



Lifestyle of health & sustainability: The hospitality sector's response to a new market segment

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ABSTRACT

The “Lifestyle of Health and Sustainability” (LOHAS) market segment is becoming increasingly important. Despite this emerging trend, no conceptual or empirical work in tourism and hospitality literature has focused on this market segment so far. This research note aims to stand as a reference point on such topic and to present the results from a study conducted on the perception of this market segment among managers of hospitality services in the South Tyrolean part of the Dolomites (Italy). Results show that the intention of hospitality managers to adopt LOHAS practices is largely determined by economic opportunities and by the demand for LOHAS features. However, their level of awareness of the relevance of the LOHAS segment is rather low.

1. Introduction

In a time when consumers are looking for a more balanced and sustainable lifestyle, new needs and behaviours are also reflected in tourists' requests while on vacation (Lehto & Lehto, 2019). Indeed, a higher proportion of consumers are looking for more authentic and fulfilling experiences, which benefit body, mind and soul. This new market segment, which Ray and Anderson (1998) introduced as “Cultural Creatives”, is also known as the “Lifestyles of Health and Sustainability” (LOHAS) market segment. These consumers place particular attention to their physical and mental health and value all those behaviours promoting and supporting sustainable development of both the environment and the society. This segment is estimated to be, according to the “Natural Marketing Institute”, more than 20% of the population in the United States and Europe. Despite this emerging trend, tourists' well-being, healthy lifestyle and sustainability issues have not been discussed in combination, at least not explicitly. To the best of our knowledge, no conceptual or empirical work in the tourism literature has focused on this market segment so far.

This paper aims at filling this gap standing as a reference point on the “Lifestyles of Health and Sustainability” topic and to present preliminary results from a study conducted on the perception by local hospitality managers of this market segment, which requires sustainability practices to be integrated with health and wellness offerings.

The South Tyrolean part of the Dolomites (Italy) was chosen as applied case, being a region that has embraced the green concept in all economic sectors, becoming an example for other Italian and European regions. South Tyrol enjoys the highest levels of quality of life and wealth in Italy and is ranked among the best areas in Italy in the “Index of Fair and Sustainable wealth”, an index developed by the National Institute of Statistics (Istat, 2018). According to the indicators of “Fondazione Impresa Studi”, South Tyrol ranks first in Italy for “green orientation” (Fondazione Impresa, 2014), an orientation which is reflected in tourism –with enforced green building requirements and certification in the hospitality sector and a strong marketing campaign focused on its mountain unspoiled environment– being further strengthened by the interests of its visitors. Indeed, according to the Italian Touring Club (2019), South Tyrol ranks by far as the first destination in Italy for active holidays. Hence, it is in a destination like the South Tyrolean Dolomites -where tourism is foremost based on LOHAS features-that an analysis of the LOHAS orientation of the hospitality sector might have particular relevance.

The paper is structured as follows. Section 2 sets the theoretical framework and the research questions. Section 3 presents the methodology. A discussion of the main results is provided in Section 4. Some conclusions are presented in the last section of the paper.

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2. A new market segment

2.1. The “Lifestyles of Health and Sustainability” consumers

“Lifestyles of Health and Sustainability” consumers can be defined as people who give importance to holistic health, personal growth, sustainable living, the environment, and global social justice, who care for their families and for a more sustainable society (Natural Marketing Institute, 2008). They focus on purchasing products such as organic and natural food, locally produced, eco-certified, or fair trade products; moreover, they support the use of renewable resources, eco-friendly transports, recycling programs, as well as energy-efficient household appliances. These consumers are basically those who care about themselves, the environment and the planet. Not only physical and mind wellness are involved in the LOHAS notion, but also living greener, and creating conditions to enjoy a more sustainable and healthier lifestyle.

According to Philip Kotler (2011, p. 144), “the market for LOHAS products is growing,” hence, “producers will have to decide more carefully what to produce, how to produce, how to distribute, and how to promote”. Despite, Kotler’s warning, so far his suggestion remained unheard in tourism research. The only two studies published to date in tourism and hospitality journals concern the food sector, aiming at understanding the service attributes in LOHAS restaurants (Cheng et al., 2019), and the relationships between LOHAS behaviour and healthy food choices (Kim et al., 2018).

2.2. The LOHAS tourism

The existing published research in hospitality has dealt either with green/sustainability issues or with healthy lifestyle/wellness/well-being issues. There is an extensive literature that deals with green or sustainable guests’ orientation (Han & Kim, 2010) and tourists’ willingness to pay for green and sustainable practices (Kang et al., 2012). Especially due to media coverage regarding environmental concerns, hospitality services are increasingly focusing on green practices as waste disposal, water usage, energy efficiency and adoption of renewable energies (Chan, 2013; Han et al., 2018; Reid et al., 2017).

Drawing from interdisciplinary perspectives, wellness and wellbeing have quite recently emerged as trend topics in hospitality literature. However, as shown by Kazakov and Oyner (2020), who developed a “conceptual map of health and wellness tourism research”, wellness tourism has been a popular research theme in the last 75 years.

Tourists are increasingly motivated by the enhancement of mental, physical and spiritual well-being (Lehto & Lehto, 2019). Damijanić (2019) identified tourists segments with different wellness-related lifestyle dimensions and travel motivations. Kay Smith and Diekmann (2017, p.10) posited that the link between well-being and tourism is rather a complex one, and suggested, “destination planners need to adopt a utilitarian approach in order to ensure the wellbeing of the place and its people, as well as providing wellbeing-enhancing experiences for tourists”. Uysal et al. (2020, p. 1) argued that “designing for tourism is intimately related to the enhancement of quality of life”. Indeed, Luo et al. (2017) demonstrated that satisfying experiences of wellness tourism can contribute to improve tourists’ quality of life. The notion and the dimensions of a wellness hotel have been examined by Chi et al. (2020), who identified amenities and services that tourists demand, useful to evaluate hotel performances.

2.3. Research questions

Despite the extensive tourism literature that concentrates on sustainability issues and the increasing interest during the recent years among scholars about wellness tourism and tourists’ healthy lifestyle, there have been no studies to examine the two concepts jointly. Missing from the body of existing research, are studies that offer specific insights onto the LOHAS behaviour, as an emerging trend combining

environmental and social sustainability to personal physical and mental health. This creates a knowledge gap that we aim to address in this paper. Being this segment still largely unknown, few hotels are being proactive offering services that go beyond the sole green management practices, trying to provide customers with experiences that benefit body, mind and soul, with a 360-degree view of tourists’ well-being.

All that said, this study intends to answer the two following research questions:

RQ1: Are hospitality managers aware of the relevance of the LOHAS market segment?

RQ2: What will affect hospitality managers’ intentions to adopt LOHAS practices?

3. Methodology

The existing literature on this market segment from other contexts (Cheng et al., 2019; Choi & Feinberg, 2018; Natural Marketing Institute, 2008) served as an initial base for a questionnaire that itemizes the most relevant LOHAS practices. Primary quantitative data were collected using a web survey distributed between April 12th and May 23rd, 2019 to the top management of hospitality structures in the Dolomites. The emails were obtained contacting the local hotel and tourism association. A reminder was sent in order to increase the response rate. The survey was sent to 330 managers and a total of 118 usable surveys were obtained (35.8% response rate).

Managers were asked their intention to adopt LOHAS practices, their perception towards the economic opportunities emerging from the green market, and their customers’ orientation. Questions were posed in a 5-point Likert scale format, ranging from 1 (very low) to 5 (very high).

A Principal Component Analyses (PCA) was performed. Kaiser Meyer Olkin (KMO) and Bartlett’s test of sphericity were calculated to assure the appropriateness of the data collected for the PCA. The uncorrelated components were then used as independent variables in an ordered logit model to find significant relationships between the obtained factors and the intention to implement LOHAS practices (also in a 5-point Likert scale), such as, “we will (i) implement activities for the physical well-being, (ii) implement activities for the mental well-being, (iii) adopt green practices (iv) offer local products, (v) offer organic products”. Two control variables were included in the estimates, “years of operation” and “number of beds”. The “Statistical Package for the Social Sciences” (SPSS), version 25, was used to analyse data.

4. Results

As displayed in Table 1, the PCA produced five components that explain 73.44% of the variance. The results of the KMO (0.836) and Bartlett’s test (χ^2 1679.335, significance 0.000) indicated that the data are suitable for this type of analysis (Hair et al., 1995). Cronbach’s alpha above 0.7 confirms the internal consistency of the scale for each component.

The first component (explaining 37.59% of the variance) includes variables such as, “Spa, wellness centre, activities for mind and body well-being, ecological building materials, use of renewable resources, organic food”, and was named “perceived demand for LOHAS features”. The second component (13.21%) was named “economic opportunities” and includes four variables, namely, “it is economically viable to address green tourists’ demand”, “green practices provide an opportunity to innovate our products”, “eco-labels are important tools to increase the number of tourists”, and “green tourists spend more”. The third component was labelled “perceived demand for preservation and authenticity” (10.15%) and contains three variables concerning sustainability issues, such as “interactions with locals, preservation of the local culture and environmental preservation”. The fourth component, “perceived demand for quality of services” (7.16%), encompasses the “quality of room and services, the structure position and outdoor physical activities”. “Quality of food” and “local food” are the two

Table 1
PCA results and descriptive statistics.

First PCA Components	Loadings	Variance Explained (%)	Chronbach's Alpha	Means	SD
F1. Perceived demand for LOHAS features		37.59	.904		
Spa	0.818			2.56	1.371
Wellness centre	0.808			2.73	1.369
Activities for mind and spiritual well-being	0.807			1.99	.983
Activities for body well-being (e.g. fitness, gym)	0.798			2.18	1.100
Ecological building materials	0.681			2.41	1.160
Use of renewable resources	0.602			2.43	1.205
Organic food	0.559			2.57	1.166
F.2. Economic opportunities		13.21	.876		
It is economically viable to address green tourists' demand	0.879			2.81	1.133
Green practices provide an opportunity to innovate our products	0.863			2.97	1.158
Eco-labels are important tools to increase the number of tourists	0.807			2.73	1.144
Green tourists spend more	0.781			2.59	1.117
F3. Perceived demand for preservation and authenticity		10.15	.871		
Interactions with locals	0.845			3.02	1.132
Preservation of local culture	0.837			3.39	1.198
Environmental preservation	0.804			3.74	1.172
F4. Perceived demand for quality of services		7.16	.763		
Quality of rooms	0.807			3.83	1.085
Quality of services	0.770			4.16	.948
Structure position	0.638			4.09	.966
Outdoor physical activities	0.616			3.42	1.229
F5. Perceived demand for quality of local food		5.33	.845		
Quality of food	0.737			3.72	1.260
Local food	0.681			3.53	1.221
KMO Measure of Sampling Adequacy	0.836				
Bartlett's test of sphericity χ^2	1679.335				
Significance	0.000				

Table 1 (continued)

First PCA Components	Loadings	Variance Explained (%)	Chronbach's Alpha	Means	SD
Dependent variables				Means	SD
(i) Physical well-being				2.83	1.355
(ii) Mental well-being				2.35	1.308
(iii) Green practices				2.54	1.153
(iv) Local products				3.76	1.200
(v) Organic products				3.13	1.275

Source: Survey results.

variables comprised by the fifth component, “perceived demand for quality of local food” (5.33%).

The descriptive analysis (see Table 1, mean values) shows that hospitality managers believe that in general their customers are more interested in standard features as the quality of services (4.16), room (3.83), food (3.72), or structure location (4.09), rather than in activities for their mental and spiritual well-being (1.99), and for body and physical well-being, such as gyms (2.18), Spas (2.56) and wellness centres (2.73). Moreover, they are not fully convinced that green tourism is a profitable market segment – “it is economically viable to address green tourists' demand” and “green tourists spend more” received a mean value of 2.81 and 2.59, respectively, under the neutral threshold of 3 – capable to increase the number of tourists (2.73) and to provide an opportunity to innovate their products (2.97).

Table 2 displays the signs and the significance of the relationships

Table 2
Ordered Logit Regression results.

	(i). Physical well-being	(ii). Mental well-being	(iii). Green practices	(iv). Local products	(v). Organic products
F.1 Perceived demand for LOHAS features	.769** (.204)	.913** (.213)	.415* (.204)	.441* (.205)	.767** (.207)
F.2 Economic opportunities	.947** (.200)	.898** (.206)	2.274** (.301)	1.236** (.220)	1.878** (.253)
F.3 Perceived demand for preservation and authenticity	.055 (.178)	.086 (.182)	.242 (.187)	.388* (.185)	.301 (.181)
F.4 Perceived demand for quality of services	.243 (.184)	.138 (.192)	.151 (.195)	.165 (.188)	.159 (.188)
F.5 Perceived demand for quality of local food	.211 (.187)	.369 (.197)	.603** (.205)	1.189** (.241)	1.037** (.218)
Year of opening	.001 (.006)	-.001 (.006)	-.006 (.007)	-.004 (.008)	-.007 (.007)
Number of beds	.027 (.009)**	.014 (.009)	.001 (.009)	-.015 (.010)	.024 (.009)*
Model fitting χ^2	56.604	51.447	111.275	59.390	92.270
Significance	.000	.000	.000	.000	.000
Nagelkerke Pseudo R ²	.430	.402	.675	.452	.604
Number of observations	118	118	118	118	118

Note: ** = prob<1%, * = prob<5%.

Controls included in the estimates: Years of operation, number of beds.

Source: Survey results.

between the five dependent variables and the independent variables resulting from the PCA. The regression models show that the hospitality managers' intention to adopt LOHAS practices is largely determined by economic reasons – with the component “economic opportunities” being positively and highly significant (prob. <5%) in explaining all the dependent variables – and by the “perceived demand for LOHAS features” (first component). The “perceived demand for preservation and authenticity” only affects hospitality managers' future intentions towards offering local products, whereas the “perceived demand for quality of local food” affects their intention to offer local and organic products and to implement green practices. A further empirical evidence relates to the “perceived demand for quality of services”, which does not affect future intention towards most of the LOHAS practices.

5. Conclusion

To authors' knowledge, so far, no studies on the LOHAS market segment in tourism have been published. This study attempts to address the importance of this market segment from the perspective of hospitality managers. These findings should be viewed as a preliminary step to understand the implementation of LOHAS practices in the hospitality sector.

This study shows that the level of awareness of the relevance of this market segment by the hospitality managers in South Tyrol involved in the survey is rather low. Results also suggest that the key variables towards the adoption of LOHAS practices are consumers' pressure and economic opportunities for the hospitality service. If hospitality managers perceive a relevant demand for features related to “lifestyle of health and sustainability” and if addressing this market segment is economically viable, they are willing to implement LOHAS initiatives, such as adopting activities for the physical and mental well-being, implementing green practices, and offering local and organic products. Conversely, they perceive that the demand for LOHAS features is rather low compared to the demand for quality of services and food, and for authenticity and preservation. This seems to be contradicted by local tourism surveys that suggested that the “Lifestyle of Health and Sustainability” is an important market segment for local tourism, being relax, nature, active tourism, sport and wellness among the main travel motivations in the Dolomites (ASTAT Bolzano Province Institute of Statistics, 2015; EURAC Research, 2017; Trento Province, Department of Tourism and Sport, 2015).

To address this relevant and growing market segment, local hospitality sector requires new ways to manage tourism activities. Management in the local hospitality sector should go beyond the adoption of standard green practices to attract customers who are sympathetic to environmental causes. Hospitality managers should rethink their approach, recognizing the central role played by aspects connected to the mental, spiritual and physical well-being, together with sustainable practices. To satisfy this market segment, the hospitality sector should not only implement energy and waste reduction or recycling programs, but also provide services and products that do not harm the environment and the society, protecting the landscape and ecosystem, while satisfying visitors' mental, physical and spiritual well-being. This could on one side provide a competitive advantage, and on the other side, benefit tourists that through such holidays will improve their well-being.

This paper contributes to the existing literature in tourism hospitality by focusing on a market segment not yet studied and whose relevance has not been adequately understood. This study aims to offer a new perspective that can help hospitality managers in identifying the emerging LOHAS market segment, largely neglected to date. This research is rather exploratory with the aim to provide some insights on the attitudes of the managers towards such segment. Indeed, this survey is the first part of a wider research project, which also collected data on

tourists visiting South Tyrol in order to identify the specific characteristics and the interest of LOHAS features of the tourists visiting the destination.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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