Revisiting green practices in the hotel industry: A comparison between mature and emerging destinations

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ABSTRACT

Environmental issues are increasingly recognised as a significant concern for tourism industries worldwide. In this exploratory work, a model of environmental practices adoption and its impact on independent hotels is developed. Two different destinations are proposed and analysed: the mature market of Madrid in Spain and the emerging destinations of Santiago and Valparaiso in Chile. To test the model, a qualitative method based on case studies of 24 hotels—12 hotels for each country—was used. The findings show that environmental practices are implemented in both destinations and demonstrate the diverse impacts of this implementation, primarily in the financial and operational spheres. Differences are observed in the two countries regarding the proposed model, mainly in terms of barriers to implementing environmental practices, products used and processes related to clients and suppliers' responsibility. Therefore, this research implies that the hotels analysed are adopting an environmental management approach, although in different ways. The added value of this research is that it sheds light on the vision of sustainability in emerging and mature destinations and offers practical suggestions for hotel management regarding the implementation of various environmental practices and new environmental practices in hotel management.

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1. Introduction

According to Ku et al. (2011), the ability to adapt—i.e., to survive and provide adequate organisational resources to cope with threats and take advantage of opportunities—assumes vital importance in the scenario faced by hotels and implies changes in client needs, higher expectations of value and quality, and an increasingly competitive environment. Environmental management has become a necessary practice for tourism firms to maintain their competitive position (Blanco et al., 2009). These practices not only serve to lure certain types of clients who seek an explicit commitment to the natural environment but also provide hotels with a source of competitive advantage that allows for cost reductions (Alonso-Almeida, 2012; Llach et al., 2013; Perramon et al., 2014) and improves their image (Jang et al., 2011; Perramon et al., 2014).

Therefore, one of the focuses of prior research on the impact of environmental practice adoption is financial performance (Molina-Azorín et al., 2009a). Several authors state that the incentive to adopt this type of practices is much stronger for hotel chains and large hotels, which have a higher degree of implemented environmental practices, than small hotels and thereby derive greater benefits from them (Álvarez-Gil et al., 2001; Molina-Azorín et al., 2009b; Pereira-Moliner et al., 2012).

The World Tourism Organisation (UNWTO) annual report (2014) states, "The tourism sector is unique in that it comprises many small and micro enterprises". This situation is becoming evident in most countries worldwide (e.g., Pine and Phillips, 2005; Sampaio et al., 2012), specifically in Spain, where more than 90% of the hospitality industry companies are small companies (Rubio Andrada et al., 2011). However, due to the different measures used and the presence of cultural factors, obtaining the entire picture of this phenomenon is a complex task, which requires the analysis of the types of environmental measures adopted, the degree of their implementation, the primary reasons for implementing them, their influence on operations throughout the supply

chain, and their perceived impact. It is also worth analysing whether adopting environmental measures and the impact of those measures are similar in mature versus emerging destinations. This question arises from the scarce literature comparing the two types of destinations because most studies have been conducted in the context of specific countries (Álvarez-Gil et al., 2001; Trung and Kumar, 2005) and there is an absence of comparative analysis on the subject.

Therefore, this research project has two goals. First, the full picture of sustainable adoption practices and their impact on independent hotels is analysed. Second, the situation in Spain, a mature global tourist destination, is compared with that in Chile, an emerging tourist destination that is trying to position itself within the tourism sector. This exploratory work broadens the scope of previous research in various respects. First, it assists in understanding independent hotels' vision of sustainability, starting with their motivations to adopt sustainable practices, continuing through the impact of sustainability practices, and concluding with changes to company operations and organisational routines. Second, this research establishes the basis on which tourist destinations' behaviour patterns with respect to sustainability may be built. Third, it provides independent hotels with practical advice for implementing sustainability measures according to their level of difficulty and potential economic benefits based on an in-depth study of the measures and impacts of 24 independent hotels in Spain and Chile.

2. Literature review

The literature review develops, on the one hand, the links related to destination stage and green practices and, on the other, the critical dimension involved in green practices adoption and impacts in hospitality. Based on these dimensions, the proposed model was built.

2.1. Destination stage and environmental practices

Tourism Area Life Cycle (TALC) (Butler, 1980) is the most cited and used model to explain the process of development on a destination. In this model "*destinations can be viewed as products, and their pattern of development closely mirrors the classic life cycle curve, with a period of slow initial growth, followed by a rapid development and take up period, which then gives way to slower growth and eventually probably a decline*" (Butler, 2009, p. 347). The time of each stage could be speeded up or slowed down and is different for each destination.

Thus, the TALC model identifies the following stages on a single curve: "*exploration, involvement, development, consolidation, stagnation, followed by the options of decline or rejuvenation and the commencement of a subsequent cycle*" (Butler, 2009, p. 348). Several studies have found that this model matches quite well with the situation faced by destinations in the 1980s and 1990s (e.g., Agarwal, 1997; Hovinen, 2002 among others). Although, some authors have found some deviations from the original model (Prideaux, 2000; Aguilo et al., 2005; Casasnovas and Rosselló, 2009), Cassanovas and Rosselló (2009) asserted that the main problem of the TALC model is its lack of applicability due to the presence of new elements not included initially in the model that could affect it. Another possible problem is that TALC does not contemplate the inclusion of the entire tourism system. Finally, these authors have also noted that the TALC model works in situations of economic stability but could fail in periods of economic instability.

However, the 21st century and its new challenges make it clear that a single model cannot predict the future of a destination (Butler, 2009). Thus, Baum (2006) and Agarwal (2002) showed that each destination could be in different stages of maturity; therefore, not a single curve but a series of circles appear to be the best approach. Moreover, the curve of destination development could be matched or influenced by other cycles such as attitudes about travel and leisure change (Butler, 2009). Cole (2009) analysed chaos models such as the Discrete Logistic Equation (DLE) and Logistic Tourism Model (LTM) with TALC to determine which models can best predict the future of destinations. The author suggested that chaos models provide innumerable possible trajectories when different factors are included, such as environmental issues, and this type of model could better predict consolidation and later stages. However, the models' ability to predict previous stages is not significantly different from that of the original TALC model.

Global environmental concerns could restrict certain types of tourism such as long-distance or mass tourism (Butler, 2011). For this reason, mature destinations could be interested in catering to more sustainable types of tourism, for example, by increasing pedestrian areas or limiting car accessibility in certain touristic areas (Weaver, 1993). Thus, Butler (2006) advises that the complexity of tourism cannot be captured by a single controlling force and that every stage could show different curves (Butler, 2011). Thus, reorientation strategies in a destination could be deployed beginning in the early stages given that this type of strategy implies a continuous effort to adapt to the market (Aguilo et al., 2005). In this respect, one way to increase the quality of tourist product is to include sustainability measures to attract new markets. Therefore, a destination could pursue an evolutionary behaviour and make adjustments when market or demand changes by means of the involvement of the main tourist actors. However, according to these authors (p. 227), "*a radical application of this concept (sustainable tourism) is not possible in mature tourist destinations*", given the development of previous mass tourism strategies (e.g., Weaver, 1993; Butler, 2006, 2011). Therefore, Aguilo et al. (2005, p. 227) recommend that "*environmental goals can be integrated into tourist development strategies by identifying and minimising environmental and social repercussions and by protecting the resources that make the destination attractive*" at the macro, meso and micro levels. Consequently, hotels in early-stage destinations that are unaware of environmental issues could deploy focused strategies to attract more environmentally conscious customers or be positioned as green. However, hotels in mature destinations could incorporate environmental practices to delay declination or pursue a rejuvenation strategy.

2.2. Motivations and barriers in adopting environmental practices

2.2.1. Motivations

Lozano (2013) conducted a holistic analysis of the reasons for which companies adopt environmental practices, which include internal and external motivators. He stated that regulations and stakeholder demands are the primary external motivators, whereas internal motivations, management's convictions and the promise of improved efficiency are the internal motivators.

In the case of the tourism industry, prior research suggests that the hotel industry has opted to adopt environmental practices rapidly, mainly for internal reasons, and has experienced external pressure to a lower extent than other sectors (Álvarez-Gil et al., 2001).

Best and Thapa (2013) stated that the motivators underlying the adoption of environmental practices in the hotel industry are (1) cost reduction and efficiency, (2) internal forces, and (3) external pressure.

Several studies have developed this perspective showing that motives related to cost include potential cost reduction, efficiency,