments ($\alpha=0.81$)
- *ESG Practices:* Eight items covering energy efficiency, waste management, water conservation, local sourcing, employee welfare, and community engagement ($\alpha=0.86$)
- *Sustainable Marketing:* Six items assessing green branding, eco-certifications, website sustainability information, and promotional communications ($\alpha=0.84$)

Tourist Variables:

- *Sustainability Perception:* Five items measuring awareness and belief in hotel environmental efforts ($\alpha=0.88$)
- *Willingness to Pay:* Three items assessing premium payment readiness for sustainable properties ($\alpha=0.82$)
- *Revisit Intention:* Three items measuring likelihood of returning and recommending ($\alpha=0.85$)

All items used five-point Likert scales (1=strongly disagree to 5=strongly agree) adapted from published hospitality research. Demographic information included age, education, income, and travel purpose.

Table 2: Measurement Scales and Reliability

Construct	No. of Items	Sample Item	Cronbach's α	Source
Green Finance Adoption	3	"Our property has accessed green loans or ESG-linked credit"	0.81	Adapted from sustainability finance literature
ESG Practices	8	"We have implemented energy-efficient equipment"	0.86	Adapted from hotel sustainability studies
Sustainable Marketing	6	"We actively communicate our environmental initiatives"	0.84	Adapted from green branding research
Sustainability Perception	5	"This hotel demonstrates genuine environmental concern"	0.88	Adapted from consumer perception studies
Willingness to Pay	3	"I would pay extra for environmentally responsible hotels"	0.82	Adapted from pricing research
Revisit Intention	3	"I intend to stay at this property again"	0.85	Adapted from loyalty literature

3.4 Data Analysis

First, we calculated descriptive statistics and checked data normality. Second, we assessed reliability using Cronbach's alpha and validity through correlation analysis. Third, we tested hypotheses using multiple regression analysis. Finally, we conducted mediation analysis following Baron and Kenny's approach to examine indirect effects.

For hotel data, we ran two regression models: (1) ESG practices predicted by green finance adoption, and (2) sustainable marketing predicted by ESG practices. For tourist data, we tested: (3) sustainability perception predicted by sustainable marketing exposure, (4) willingness to pay predicted by sustainability perception, and (5) revisit intention predicted by sustainability perception.

4. RESULTS

4.1 Sample Characteristics

Hotels: Average operational age was 12.4 years. Property size ranged from 8 to 185 rooms (mean=34 rooms). About 38% operated independently while 62% had brand affiliations or partnerships. Approximately 41% reported accessing some form of green finance, with luxury properties showing higher adoption (68%) than budget hotels (28%).

Table 3: Hotel Sample Characteristics (n=156)

Characteristic	Category	Frequency	Percentage
Property Type	Budget	64	41.0%
	Mid-range	58	37.2%
	Luxury/Premium	34	21.8%
Ownership	Independent	59	37.8%
	Brand-affiliated	97	62.2%
Property Age	< 5 years	31	19.9%
	5-10 years	42	26.9%
	11-20 years	51	32.7%
	> 20 years	32	20.5%
Room Count	< 20 rooms	68	43.6%
	20-50 rooms	54	34.6%
	> 50 rooms	34	21.8%
Green Finance Access	Yes	64	41.0%
	No	92	59.0%

Tourists: Age distribution showed 31% aged 18-35, 44% aged 36-50, and 25% over 50 years. Education levels included 52% graduates and 29% postgraduates. Monthly household income varied across segments, with 35% earning below ₹50,000, 40% between ₹50,000-₹1,00,000, and 25% above ₹1,00,000. Trip purposes included leisure (68%), business (19%), and family visits (13%).

Table 4: Tourist Sample Characteristics (n=384)

Characteristic	Category	Frequency	Percentage
Origin	Domestic	277	72.1%
	International	107	27.9%
Age Group	18-35 years	119	31.0%
	36-50 years	169	44.0%
	> 50 years	96	25.0%
Education	Secondary/Diploma	73	19.0%
	Graduate	200	52.1%
	Postgraduate	111	28.9%
Monthly Income	< ₹50,000	134	34.9%
	₹50,000-₹1,00,000	154	40.1%
	> ₹1,00,000	96	25.0%
Travel Purpose	Leisure	261	68.0%
	Business	73	19.0%
	Family/Other	50	13.0%

4.2 Descriptive Statistics and Correlations

Table 5 presents means, standard deviations, and correlations. Green finance adoption averaged 2.84 (SD=1.12), indicating moderate-to-low penetration. ESG practices scored 3.21 (SD=0.89),

suggesting reasonable implementation. Sustainable marketing averaged 3.08 (SD=0.95). Tourist sustainability perception scored 3.35 (SD=0.98), while willingness to pay averaged 3.12 (SD=1.04) and revisit intention 3.44 (SD=0.92).

Table 5: Descriptive Statistics and Correlation Matrix

Variable	Mean	SD	1	2	3	4	5	6
1. Green Finance Adoption	2.84	1.12	1					
2. ESG Practices	3.21	0.89	.48**	1				
3. Sustainable Marketing	3.08	0.95	.41**	.52**	1			
4. Sustainability Perception	3.35	0.98	.32**	.39**	.44**	1		
5. Willingness to Pay	3.12	1.04	.28**	.34**	.38**	.45**	1	
6. Revisit Intention	3.44	0.92	.25*	.31**	.36**	.42**	.51**	1

Note: $n=156$ for variables 1-3 (hotel data); $n=384$ for variables 4-6 (tourist data); ** $p < 0.01$, * $p < 0.05$

Correlations showed expected patterns. Green finance correlated with ESG practices ($r=0.48$, $p<0.01$) and sustainable marketing ($r=0.41$, $p<0.01$). ESG practices correlated with sustainable marketing ($r=0.52$, $p<0.01$). Consumer perceptions correlated with willingness to pay ($r=0.45$, $p<0.01$) and revisit intention ($r=0.42$, $p<0.01$).

4.3 Hypothesis Testing

H1: Green finance → ESG practices

Regression analysis showed green finance significantly predicted ESG practices ($\beta=0.51$, $t=7.23$, $p<0.01$), explaining 24% variance ($R^2=0.24$, $F=52.28$, $p<0.01$). Hotels with green finance access reported higher ESG implementation scores. This supports H1.

Table 6: Regression Results for Hypotheses Testing

Hypothesis	Independent Variable	Dependent Variable	β	t-value	p-value	R ²	F-value
H1	Green Finance Adoption	ESG Practices	0.51	7.23	< 0.01	0.24	52.28**
H2	ESG Practices	Sustainable Marketing	0.48	6.84	< 0.01	0.21	46.82**
H3	Sustainable Marketing	Sustainability Perception	0.41	8.95	< 0.01	0.17	80.11**
H4	Sustainability Perception	Willingness to Pay	0.43	9.28	< 0.01	0.18	86.16**
H5	Sustainability Perception	Revisit Intention	0.39	8.24	< 0.01	0.15	67.91**

Note: ** $p < 0.01$; All hypotheses supported

H2: ESG practices → Sustainable marketing

ESG practices significantly predicted sustainable marketing ($\beta=0.48$, $t=6.84$, $p<0.01$), accounting for 21% variance ($R^2=0.21$, $F=46.82$, $p<0.01$). Properties with stronger ESG programs demonstrated more extensive green branding efforts. H2 is supported.

H3: Sustainable marketing → Consumer perception

Among tourists who noticed hotel sustainability information, perceived marketing efforts positively influenced sustainability perception ($\beta=0.41$, $t=8.95$, $p<0.01$), explaining 17% variance ($R^2=0.17$, $F=80.11$, $p<0.01$). Effective communication enhanced consumer awareness. H3 is confirmed.

H4: Consumer perception → Willingness to pay

Sustainability perception significantly predicted willingness to pay premiums ($\beta=0.43$, $t=9.28$, $p<0.01$), with 18% explained variance ($R^2=0.18$, $F=86.16$, $p<0.01$). Tourists believing in hotel environmental efforts showed greater readiness to pay higher prices. H4 is supported.

H5: Consumer perception → Revisit intention

Consumer perception significantly influenced revisit intention ($\beta=0.39$, $t=8.24$, $p<0.01$), explaining 15% variance ($R^2=0.15$, $F=67.91$, $p<0.01$). Positive sustainability perceptions increased loyalty and recommendation likelihood. H5 is confirmed.

4.4 Mediation Analysis

We tested whether sustainable marketing mediates the relationship between ESG practices and consumer outcomes. Following Baron and Kenny's method, we found that ESG practices indirectly influenced consumer perception through sustainable marketing (Sobel test: $z=4.52$, $p<0.01$). Direct effects of ESG on consumer perception decreased when including sustainable marketing as mediator, indicating partial mediation.

Table 7: Mediation Analysis Results

Pathway	Direct Effect (β)	Indirect Effect (β)	Total Effect (β)	Sobel Test (z)	Mediation Type
ESG Practices → Sustainable Marketing → Consumer Perception	0.18*	0.23**	0.41**	4.52**	Partial Mediation

Note: ** $p < 0.01$, * $p < 0.05$

Figure 3: Mediation Model

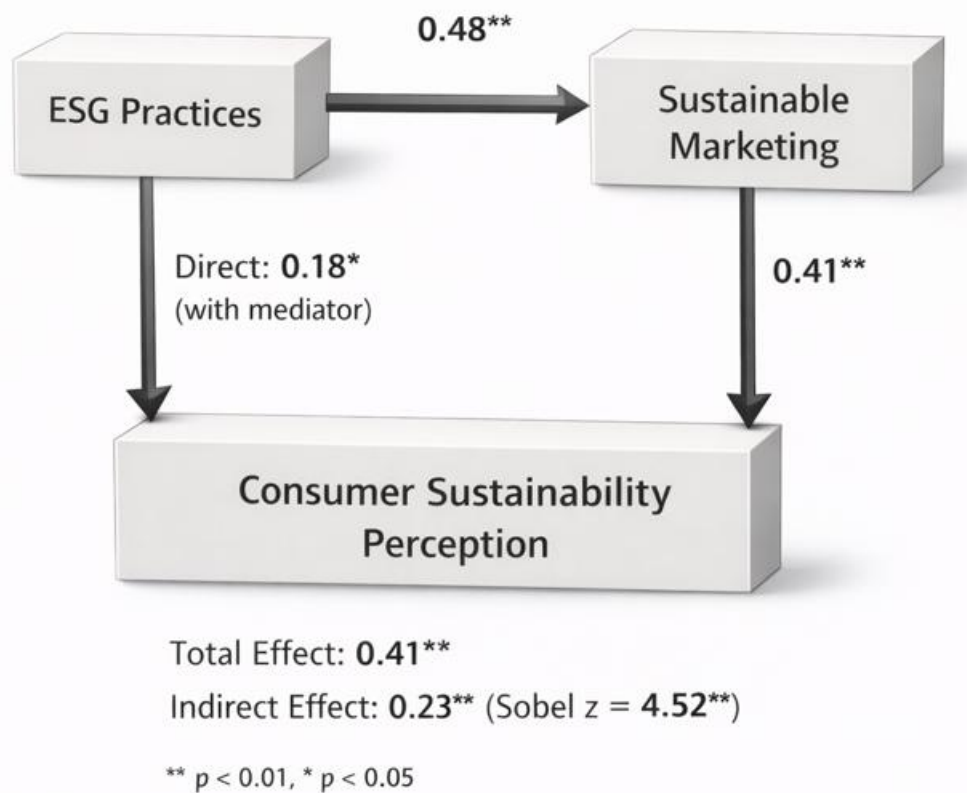


Figure 3. Mediation Model

This suggests that ESG practices primarily influence consumer responses through visible marketing communications rather than being directly perceived by guests. Hotels must actively communicate their sustainability efforts to gain consumer recognition.

4.5 Additional Findings

Property type differences: Luxury hotels showed stronger relationships between green finance and ESG practices ($\beta=0.62$) compared to budget properties ($\beta=0.38$), suggesting that larger establishments better leverage financial resources for sustainability.

Table 8: Comparative Analysis by Property Type

Relationship	Budget Hotels (n=64)	Mid-range (n=58)	Luxury (n=34)
Green Finance → ESG	$\beta=0.38^*$	$\beta=0.49^{**}$	$\beta=0.62^{**}$
ESG → Marketing	$\beta=0.41^*$	$\beta=0.47^{**}$	$\beta=0.56^{**}$
Green Finance Adoption Rate	28%	43%	68%
Average ESG Score	2.87	3.24	3.78

Note: ** p < 0.01, * p < 0.05

Tourist segments: International tourists demonstrated higher willingness to pay for sustainability (mean=3.58) than domestic tourists (mean=2.94), though differences in revisit intention were minimal. Younger tourists (18-35 years) showed stronger perception-behavior links than older segments.

Table 9: Tourist Segment Comparison

Segment	Sustainability Perception	Willingness to Pay	Revisit Intention
Origin			
Domestic (n=277)	3.28	2.94	3.41
International (n=107)	3.52	3.58	3.50
Age Group			
18-35 years (n=119)	3.58	3.41	3.62
36-50 years (n=169)	3.32	3.08	3.42
> 50 years (n=96)	3.12	2.85	3.28

Barriers reported: Hotels cited high initial costs (68%), lack of awareness about green finance (54%), and complex application procedures (47%) as primary adoption barriers. Tourists mentioned limited sustainability information availability (61%) and difficulty verifying environmental claims (52%) as key concerns.

Table 10: Barriers to Green Finance Adoption and Sustainable Tourism

Hotel Barriers	Percentage (n=156)	Tourist Concerns	Percentage (n=384)
High initial investment costs	68%	Limited sustainability information	61%
Lack of awareness about green finance	54%	Difficulty verifying claims	52%
Complex application procedures	47%	Greenwashing concerns	44%
Insufficient government support	42%	Price premiums too high	39%
Technical knowledge gaps	38%	Limited certified property options	31%

5. Discussion

5.1 Key Findings Interpretation

This study confirms that green finance facilitates sustainability adoption in Indian hotels. Properties accessing green loans and ESG-linked credit implement more environmental practices, supporting the view that financial constraints limit sustainability investments. The moderate correlation ($\beta=0.51$) suggests that other factors like management commitment and technical knowledge also matter.

The strong link between ESG practices and sustainable marketing ($\beta=0.48$) indicates that hotels with genuine sustainability programs communicate these efforts actively. This aligns with branding literature emphasizing authenticity in green marketing. Properties recognize that investments must be visible to consumers for competitive advantage.

Consumer findings reveal that sustainability awareness influences both premium pricing acceptance and loyalty. The willingness to pay coefficient ($\beta=0.43$) suggests meaningful commercial potential for sustainable positioning, though moderate effect size indicates that price sensitivity remains important for many travelers.

The mediation results highlight a critical insight: ESG practices don't automatically generate consumer benefits. Hotels must translate operational sustainability into compelling marketing messages. Silent green operations provide limited competitive advantage compared to well-communicated initiatives.

5.2 Practical Implications

For Hotel Managers:

First, explore green finance options through banks offering sustainability-linked loans. Start with energy-efficient equipment and renewable energy installations showing clear ROI. Second, obtain recognized eco-certifications that signal credibility to consumers. Third, communicate sustainability efforts through websites, booking platforms, and in-property displays. Share specific achievements like energy savings percentages and waste reduction figures rather than vague environmental claims.

For Financial Institutions:

Design simplified green loan products targeting small and medium hotels. Offer technical assistance helping properties identify cost-effective sustainability investments. Consider lower interest rates for certified sustainable properties. Develop sector-specific products addressing common tourism needs like solar installations, wastewater treatment, and energy management systems.

For Policymakers:

Create awareness programs educating hotel operators about green finance availability and application processes. Establish streamlined sustainability certification systems with clear criteria and affordable costs. Provide tax incentives or subsidies encouraging ESG adoption among smaller properties. Develop destination-level sustainability branding that individual hotels can leverage collectively.

For Industry Associations:

Facilitate knowledge sharing about successful sustainability practices and financing strategies. Organize workshops connecting hotels with green finance providers. Create industry sustainability standards appropriate for Indian contexts. Advocate for policy support enabling broader green finance access.

5.3 Limitations

Several limitations warrant mention. First, the cross-sectional design prevents causal claims despite theoretical support for proposed directions. Longitudinal research tracking hotels through sustainability adoption would strengthen conclusions. Second, self-reported measures may introduce bias, though anonymity assurances reduce concerns. Third, the sample focuses on registered hotels, potentially excluding smaller informal properties significant in Indian tourism. Fourth, consumer sample comprises willing respondents who may have stronger sustainability interest than typical tourists. Fifth, regional coverage, while diverse, doesn't represent all Indian tourism contexts. Sixth, we measured sustainability perception through consumer surveys rather than auditing actual hotel practices, though this approach captures market-relevant consumer views.

5.4 Future Research Directions

Future studies could examine sustainability adoption over time, revealing how hotels transition from conventional to green operations. Research comparing successful and unsuccessful sustainability initiatives would identify critical success factors. Studies investigating specific ESG dimensions (environmental vs. social vs. governance) may reveal differential consumer responses. Experimental designs manipulating sustainability information presentation could establish optimal communication strategies. Research examining informal sector sustainability pathways would provide inclusive perspectives. Cross-country comparisons would illuminate how institutional contexts shape green finance effectiveness and consumer responses.

6. Conclusion

This research demonstrates that green finance supports sustainable tourism development through connected pathways involving ESG adoption, marketing communication, and consumer response. Hotels accessing green finance implement stronger environmental practices, which they communicate through sustainable marketing, ultimately influencing consumer willingness to pay and loyalty.

The findings suggest that sustainability represents both environmental responsibility and business opportunity for Indian tourism. However, realizing this opportunity requires authentic practices backed by adequate financing and effective communication strategies. Silent sustainability provides limited competitive advantage in markets where consumers cannot directly observe operational practices.

For India's tourism sector to achieve sustainability goals while maintaining competitiveness, coordinated efforts involving financial institutions, hotel operators, and policymakers are essential. Green finance availability, capacity building support, credible certification systems, and consumer awareness initiatives must work together to enable broad-based sustainable transformation.

As environmental concerns intensify and tourist preferences shift toward sustainable options, hotels investing in green practices today position themselves advantageously for future market demands. This research provides evidence that such investments need not sacrifice profitability

but can instead generate differentiation and customer loyalty when properly implemented and communicated.

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