
The impact of the sustainability practices on stakeholder expectations and customer expectations in the hospitality industry in New Zealand

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Abstract

Sustainability becomes a defining priority in global business, and industries are under increasing pressure to align with environmental and ethical standards. Global awareness of sustainability intensifies, and New Zealand's hospitality industry witnesses growing expectations from both stakeholders and customers to adopt ethical business practices. This study explores the impact of sustainability initiatives on stakeholder engagement and customer satisfaction, focusing on the relationship between sustainable operations and the expectations of key interest groups. It identifies the most significant sustainability practices currently adopted and assesses how these practices correspond with stakeholder and customer priorities to offer practical recommendations for improving sustainable performance. The objectives of this study were to identify important sustainability practices in the hospitality industry, comprehend stakeholder and customer expectations, assess how practices and expectations interact, and offer practical suggestions for improving sustainability strategies. This study adopted a qualitative, deductive methodology grounded in a systematic literature review using secondary data. Applying the PRISMA model, a thematic synthesis of 40 journal articles (narrowed to 10 - 20 through inclusion criteria) was conducted to ensure empirical consistency. The study incorporates various theoretical frameworks, including Stakeholder Theory, Expectation Confirmation Theory, and the Triple Bottom Line model, to explore how hospitality businesses can align sustainability with profitability and social responsibility. The study reveals that key stakeholders, including investors, employees, and local communities, prioritize ethical governance, energy efficiency, and environmental responsibility. Customers increasingly prefer environmentally responsible accommodations that emphasize waste reduction, water conservation, and sustainable sourcing. The integration of sustainability policies aligned with stakeholder and customer expectations enhances brand legitimacy, improves operational efficiency, and supports long-term profitability. Accordingly, the study underscores the need for New Zealand's hospitality sector to treat sustainability as a core strategic priority, with emphasis on renewable energy adoption, transparent environmental reporting, ethical labor practices, and active community engagement. Aligning these initiatives with stakeholder interests enhances competitive positioning and guarantees the sector's

resilience in a sustainability-oriented future. Sustainability serves as a significant catalyst for stakeholder alignment and customer satisfaction, and is crucial for the future competitiveness of New Zealand's hospitality sector.

Keywords: *Sustainability, Hospitality Industry, Stakeholder Expectations, Customer Satisfaction, New Zealand*

1.0 Introduction

1.1 Background

Sustainability becomes increasingly important in global hospitality as the demand for ethical, environmentally-friendly practices increases. Hotels in New Zealand are progressively implementing energy efficiency, waste minimization, and local sourcing to maintain competitiveness (Gerdt et al., 2019). Stakeholders advocate for ethical governance, but environmentally concerned consumers favor value-aligned alternatives (Khatter et al., 2021). This study analyzes how these practices influence stakeholder and customer expectations.

1.2 Rationale

The hospitality industry in New Zealand substantially contributes to the economy through tourism and employment opportunities. As sustainability gains popularity, stakeholders anticipate that companies will implement environmental, social, and economic policies. The research associate sustainability with enhanced stakeholder relationships, increased customer satisfaction, and competitive advantage (Hassan et al., 2020). Nevertheless, the majority of research focus on specific components such as regulations, consumer satisfaction, or strategies for management (Khatter et al., 2021; Gergt et al., 2009; Moliner et al., 2019). There is less study on the cumulative effects of New Zealand's distinct sustainability-profitability concerns (Hall et al., 2016).

1.3 Scope of the Research



Figure 1 Scope of the Research

This study utilized secondary data from academic publications, focusing on New Zealand's hotel sector to evaluate the effects of sustainability on stakeholders and customers.

1.4 Aims and Objectives

Objectives of the research as follows,

1. Evaluate the most prominent sustainability practices adapted by the hospitality industry in New Zealand.
2. To evaluate key expectation of customers and other stakeholders on sustainability perspectives in hospitality in New Zealand.
3. To critically examine to interplay between sustainability practices and customer and stakeholder expectation in the hospitality industry in New Zealand.
4. To provide actionable recommendations for New Zealand's hospitality industry to improve sustainability practices based on stakeholders and customers feedback.

1.5 The Potential for insightful Outcome

This study demonstrated the impact of sustainability practices on stakeholder and customer expectations within New Zealand's hospitality sector. It emphasized the importance of integrating operations with increasing sustainability requirements to strengthen long-term corporate success, improve stakeholder connections, and promote overall sector performance.

1.6 Application of Theory into Practice

This study investigates the influence of sustainability practices on stakeholder and customer expectations within New Zealand's hotel industry. Applying Stakeholder Theory (Freeman, 1984) and Social Exchange Theory (Balu, 1964), it emphasizes the manner in which sustainable practices foster trust, accountability, and enduring legitimacy. This approach is

supported by frameworks including the Triple Bottom Line (Elkington, 1997), Legitimacy Theory (Suchman, 1995), Expectation Confirmation Theory (Oliver, 1980), and SERVQUAL (Parasuraman et al., 1985). Essential practices encompass energy efficiency, water conservation, waste minimization, sustainable sourcing, and community involvement, in accordance with Māori ideals (Carr, 2020). These initiatives augment stakeholder endorsement, client contentment, allegiance, and effectiveness of the organization.

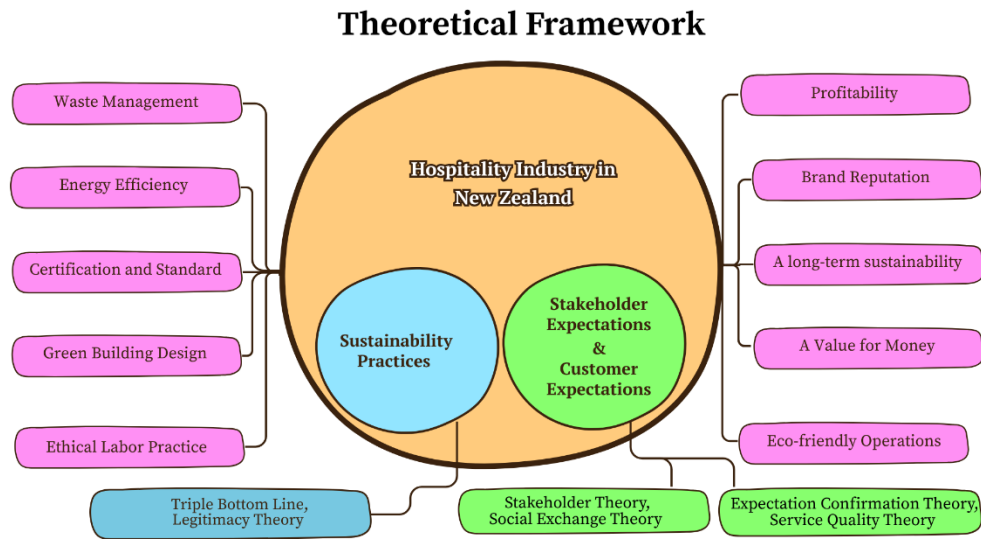


Figure 2 Theoretical Framework

2.0 Literature Review

2.1 Theoretical Underpinning of the Sustainability Practices

The hospitality sector in New Zealand has adopted sustainability via green building design, energy efficiency, waste minimization, and local sourcing (Becken & Kaur, 2016). These activities address the increasing need for ethical travel, enhance brand reputation, and fulfill stakeholder and customer expectations (Lee & Jan, 2020). Momentum increased after 2010 with climate agreements and the 2015 Tourism Sustainability Commitment, which promoted for responsible tourism and mitigated environmental concerns. Certifications and frameworks also motivated hotels to implement energy-efficient technologies, water conservation measures, and social responsibility activities (Sharma et al., 2022).

The Triple Bottom Line (TBL) methodology assesses environmental, social, and economic results (Elkington, 2018). Hotels that implement renewable energy, zero-waste initiatives, equitable labor policies, and community investment enhance their competitiveness, loyalty, and customer happiness (Jones et al., 2016; Chen et al., 2023). Legitimacy Theory (Suchman,

1995) clarifies how eco-certifications, carbon neutrality, and truthful reporting foster trust and cultural alignment, hence satisfying stakeholder and customer expectations. TBL and Legitimacy Theory underscore the strategic significance of sustainability in enhancing competitiveness, accountability, and stakeholder involvement.

2.2 Application of Sustainability Practices in the Hospitality Industry in New Zealand

Sustainability is growing as an objective in New Zealand's hospitality industry, with corporations using waste management systems, water conservation devices, and energy-efficient lighting solutions. The increasing demand for environmentally conscious travel, especially among millennials prepared to invest more in sustainable accommodations, propels this transition (Sustainable Hospitality Alliance, 2020). These approaches not only reduce environmental effect but also improve consumer satisfaction, efficiency, and competitiveness (Lee & Jan, 2020).

Sudima Hotels demonstrates this dedication by achieving carbon-zero certification via energy efficiency, waste reduction, reforestation, and carbon offsetting. Sudima has garnered recognition for its inclusivity, employment of individuals with disabilities, and transparent sustainability reporting, resulting in enhanced loyalty, stakeholder confidence, and increased demand from environmentally conscious travelers (Environ-Mark Solutions, 2019; Chen et al., 2023).

The Hotel Britomart in Auckland is New Zealand's first 5-star hotel accredited by the Green Building Council, utilizing local materials, energy-efficient systems, and water-conserving features. Its sustainable luxury strategy attracts affluent guests, promotes local culture, and mitigates emissions (NZGBC, 2021; Jones & Levy, 2020).

Camp Glenorchy, located near Queenstown, advances sustainable tourism by striving for net-positive energy and carbon utilization. Incorporating solar panels, composting toilets, and community involvement, it minimizes expenses and appeals to guests desiring significant contributions to sustainability (Toitu Envirocare, 2020; Becken & Kaur, 2016).

2.3 Theoretical Overview of Stakeholder and Customer Expectations Hospitality Industry

Comprehending stakeholder and customer expectations is crucial for the sustained success of New Zealand's hospitality industry. Theoretical frameworks, such as stakeholder theory and service quality models, assist firms in responding to the increasing demands for sustainability, social responsibility, and service excellence (Chen et al., 2023; Jones & Levy, 2020).

Since the early 2000s, expectations have expanded from mere comfort and cleanliness to encompass ethical conduct and sustainability (Becken & Kaur, 2016). Stakeholder theory underscores the need of managing connections with shareholders, employees, communities, and regulators, highlighting ethical and sustainable practices to maintain trust and legitimacy (Freeman et al., 2018). In addition, social exchange theory emphasizes that stakeholders endorse enterprises that provide social, environmental, or economic advantages (Cropanzano & Mitchell, 2005). Collectively, these ideas elucidate the reasons stakeholders either engage with or disconnect from hospitality operations, highlighting the significance of transparent communication and ethical leadership.

Customer satisfaction is described by Expectation Confirmation Theory (Oliver, 1980), wherein the fulfillment of sustainability-related expectations cultivates loyalty, but failure results in dissatisfaction. SERVQUAL (Parasuraman, 1990) assesses service quality via tangibles, assurance, responsiveness, empathy, and reliability. These models together evaluate the efficacy of New Zealand hotels in providing sustainable, high-quality services, influencing consumer trust, repeat customer loyalty, and long-term competitiveness.

2.4 Outcomes of fulfilling the sustainability practices on stakeholder expectations and customer expectations in the hospitality industry

Sustainable practices in hospitality improve brand legitimacy, trust, and adherence to governance standards, thereby benefiting stakeholders including investors, employees, communities, and regulators (Freeman et al., 2018; Zhang & Gao, 2022). In New Zealand, they mitigate reputational concerns and cultivate enduring partnerships. Customer activities such as sustainable hotels, carbon offsetting, and ethical sourcing enhance happiness, loyalty, and returning customers (Yuksel & Yuksel, 2019; Chen et al., 2023). Sustainability differentiates brands, appealing to environmentally concerned and wealthy visitors, hence enhancing competitiveness (Lee & Jan, 2020).

2.5 The impact of the sustainability practices on stakeholder expectations and customer expectations in the hospitality industry in New Zealand

Sustainability has become crucial in strategic decision-making within New Zealand's hospitality sector, directly impacting stakeholder and customer expectations. Stakeholders, including as investors, regulators, and communities, anticipate ethical, transparent, and ecologically responsible activities, whereas customers increasingly desire value-driven

experiences that correspond with their social and environmental principles (Freeman et al., 2008; Chen et al., 2023).

Hotels that embrace sustainability exhibit adherence to legal and social standards, thereby securing enduring support from stakeholders (Freeman et al., 2018). Certifications such as Green Star or Carbon-Zero augment transparency and confidence, while initiatives like waste reduction, energy efficiency, and local employment enhance reputation and operational stability (Enviro-Mark Solutions, 2019; Zhang & Gao, 2022).

Customer satisfaction, informed by SERVQUAL and Expectation Confirmation Theory, is enhanced when eco-conscious tourists utilize sustainable services, such carbon offset programs or environmentally friendly accommodations (Yuksel & Yuksel, 2019; Lee & Jan, 2020). Establishments such as Sudima and Camp Glenorchy incorporate sustainability to enhance customer loyalty, brand reputation, and stakeholder involvement (Toitu Envirocare, 2020; Chen et al., 2023). Sustainability functions as a strategic instrument that aligns operations with stakeholder expectations and guarantees long-term competitiveness.

3.0 Method of Analysis

3.1 Overall Research Design

This research adopted a positivist perspective, emphasizing empirical data, observable facts, and objective reality to improve the reliability and generalizability of results (Saunders et al., 2019). A deductive methodology was employed, utilizing existing theories and secondary data to methodically analyze the relationships among variables. The research technique employed was a systematic review, suitable for well-defined aims and a significant body of literature, facilitating a thorough, evidence-based comprehension by summarizing, categorizing, and critically assessing previous investigations (Snyder, 2019; Denscombe, 2017). The PRISMA framework facilitated the identification, screening, and selection of pertinent studies, assuring transparency, consistency, and reproducibility (Page et al., 2021).

A qualitative methodology was utilized, appropriate for the analysis of secondary data, employing thematic synthesis to identify common themes, patterns, and connections throughout the literature (Nowell et al., 2017). This method enabled significant conclusions on the influence of sustainability practices on stakeholder and customer expectations within New Zealand's hotel industry. Figure 3 illustrates a mind map of the research design, incorporating the philosophical attitude, methodological selections, nature of the research, and overarching framework, so offering a coherent and organized summary of the study's approach.

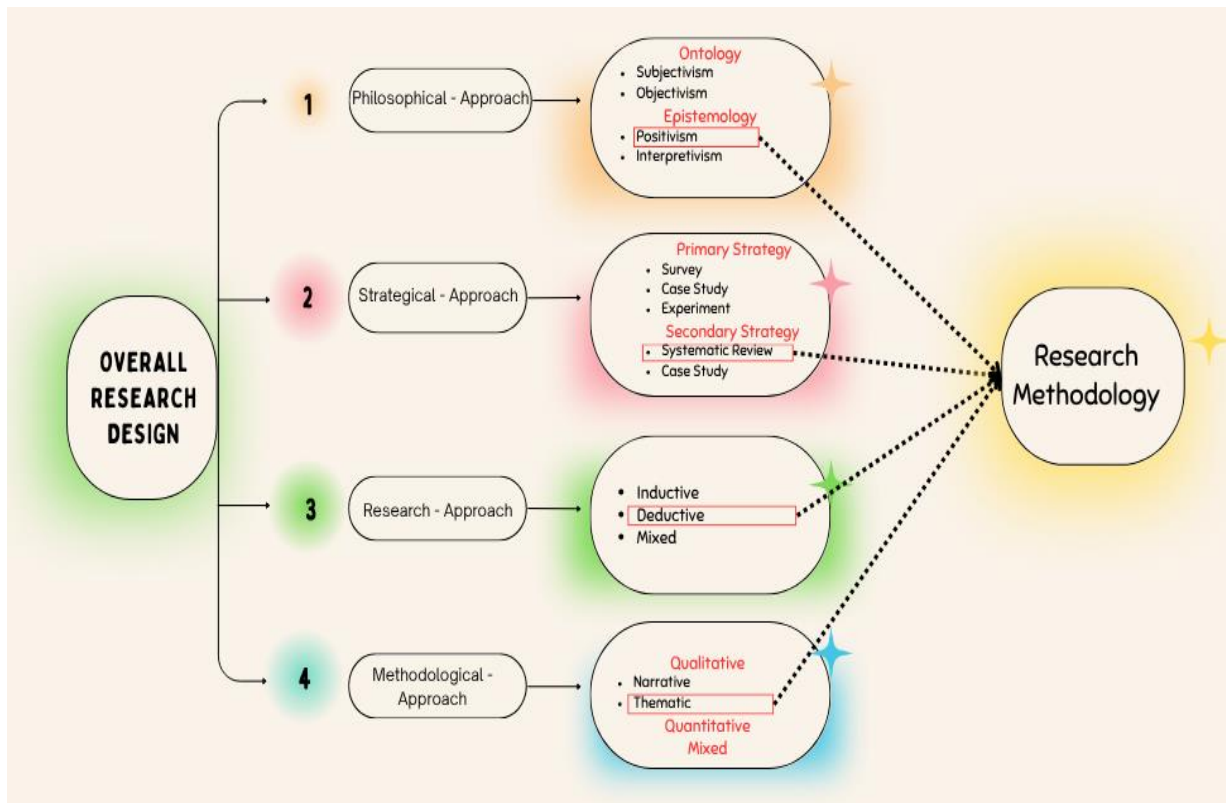


Figure 3 Overall Research Design

3.1.1 Theoretical Framework Structure



Figure 4 Structure of the Theoretical Framework

3.2 Data Collection

3.2.1 Article Selection Method

The study focused on the New Zealand hospitality industry, analyzing the influence of sustainability practices on stakeholder and customer expectations (Denscombe, 2017). A comprehensive search of secondary material was performed utilizing databases such as Emerald, ProQuest, JSTOR, Google Scholar, and Elsevier, with keywords such as “Sustainable Practices,” “Stakeholder Expectations,” and “Customer Expectations.” In accordance with PRISMA guidelines (Selcuk, 2019), 10–20 journal articles published between 2015 and 2025 were chosen to guarantee relevance, validity, and theoretical rigor. Filters for language, publication type, industry, location, and date were utilized. Certain pertinent studies were omitted due to time limitations.

3.2.2 Inclusion and Exclusion criteria

The inclusion and exclusion criteria guaranteed that only pertinent, high-quality studies were selected. From an initial pool of 40 publications, 10 to 20 published between 2015 and 2025 were chosen, focusing on the influence of sustainability on stakeholder and customer expectations within New Zealand's hotel industry. Irrelevant studies were omitted, and a four-phase methodology strengthened theoretical accuracy. In accordance with PRISMA guidelines, a systematic review curated essential research for thematic analysis and discourse, guaranteeing contemporary and dependable insights. The selection process is illustrated in Figure 5 (Page et al., 2021; Moher et al., 2015).

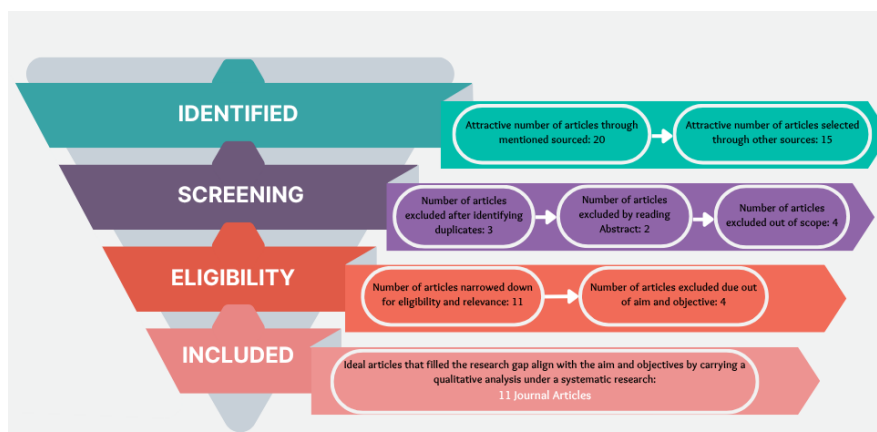


Figure 5 Funnel Diagram of PRISMA Analysis

3.3 Data Analysis

3.3.1 Evidence

| No | Author & Year | Topic of the Article | Methodology/Sample/Plan | Key Findings of the Article |
|----|--|--|--|--|
| 1 | Gerdt, S., Wagner, E., Schewe, G. (2019) | The Relationship Between Sustainability and Customer Satisfaction in Hospitality | eWOM data collection from 52,493 reviews on four platforms. | Customer satisfaction relates with sustainability, with the connection differing based on hotel star grade, underscoring managerial concerns. |
| 2 | Khatter, A., White, L., Pyke, J. (2021) | Stakeholders' Influence on Environmental Sustainability in Hotels | Interviews with 60 hotel managers in Melbourne. Data coded using NVivo. | Guests have a secondary role in influencing environmental policies, while owners and shareholders have the biggest influence. |
| 3 | Tae Hee Lee (2021) | Sustainability Management in New Zealand Tourism SMEs During COVID-19 | Interviews with 10 decision-makers of SMEs across New Zealand, using thematic analysis. | financial difficulties has an impact on SMEs' sustainability initiatives, with larger companies continuing their sustainability initiatives while smaller businesses had a more limited focus. |
| 4 | Moliner, M. Á., Monferrer, D., Estrada, M., Rodríguez, R. (2019) | Environmental Sustainability and the Hospitality Customer Experience | Survey of 412 customers in Spain staying at tourist accommodations. | Hotels that implement sustainable practices experiences and increase in customer satisfaction and experience. A customer experience sustainability measure scale was validated. |
| 5 | Chauhan, A., Kularatne, I. (2021) | Regaining Reputation: Auckland Luxury Hotels Stakeholders' Perspectives | Literature-based study with secondary data from industry sources. | Cost control decisions damage the reputation of luxury hotels. Stakeholder cooperation and sustainability-rated decision are necessary for an effective reputation recovery. |
| 6 | Carr, A. (2020) | COVID-19, Indigenous Peoples, and Tourism in New Zealand | Review of governmental and indigenous responses to COVID-19 impacts on tourism in New Zealand. | To develop tourism sustainability, COVID-19 recover plans should incorporate Maori values such as community support and environmental stewardship. |
| 7 | Hall, C., Dayal, N., Majstorovic, D., Mills, H., Paul-Andrews, L. (2016) | Accommodation Consumers' and Providers' Attitudes Towards Sustainability | Systematic review of existing literature on sustainable accommodation practices and consumer behavior. | The lack of longitudinal studies is a key gap in sustainability research, for long-term sustainability, both customer behavior changes and technological developments are required. |

| | | | | |
|----|---|--|--|---|
| 8 | Hamilton Pozo, Thames Richard Silva, Fábio Emmerich de, Souza Mossini, Luciana Maria Guimarães, Denise Durante (2024) | The Impact of Sustainable Practices and Hospitality on Hotel Customer Satisfaction | a survey-based methodology to collect data from hotel customers | In the competitive hospitality sector, sustainability fosters brand distinction and enhances client satisfaction, demanding that hotels implement and communicate sustainable practices effectively.. |
| 9 | CBRE Research (2023) | Sustainability and ESG Adoption in the Hotel Industry: A Global Status Update | a data-driven approach, compiling and analyzing global ESG adoption trends in the hospitality industry. | Challenges in financial reporting and standardization remain; yet, the adoption of sustainability enhances investment, loyalty, and competitive advantage in the hospitality sector. |
| 10 | Atour Taghipour, Amin Padash, Vahid Etemadi, Moein Khazaei, Samira Ebrahimi (2024) | Sustainable and Circular Hotels and the Water, Food, Energy Nexus: Integration of Agrivoltaics, Hydropower, Solar Cells, Water Reservoirs, and Green Roofs | multi-criteria decision-making (MCDM) methods to evaluate strategies for sustainable hotel development | Hotel sustainability in resource-limited regions employs green roofs, renewable energy, hydroponics, and indigenous knowledge to guarantee efficiency and enduring impact. |
| 11 | Tom Baum, Catherine Cheung, Haiyan Kong, Anna Kralj, Shelagh Mooney, Hái Nguyễn Thị Thanh, Sridar Ramachandran, Marinela Dropulić Ružić, May Ling Siow (2016) | Sustainability and the Tourism and Hospitality Workforce: A Thematic Analysis | The study employs a thematic analysis to explore the position of workforce and employment considerations | Sustainable human resource management in tourism improves employee retention, well-being, and inclusivity, connecting practices with the United Nations Sustainable Development Goals and ethical workforce objectives. |

Table 1 Evidence

3.3.2 Thematic Synthesizing

| No | Author & Year | Key Themes of the article | Objectives | | | |
|----|--|--|---|---|--|------------------------------------|
| | | | Evaluate prominent sustainability practices | Evaluate key expectations of customers and stakeholders | Examine interplay between practices and expectations | Provide actionable recommendations |
| 1 | Gerdt, S., Wagner, E., Schewe, G. (2019) | Sustainability Practices in Hospitality | Relevant | Relevant | Relevant | Relevant |
| 2 | Khatter, A., White, L., Pyke, J. (2021) | Stakeholder Engagement and Expectations | Relevant | Relevant | Relevant | Relevant |
| 3 | Tae Hee Lee (2021) | Environmental Sustainability in Hotels | Relevant | Relevant | Relevant | No |
| 4 | Moliner, M. Á., Monferrer, D., Estrada, M., Rodríguez, R. (2019) | Customer Experience and Satisfaction | Relevant | No | Relevant | Relevant |
| 5 | Chauhan, A., Kularatne, I. (2021) | Sustainability Management during the COVID-19 Pandemic | Relevant | No | No | Relevant |
| 6 | Carr, A. (2020) | Reputation Management in Luxury Hotels | Relevant | Relevant | Relevant | Relevant |
| 7 | Hall, C., Dayal, N., Majstorovic, D., Mills, H., Paul-Andrews, L. (2016) | Sustainability and Workforce in Tourism | Relevant | Relevant | Relevant | No |
| 8 | Hamilton Pozo, Thames Richard Silva, Fábio Emmerich de Souza Mossini, Luciana Maria Guimarães, Denise Durante (2024) | Customer Satisfaction and Sustainability | Relevant | Relevant | Relevant | Relevant |
| 9 | CBRE Research (2023) | Consumer and Provider Attitudes | Relevant | Relevant | Relevant | Relevant |

| | | Towards Sustainability | | | | |
|----|---|---|----------|----------|----------|----------|
| 10 | Atour Taghipour, Amin Padash, Vahid Etemadi, Moein Khazaei, Samira Ebrahimi (2024) | ESG in the Global Hotel Industry | Relevant | Relevant | No | Relevant |
| 11 | Tom Baum, Catherine Cheung, Haiyan Kong, Anna Kralj, Shelagh Mooney, Hải Nguyễn Thị Thanh, Sridar Ramachandran, Marinela Dropulić Ružić, May Ling Siow (2016) | Regaining Reputation: Auckland Luxury Hotel Stakeholders Perspectives | Relevant | Relevant | Relevant | Relevant |

Table 2 Thematic Analysis

4.0 Discussion

4.1 The most prominent sustainability practices adapted by the hospitality industry in New Zealand.

Sustainability is growing as a fundamental concern in New Zealand's hospitality sector, propelled by increased stakeholder and customer demands. Hotels are using strategies to mitigate environmental effect and conform to overarching social and ecological objectives. Thematic analysis emphasizes energy efficiency as a primary goal, incorporating methods such as smart thermostats, energy-efficient HVAC systems, solar photovoltaic panels, and LED lighting (Carr, 2020; Moliner et al., 2019). These techniques save expenses while satisfying visitor demand for sustainable accommodations (Gerdt et al., 2019; Khatter et al., 2021).

Water conservation is a concern, with hotels adopting dual-flush toilets, low-flow showerheads, and greywater recycling for landscaping and irrigation (Tae Hee Lee, 2021; Vhuhan & Kularatne, 2021). Waste management has progressed, prioritizing recycling, reduction of food waste, and partnerships with suppliers to decrease packaging, embodying circular economy ideas (Hall et al., 2016).

Sustainable certifications such as EarthCheck and Green Globe authenticate hotels' endeavors, augmenting legitimacy and provide frameworks for energy, waste, and community programs (CBRE Research, 2023; Baum et al., 2016). Customer participation is crucial, facilitated by initiatives promoting towel reuse and energy conservation, underpinned by effective communication via digital platforms and social media (Hamilton Pozo et al., 2024). These measures jointly enhance operational efficiency, environmental performance, and guest happiness.

4.2 Key expectation of customers and other stakeholders on sustainability perspectives in hospitality in New Zealand.

The hospitality sector in New Zealand is witnessing an increasing demand for sustainable practices, mirroring global trends in environmental awareness among customers and stakeholders. Thematic analysis indicates that energy efficiency, ethical sourcing, water conservation, and prominent sustainability activities are essential expectations (Gerdt et al., 2019; Khatter et al., 2021). Guests are progressively pursuing environmentally sustainable hotels that emphasize waste reduction, renewable energy, low-flow fixtures, and sustainable culinary practices, including the use of locally produced ingredients, which help bolster local economies (Tae Hee Lee, 2021).

Stakeholders comprising investors, staff, management, and local communities anticipate that hotels will implement sustainable practices as both an ethical obligation and a strategic financial need. Certifications such as EarthCheck and Green Globe authenticate these initiatives and foster trust (Moliner et al., 2019). Employees like organizations that adhere to sustainability principles, including energy efficiency, ethical sourcing, equitable labor practices, and community involvement, hence improving job satisfaction and retention (Chauhan & Kularatne, 2021; Carr, 2020).

Local communities want hotels to promote sustainable tourism, mitigate over-tourism, safeguard cultural assets, and enhance regional economic development (Baum et al., 2016). Customers and stakeholders demand transparent, implementable sustainability measures that correspond with enduring profitability and social goals (Hall et al., 2016; Taghipour et al., 2024). Incorporating sustainability into fundamental operations guarantees environmental, social, and economic advantages while fulfilling increasing demands.

4.3 Interplay between sustainability practices and customer and stakeholder expectations in the hospitality industry in New Zealand.

The hotel sector in New Zealand is being obliged to synchronize environmental practices with stakeholder and customer expectations, mirroring global trends in eco-conscious tourism. Thematic analysis indicates that sustainability actions are influenced by and strengthen these expectations, hence improving organizational responsibility.

Consumers are progressively emphasizing environmental accountability, searching for accommodations that implement waste minimization, water and energy conservation, renewable energy sources, and ethical practices, and they are prepared to incur more costs for these measures (Carr, 2020; Gerdt et al., 2019; Khatter et al., 2021). Social responsibility, equitable employment practices, and assistance for local communities are anticipated, indicative of the emergence of responsible tourism (Hall et al., 2016).

Stakeholders comprising owners, managers, and investors perceive sustainability as a strategic instrument to enhance efficiency, diminish operating expenses, and secure long-term profitability (Moliner et al., 2019). Employees anticipate work environments that embody ethical and ecological principles, impacting happiness and retention (Chauhan & Kularatne, 2021).

Integrating sustainability into fundamental company strategy is essential for reconciling customer and stakeholder expectations. Green certifications establish a framework to satisfy the requirements of both parties while showcasing environmental dedication. Embracing sustainability as a core business strategy guarantees consumer satisfaction, stakeholder endorsement, and enduring competitiveness in New Zealand's hospitality sector (Taghipour et al., 2024; Carr, 2020).

4.4 The best actionable recommendations for New Zealand's hospitality industry to improve sustainability practices based on stakeholders' and customers' feedback

The hospitality sector in New Zealand is under growing pressure from stakeholders and customers to implement sustainable practices that provide enduring environmental and economic advantages. Essential recommendations encompass the adoption of energy-efficient technology, including smart thermostats, LED lighting, and energy-efficient heating, in conjunction with investments in renewable energy sources such as solar photovoltaic systems and geothermal systems (Gerdt et al., 2019; Khatter et al., 2021).

Water conservation and trash control are essential. Hotels ought to implement low-flow fixtures, rainwater harvesting, recycling programs, and measures to minimize single-use plastics and food waste, while including guests in these efforts (Tae Hee Lee, 2021; Moliner et al., 2019; Chauhan & Kularatne, 2021).

The ethical purchasing of local items and sustainable procurement can diminish carbon emissions and bolster local populations. Hotels must guarantee equitable labor practices and engage in corporate social responsibility initiatives (Chauhan & Kularatne, 2021; Carr, 2020).

Green certifications like EarthCheck or Green Globe augment accountability, signify commitment, and increase customer satisfaction and loyalty (Moliner et al., 2019; Carr, 2020). Effective collaboration among management, personnel, suppliers, and local communities is crucial for the successful execution of initiatives, fostering social responsibility and sustainable tourism (Taghipour et al., 2024).

By implementing these techniques, New Zealand hotels may enhance sustainability, fulfill stakeholder and consumer expectations, and attain enduring operational and reputational advantages.

5.0 Conclusion

This study examined the influence of sustainability practices on stakeholder and customer expectations within New Zealand's hospitality sector, driven by four objectives. The initial target identified the most significant sustainability practices, encompassing energy-efficient technologies, water conservation programs, waste management systems, and the implementation of renewable energy. These strategies assist hotels in minimizing environmental effect, enhancing operational efficiency, and satisfying the increasing demand from environmentally aware customers.

The secondary objective analyzed stakeholder and customer expectations. Customers are progressively seeking sustainable accommodations, whereas stakeholders anticipate that hotels will balance environmental stewardship with financial viability. Waste reduction, water preservation, energy optimization, ethical procurement, and corporate social accountability are essential expectations that improve consumer satisfaction, trust, and sustained competitiveness.

The third objective emphasized the relationship between sustainable practices and stakeholder-customer expectations. Integrating sustainable activities with consumer values and stakeholder

interests enhances relationships, elevates brand reputation, and offers a competitive edge, maintaining a balance between financial performance and environmental stewardship.

The fourth objective was on practical measures, highlighting investments in renewable energy, ethical sourcing, green certifications, and collaboration among personnel, management, and local communities. Implementing these techniques enhances consumer pleasure, loyalty, and stakeholder involvement, while fostering long-term profitability and environmental sustainability.

The results indicate that sustainability is a pivotal factor influencing customer preferences and stakeholder endorsement. Hotels implementing energy-efficient technologies, minimizing waste, and engaging in ethical sourcing can surpass customer expectations and enhance stakeholder trust. Obstacles persist, especially for smaller enterprises contending with elevated implementation expenses. Integrating sustainability into fundamental business strategies is crucial for enduring success, competitiveness, and beneficial environmental effects, highlighting the necessity for continuous research to address implementation issues and assess long-term results.

6.0 Limitation and Recommendation

This study utilized secondary data derived from prior research. A primary constraint is the lack of region-specific publications, which lowers the study's accuracy. Most current research is based on primary data and is innovative, with no journal papers identified that analyze the impact of sustainability practices on stakeholder and customer expectations within New Zealand's hotel industry.

Based on the findings, multiple solutions were proposed to synchronize sustainable practices with the changing requirements of stakeholders and customers. Sustainability cannot not operate as standalone efforts but rather be embedded inside fundamental business strategies. Hotels can satisfy stakeholder expectations for ethical standards and profitability while aiding environmental preservation by reconciling sustainability with long-term commercial objectives. A comprehensive strategy that takes into account environmental, social, and economic implications is endorsed by Stakeholder Theory and the Triple Bottom Line paradigm. Sustainability objectives must be integrated into operational strategies and key performance indicators for ongoing assessment.

Medium and small-sized businesses in the hospitality industry have financial and technological challenges in executing sustainability initiatives. It is advised that governmental bodies and trade associations offer assistance via collaborative infrastructure, financial grants, subsidies, and educational initiatives. Cooperation among SMEs, major hotel chains, and governmental bodies can facilitate significant advancements and promote the extensive implementation of sustainable practices, thereby improving long-term economic, social, and environmental results in New Zealand's hospitality sector.

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