

SUSTAINABILITY ON THE HOSPITALITY INDUSTRY

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INTRODUCTION:

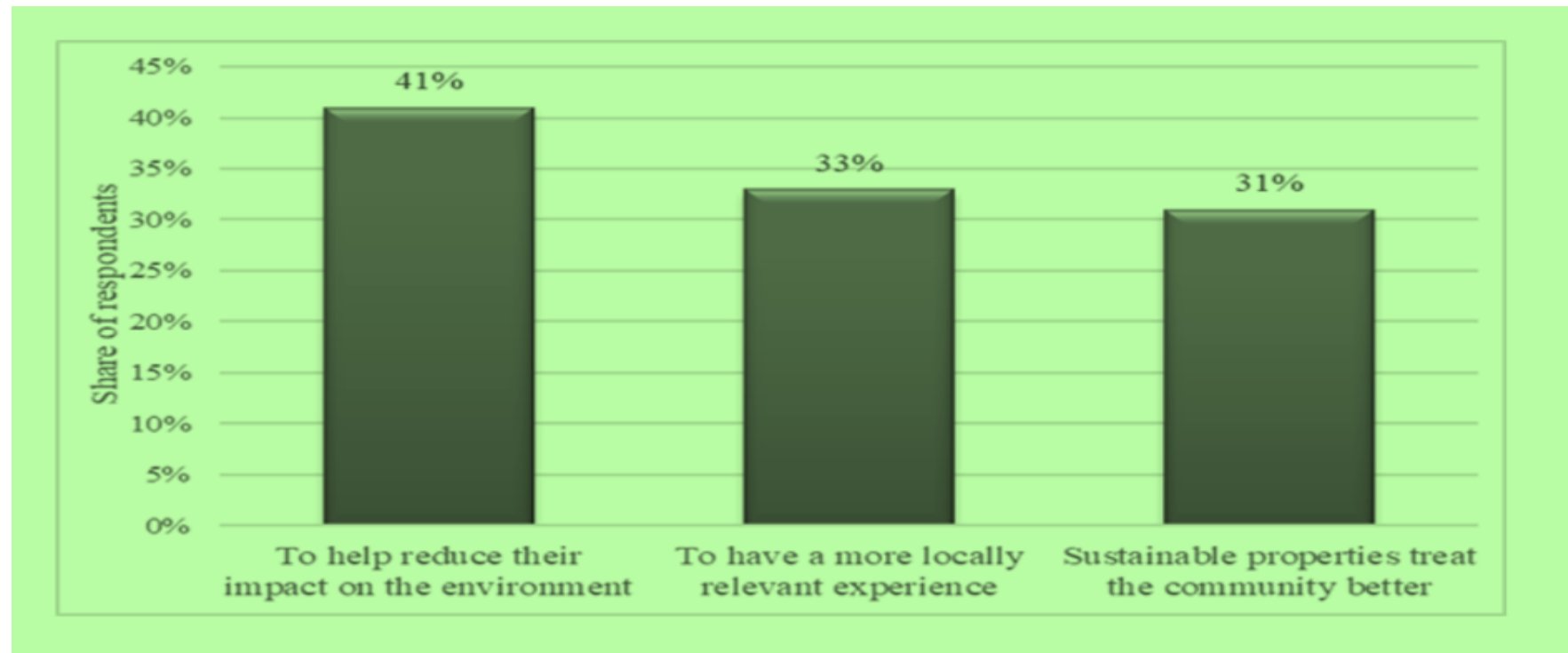
- ▶ For the hospitality sector, sustainability is recognized as the major concern.
- ▶ Hotel industry adversely impacted the environment because of its rapid development.
- ▶ Sustainability issue required hotels to rethink their strategy of doing business.
- ▶ Sustainability is a crucial approach to facilitate balance between environmental conservation and social responsibility (Alberton *et al.* 2020).

INTRODUCTION:



- ▶ Majority of the travelers cite sustainability as their priority when travelling as the attempt to contribute to natural habitat protection.
- ▶ Sustainability has evolved as more than a trend due to increasing awareness and changing attitude of people.

REASONS TRAVELERS STAYED IN SUSTAINABLE ACCOMODATION:



Source: (Popsa 2023)

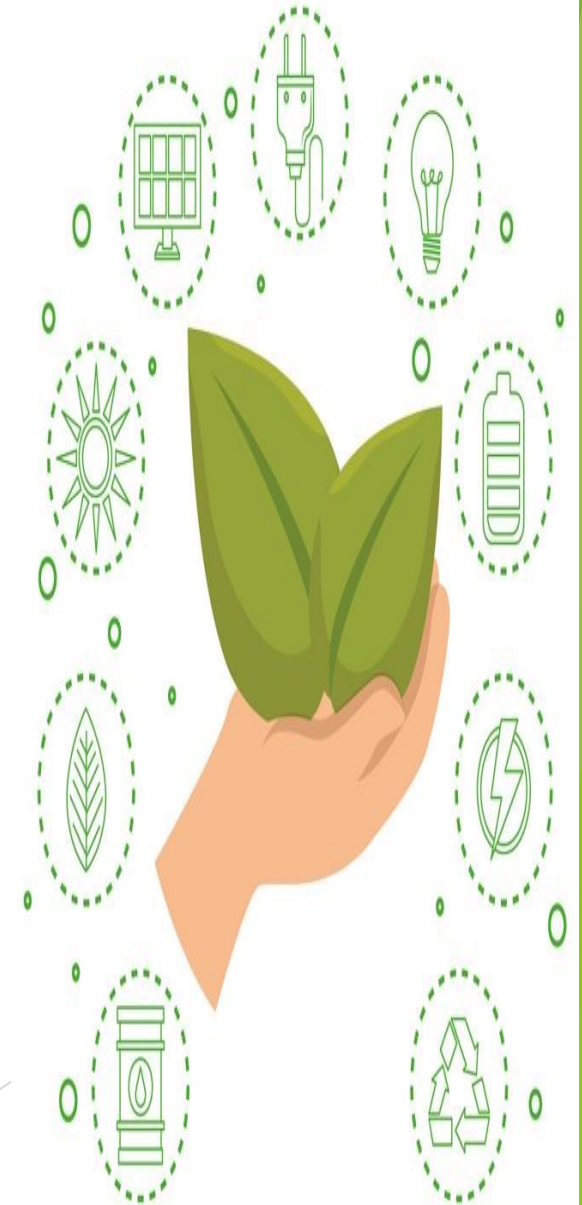
LITERATURE OVERVIEW:

- ▶ The chosen theme of sustainability in the hospitality sector is green management or eco friendly management.
- ▶ Findings are derived by reviewing the recent literature and journal articles.
- ▶ Green practice implementation helps in creating marketing differentiation.
- ▶ Eco management contributes by improving social responsibility, profitability and customer satisfaction.



LITERATURE OVERVIEW:

- ▶ The competitive environment and innovation level positively impact green and eco friendly practices at hotels.
- ▶ Implementation of green practice benefits the hotel as per the findings of literature.
- ▶ The benefits retrieved by the hotels are derived regardless of size, category and budget.
- ▶ Hotels receive additional benefit in terms of differentiation due to its green practices (Lenzen *et al.* 2018).



LITERATURE OVERVIEW:

- ▶ The literature finds that diabolical practices such as poor maintenance, poor service design, and poor building design contributes to sustainability issues.
- ▶ Analytical and strategic approach at hotels helps in facilitating the execution of green management practices.
- ▶ It is found that hotels are looking forward to lower their ecological footprints and reduce their carbon emission.

APPLICATION TO THE HOSPITALITY SECTOR:

- The impact of sustainability on the hospitality sector is established through the theoretical framework.
- The theoretical framework adopted to conduct the analysis is PESTEL.

P	E	S	T	L	E
Political	Economical	Social	Technological	Legal	Environmental
Explore: - Government stability - Financial stimulus commitment - Pandemic strategic plan - Health service readiness - Pandemic policy factors - Current taxation policy - Future taxation policy - The current and future political support - Grants, funding and initiatives - Trade bodies - Effect of wars or worsening relations with particular countries - Election campaigns - Issues featuring in political agendas	Explore: - National debt levels - Recovery struggle for impacted industry - Strength of consumer spending - Current and future levels of government spending - Ease of access to loans - Current and future level of interest rates, inflation and unemployment - Specific taxation policies and trends - Exchange rates - Overall economic situation - Real estate exodus - Inner city business decline - Supply volatility	Explore: - Pandemic lifestyle trends - demographics - consumer attitudes and opinions - media views - law changes affecting social factors - brand, company, technology image - consumer buying patterns - fashion and role models - major events and influence - Inner city pandemic trends - ethnic/religious factors - ethical issues - Digital relationships	Explore: - Relationship with pandemic - Sector technology demand - Relevant current and future technology innovations - The level of research funding - The ways in which consumers make purchases - Intellectual property rights and copyright infringements - Global communication technological advances - Internet connectivity utility	Explore: - Legislation in areas such as employment, competition and health & safety - Environmental legislation - Future legislation changes - Changes in European law - Trading policies - Regulatory bodies - Pandemic legislation - Working environment - Pandemic legal sensitivities	Explore: - Relationship with global warming - Relationship with recycling and global fight against waste - Relationship with global fight against plastic usage - The level of pollution created by the product or service - Attitudes to the environment from the government, media and consumers - Relationship with renewable energy - Relationship with deforestation

PESTEL ANALYSIS

Political factors

- ▶ Political decision influence the operation of hotel by impacting the economic environment.
- ▶ The political situation influence the extent of adopting the sustainability practices in hotels.

Economic factors

- ▶ Economic environment of the region impacts the growth performance of hotels.
- ▶ Green practices at hotels is also determined by the consumers willingness to pay extra, which is ultimately decided by economic environment.

PESTEL ANALYSIS:

Social factors

- ▶ Social factors that impact the green practices in the hospitality includes attitude and behavior of consumers and organizations, ethics and social structures.
- ▶ The sustainability approach of hotels is influenced by the behavior and attitude of the consumers and business environment (Khatter 2023).

Technological factors

- ▶ Technology incentive, technological change, and awareness of technology impacts the sustainability practices.
- ▶ Environmental quality in the supply chain and operations at hotels is influenced by technological awareness and innovation.

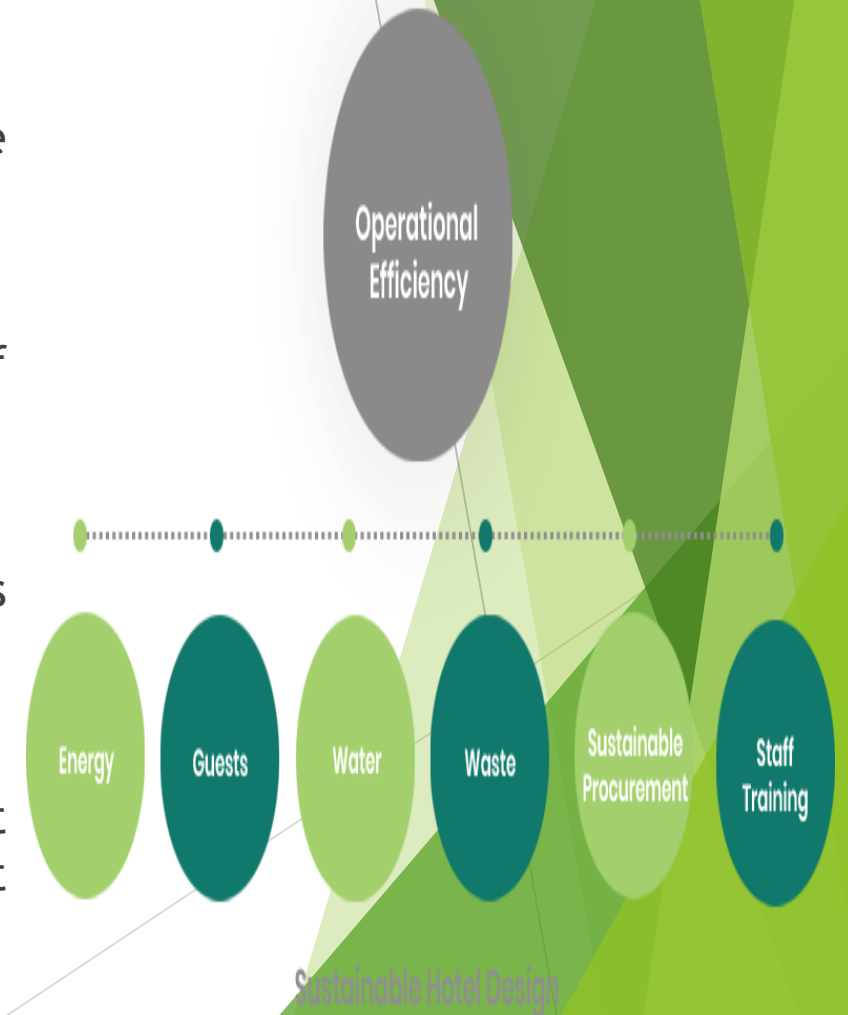
PESTEL ANALYSIS:

Legal factors

- ▶ Different regulatory standards, environmental law and anti trust laws influence how hotel adopt sustainability and work towards it.
- ▶ The sustainability target and climate actions set by the hotels is governed by its adoption and adherence to the laws and standards.

INDUSTRY RESPONSE TO SUSTAINABILITY ISSUE:

- ▶ The desire to make positive changes and works towards the attainment of sustainable goal is demonstrated by many hotels.
- ▶ The evident of sustainability practices is demonstrated by one of the largest hotels Marriott International.
- ▶ It is reported that usage of water and requirement of energy is lowered by 6% and 13% respectively.
- ▶ Another hotel Radisson group aims to achieve the target of net zero emission in agreement with the COP21 Paris agreement (Deloitte.com 2024).



INDUSTRY RESPONSE TO SUSTAINABILITY ISSUE:

- ▶ The renewable strategy implementation at Radisson is done in collaboration with “*World Travel and Tourism Council*”.
- ▶ The green building label results from the guidelines on designing the comprehensive design of green building (Climatetrade.com 2023).
- ▶ Hotels has some limitations when transitioning to sustainable business practices.
- ▶ It includes lack of awareness, organizational documentation and policy on sustainability.

INDUSTRY RESPONSE TO SUSTAINABILITY ISSUE:

- ▶ The attitude of employees can also be cited as a significant limitation in green practices implementation.
- ▶ Motivation of employees helps in seamless adoption of the hotels towards more sustainable business practice.



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FRIENDLY

FUTURE POLICY AND MANAGEMENT OPTIONS:

- ▶ The government policies and international agreements plays an important role in addressing the sustainability issues at hotels.
- ▶ Incentives of the government such as grants and allowances on tax reduction can boost hotel to move towards greener practices (Chou *et al.* 2012).
- ▶ Technology can go a way forward in offsetting the carbon footprint of the hotels.
- ▶ Sustainability agenda and sustainability polices should be formally written.



CONCLUSION:

- ▶ Hospitality sector substantially faces the issues of sustainability due to its rapid development.
- ▶ The hospitality sector can go a long way to contribute to the sustainable goal achievement.
- ▶ A collective efforts of the government and hotels are needed to promote the implementation of sustainability practices.
- ▶ Lastly, the designing of sustainability strategy should incorporate economic, social, political, technological and legal factors.

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