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THE ANALYSIS OF THE CONCEPT OF SUSTAINABILITY IN THE CONTEXT OF  
LUXURY SPA AND WELLNESS HOTELS

Master Thesis

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## INTRODUCTION

Tourism is one of the main economic sectors in the world, also generating important social benefits. It accounts for 9% of GDP (direct, indirect and induced), 6% of the world's exports, and one in 11 jobs. In 2013, 1,087 million international tourists travelled the world generating US\$ 1.4 trillion in exports. Despite many challenges including slow economic recovery in many countries, the number of international tourist arrivals has increased by 5% on average since 2010, and according to the UNWTO, is forecast to reach 1.8 billion by 2030 (Sustainable Tourism Programme, 2015). The intensive growth of this industry can result in serious environmental and social problems, what will create a lot of challenges for sustainable development. Particularly for the hotels to operate in sustainable way, since according to estimations hotels have the largest negative influence on the environment of all commercial buildings (Chen, Legrand & Sloan, 2009:2).

Through the literature review the author of this paper can conclude, that there are many studies of greening hotel operations to become more sustainable, but very few concentrated researches and studies about the sustainable management of such resourceful properties as luxury spa and wellness hotels. Moreover sustainable operation of five star property with various spa facilities considered to be a myth as spa hotels have significantly higher consumption on energy and water in comparison to regular hotels, because of running the energy and water consuming wet areas of the spa. Myths also include the ideas that nowadays green operation is more expensive and the guests of luxury hotel or spa are not interested in sustainability. The study can contribute positively to improvement of sustainability in luxury hospitality business by clarifying the concept of sustainability applied to luxury spa properties and by providing examples of successful sustainable practices applied in luxury spa hotels.

The title of the Master Thesis is: The analysis of the concept of sustainability in the context of luxury spa and wellness hotels. The problem question of the thesis is: is it possible to combine sustainability and luxury service in the context of luxury wellness and spa hotels?

The author of this thesis paper forms a hypothesis according to the existing literature, theory, and general belief in the hotel industry sector: it is possible to combine sustainability and luxury services in the context of spa and wellness hotels.

Concerning the aims set out for this Thesis, the following have been developed to address both the theoretical review and research portions of this text:

The aims of the research are:

1. To conduct the research investigation by analyzing the level of integration of sustainable practices in hotel operations in general and in spa operations in particular;
2. Develop the list of indicators of sustainability for spa hotels on the basis of various case studies and thematic literature related to sustainability in hospitality and the spa industry;
3. Identify the driving influential factors towards the adoption of sustainable practice in the luxury segment of spa and wellness hotels;
4. During the research investigation to test the hypothesis and identify areas of improvement of sustainable operations in the context of luxury spa hotel;

The main objective of the conducted research is to analyze the concept of sustainability and identify the level of implementation of sustainable practices in luxury spas and wellness hotels.

This author will answer the research question and accomplish the main aim of the empirical study as set out by tasks. The first and second aims will seek achievement by a research of thematic literature review based on a theoretical context and further supported by various practical examples of sustainable properties. The last two aims will be attained by the examination of few luxury spa hotels via Interview questionnaire and Check-list of Sustainable practices, which will result in comparative analysis of the case studies.

The research method chosen to conduct a research was a qualitative study method. The interviews were semi-structured open questions with the main focus on current implementation of sustainable practices in hotel and spa operations and their further

development and customers' attitude towards sustainable hotel operations. The interviewees were managers in the luxury spa and wellness hotels in Estonia, Latvia, Germany and St. Petersburg. The interviews were supported by a "Check-list of Sustainable Practices" that examines 36 different indicators in five main areas of sustainable hotel and spa operations. These areas were identified during thematic literature analysis and common practices and discussion are described in the Literature Review.

Conclusively, a theoretical overview, a research portion with a discussion and recommendations, the conclusion of this work, references, appendices and summary in the Russian language will divide this Masters Thesis. As for the theoretical review, it is focused on sustainable development and environmental impacts of hotels, introducing some of the main sustainable practices used in the hospitality sector. The second chapter is devoted to an empirical research of luxury spa and wellness properties in sustainable context. In addition the study research methods and process, data collected, results and areas of improvement.

# 1. LITERATURE REVIEW

## 1.1 The analysis of concept of sustainability applied to the hospitality industry

*'Just a decade ago the term "green business strategy" evoked visions of fringe environmentalism and a high cost for minimal benefit. Now that perception has changed – companies now realize that a strategy good for the world can also be good for the bottom line. Green business strategy is no longer an option; the future depends on it'*

Harvard Business Review [HBR], 2007

The author of this Masters Thesis will commence the first chapter of this work with a theoretical context, which defines the situation in the hospitality industry in the environmental context and gives the main definition of sustainable operations in the hospitality industry. Further the author provides description and detailed explanation of main sustainable practices applied to the hotel and spa business using various examples from case studies.

Pollution, waste, greenhouse gases and environmental hazards do not necessary spring to mind when considering the hospitality and tourism industries. Environmental degradation is more likely to be associated with heavy industries such as manufacturing, energy production, the steel industry, oil production or chemical industry (Sloan, Legrand and Chen, 2013:15). Grove, Fisk, Pickett, and Kangun (1996) support the assumption that the demand for greening is much more acute in industries where the pollution is actually visible. This argument seems reasonable, however, many authors, (Grove et al. 1996; Sloan, Legrand and Chen, 2013) emphasize the importance for hotels to reduce environmental impact as hotels, motels and various forms of accommodation comprise the largest sector of the travel and tourism industry and have been shown to have the highest negative influence on the environment, of all commercial buildings. Furthermore, the size and rapid growth of the industry make it clear that environmentally sustainable action is necessary in hotel management (Stipanuk, 2002).

According to estimate, an average hotel releases between 160 and 200 kilograms of carbon dioxide (CO<sub>2</sub>) per square meter of room floor area per year, and water consumption per guest per night is between 170 and 440 liters in the average five-star hotel. On average hotels produce 1kg of waste per guest per night. The US environmental protection Agency calculates during a one-night stay in a hotel room, 29.53 of CO<sub>2</sub> is produced in an average hotel. For upscale hotels emissions are calculated at 33. 38 kg CO<sub>2</sub> per room day (Sloan, Legrand, Chen, 2013:15). The EU Action plan for Energy, which was developed by the World Tourism Organisation, identifies the tertiary sector, including hotels, as having the potential to achieve 30% savings on energy use by 2020 – higher then savings from household (27%), transport (26%) and manufacturing industry (25%) (UNWTO, 2015). This data supports the statement that hotels count among the greatest polluters and resource consumers within the service industry and therefore need to reduce their impact on the environment.

According to Klepsch and Schneider (2012) companies have to understand that being unsustainable may harm their businesses in countless ways. Furthermore, a lot of opportunities are generated by environmental initiatives, which, if well integrated into a company's strategy, may cut costs tremendously and increase a company's profit. According to Weinstein (2014) for the past six years, it is the investors who mainly are pushing the hotels to converse and issue such sustainability reports like the one that Marriott publishes annually. Moreover Chan and Hawkins (2012) also confirm that the increasing consumer awareness on environmental issues, environmental law and governmental pressure has forces and encouraged the tourism operators and hotels to “green” their actions.

According to the Hospitality 2015 report by Deloitte's global strategic consulting team the society is in the midst of a significant cultural shift. Over the past five years sustainability has risen up political, consumer and business agendas faster than any other issue. Sustainability, the consulting firm believes, is now an accepted dynamic in the socioeconomic and political environment of the 21st century (Kyriakidis et al, 2015). Consumer research also shows that sustainability is of increasing importance when making

travel decisions. Ninety-three per cent of Conde Nast Traveller readers surveyed in 2011 stated that travel companies should be responsible for protecting the environment, and 58% stated that their hotel choice is influenced by the support the hotel gives to the local community. Furthermore, a 2013 Cone/Echo Global CR Study found that 91% of global consumers are likely to switch brands to one associated with a good cause (Huijbrechts, 2014). The same dynamics support the recent survey by Deloitte that found out that in most countries 30 per cent of consumers now buy with sustainability in mind and a further 30 per cent are aware of the issue (Kyriakidis et al, 2015).

Furthermore, many authors maintain that pursuing a sustainable strategy has great business potential particularly in highly competitive industries such as the hospitality industry. Very often implementing environmental management systems in the hotel not only makes the business more sustainable and environmentally friendly, but also can bring more profits and motivates the staff to work more efficiently (Chan & Hawkins, 2012). According to a recent research of LEED certified hotels in the US found that the certified hotels displayed better financial performance than a larger sample of non-certified ones. While the 93 certified hotels out of 100 had a slightly lower occupancy rate, they had a higher average daily rate (ADR), which translated into greater revenue. More importantly, two years after gaining LEED certification, the 93 hotels had a mean ADR of \$20 higher than the non-LEED hotels (Walsman, Verma & Muthulingam, 2014).

The interviews with hospitality executives, carried out by Deloitte consulting team, confirm that sustainability is no longer considered primarily as a marketing issue and is now increasingly seen as a prominent factor in decision making, although it is yet to be fully embedded into business thinking (Kyriakidis et al, 2015). Additionally, as different industries and businesses adopt 'greener' strategies, the hospitality industry will have to follow, simply because those companies will also request their business partners to adopt a 'greener' attitude (Go & Pine, 1995). But Sloan, Legrand and Chen (2013) argue that competitive advantage through sustainability cannot be gained by only one single improvement, it requires the company to constant question its strategic position, to monitor the competitors and to innovate constantly as hospitality industry belongs to hyper-



competitive industries where rivalry is abnormally high and competition is fierce and where companies observe very closely the moves of competitors and industry leaders and immediately copy their successful strategies as soon as they are introduced.

The main barriers hindering companies to implement sustainable strategies are the perceived cost barriers related to eco - friendly constructing and the lack of understanding that operating in a sustainable way may cut costs immediately and immensely. Specifically, as the importance of sustainability is growing and technologies are improving, the costs for making a company environmentally sustainable are gradually decreasing. Especially in the building industry, progresses of technology have proved that environmentally friendly constructions have immense cost advantages for companies (Klepsch & Schneider, 2012). According to Esty and Simmons (2011) the extra costs for a green building are only 2 percent more compared to a traditional building. However, green buildings have high savings in resource consumption and therefore become very efficient and the return on investment on a green building is about four to six times the upfront cost (Esty & Simmons, 2011).

Despite those mentioned benefits of being sustainable, companies are also increasingly forced into the green track by regulations enacted by the government, which require companies to mitigate their greenhouse gas emissions and consider the needs of the environment and local communities while doing business (Willard, 2005).

Using the Brundtland Report's definition as a starting point, a sustainable hospitality can be defined as an operation that manages its resources in such a way that economic, social and environmental benefits are maximized in order to meet the need of the present generation while protection and enhancing opportunities for future generations.

Generally speaking, sustainable hospitality operations or "green hotels" aim to reduce their impact on the environment and society. The American association, Greenhotels, provides a more resource-oriented definition: "Green hotels are environmentally sustainable properties whose managers are eager to institute programs that save water, save energy, and reduce

solid waste while saving money to help protect our one and only earth” (What are green hotels?, 2015).

According to all mentioned above it is also possible to define the notion of “green practices”, which according to O’Holleran (2015) typically employ recycling, reusing and in general waste conservation. Additionally, things like the reduction of greenhouse gas emissions, conserving water and potentially reducing land contamination are all part of green tactics. Often sustainability including the green practices of a business is framed by an organization’s corporate responsibility and ethics (O’Holleran, 2015).

But the most elaborated definition of sustainable hospitality in author’s opinion is provided by Sloan et al. (2010) and states that it is a hospitality industry development and management that meets the needs of today’s guests, hoteliers and stakeholders without compromising the ability of future guests, hoteliers and stakeholders to enjoy the benefit from the same services, products and experiences.

Accordingly to the definitions of sustainability and sustainable practices provided by different authors and organizations it might be assumed that sustainability is a complex issue and can be traced through entire life cycle of the product. See Figure 1 for details.

The Figure 1 gives an insight into how designing a building or a product involves the complex decision even before it is produced or a service is offered. Accordingly to Jauhari (2014) a service or hospitality offering involves choosing a location of a hotel or a site, identifying supply chain, designing the room, spa and other services, marketing to consumers, consumption of an experience and then there would be waste generation and consequently waste recycling. At each stage there would be certain decisions that would be required which would demonstrate sustainability or lack of it is the complete design of an experience (Jauhari, 2014:26).

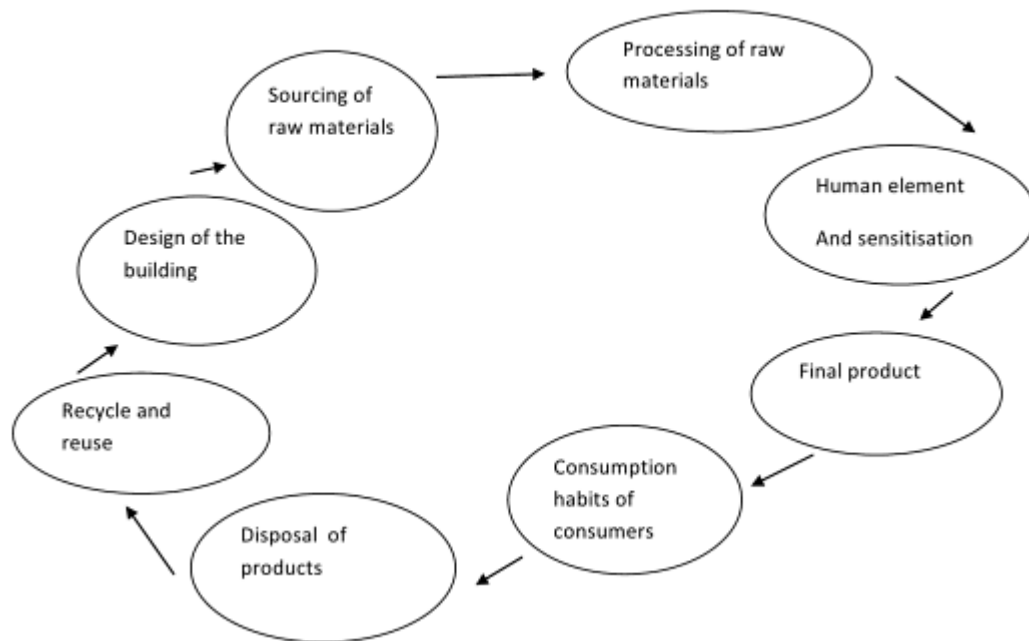


Figure 1. The life cycle of product from its origin to consumption (Jauhari, 2014: 26)

There are many different types of classification of sustainable initiatives in hospitality, some of them interpret the notion of sustainability applied to hospitality industry more general than the others. According to the one point of view greening initiatives could be characterized by (Meade, 2010) a number of mutually reinforcing approaches and are typically combined to meet a hotel company's "sustainability" objectives. These include:

- environmentally sensitive design
- environmental management operations
- corporate social responsibility
- reducing carbon footprint
- nature conservation
- environmental reporting
- guest loyalty programs

In its turn one of the America's and Europe's leading eco-certification companies 'Green Key' suggests another classification that is based on hotel's operations optimization. According to Green Key (2015), there are nine major areas of operations that could be made more sustainable and reduce the major part of the hotel's environmental impact:

- Energy conservation
- Water conservation
- Solid waste management
- Hazardous waste management
- Indoor air quality
- Community outreach
- Building infrastructure
- Land use

In opinion of such researchers as Chen, Legrand and Sloan (2013) as well as according to The Green Leaf standards, the sustainable measures typology could be generalized and includes such categories as:

- energy saving measures;
- water saving measures;
- green purchasing;
- waste minimization practices.

In the further subchapters the main sustainable practices will be presented and described by the author. In the literature review an effort has been made to embed the sustainability at each stage of the experience of the hospitality service. The author understands that sustainability is a broad topic each area of which might be sufficient for a separate master research, so the author sees as the aim to introduce main sustainable practices that are utilized most frequent in daily hotel operations.

## 1.2 Good energy conservation practices

According to Chen, Legrand and Sloan (2013) a hotel can be seen as architectural combination of three distinct zones, all serving distinctly different purposes:

- *the guest room area* (bedrooms, bathrooms/showers, toilets), individual spaces often with expensive glazing, asynchronous utilization and varying energy loads;
- *the public area* (reception hall, lobby, bars, restaurants, meeting rooms, swimming pool, gym, sauna, etc.), spaces with a high rate of the heat exchange with the outdoor environment (thermal losses) and high internal loads (occupancies, appliances, equipment, lightning);
- *the service area* (kitchens, offices, store rooms, laundry, staff facilities, machine rooms, and other technical areas), energy-intensive requiring advanced air handling (ventilation, cooling, heating).

Swarbrooke and Horner (2007) underlining Stipanuk's (2002) claim that 'energy costs are one of the largest non-staff cost items on a hotel's profit and loss account'. Chen, Legrand and Sloan (2013) confirms this statement and claims that, according to US Environmental Protection Agency, some 47 000 hotels spend US\$2196 per available room each year on energy which represents around 6% of all operation costs. Furthermore, about half the electrical energy is used for space conditioning/heating purposes (Chen, Legrand, & Sloan, 2013:52).

Webster (2000) claims that energy saving initiatives can be clustered into three chronological orders, namely short-term, mid-term and long-term.

- Short-term savings (pay back time below one year) can be achieved without vast capital investment (Webster, 2000:90). Those initiatives include switching off the lights and heating when not in use, switching off floors that are not occupied as well as usage of LED lights that (Manson, 2012) last up to 45 times longer than normal lamps and save up to 85%

on electricity costs. This is especially true for hotels that are located in tourist areas with high seasonality (Sloan, Legrand, Tooman, & Fendt, 2009:4).

Mackie (1994) emphasizes that those short-term energy saving initiatives can be achieved only when staff are committed to perform in a sustainable way and do not necessitate extensive advance planning. In this situation, pay back is instantaneous.

- Mid-term energy saving initiatives require a more sophisticated approach. In terms of operating technology, Webster (2000) proposes a series initiatives to gain mid-term energy savings (pay back time between one and five years), including replacing light fittings, insulating the roof, posing closing devices on doors, fitting all radiators with individual thermostats and implementing an on-going staff training plan in energy management. Using so-called intelligent hotel rooms systems, electricity can be saved by adjusting air-conditioning, heating and lightning system according to guest's presence in a room. The linking of energy use and room occupancy presents a natural synergy for conservation (Sloan, Legrand, & Chen, 2013:57). Of the above-mentioned measures, lightings in a large hotel property can also generate considerable cost savings. Lighting costs may account between 15 and 25 percent of hotels electricity consumption and between 25 and 30 percent of the total energy cost (Greenhotelier, 2003).

According to Baker (2005), the long-term savings are identified as requiring investment in technology and therefore with a longer pay back time (five years and more).

According to Webster (2000) and Sloan, Legrand and Chen (2013) it is possible to identify five key areas where energy efficiency would be enhanced significantly and propose five initiatives: (1) the installation of a computer-controlled air conditioning system or 'intelligent' hotel rooms system; (2) the installation of double glazing or Low-E glass that reflects infrared 'heat' energy back into the building; (3) the installation of an energy efficient kitchen; (4) the purchase of fuel efficient refrigeration and; (5) the purchase of fuel efficient transport. Depending on the geographical location of the hotel, heating, ventilation and air-conditioning (HVAC) can account for up to 50 percent of a hotel's total utility cost (Baker, 2005: 69). Modern air conditioning systems consume 30 percent less energy than a

20 year-old system and are capable of re-using the heat to preheat water for laundry or swimming pools (Greenhotelier, 2004a). Another critical cost and environmental impact area is the hotel kitchen. A kitchen can consume approximately 15 percent of a hotel's entire electricity and fossil fuel (Greenhotelier, 2005a). While technology, such as the use of convection ovens and induction hobs, is surely a step in the right direction, the Greenhotelier (2005a) argues that an environmentally sustainable hotel policy, as well as staff training on energy saving behaviour, can contribute vastly towards energy savings.

In the opinion of some spa experts if the spa hotel is in the development phase, the investments in wind or solar energy in order to subsidize the electricity that will be incurred during operation should be considered. Studies have found that solar panels can generate around 25 percent of the energy that a hotel needs to operate (Bruns-Smith, Choy, Chong, & Verma, 2015:7). According to Singer, Cassingham and Moore (2010) even if the spa is already in operation, ways of using renewable energy should be also considered such as using golf carts, vans and electric cars with solar powered or rechargeable batteries for staff and guests transportation within large properties; another example might be using solar panels for heating and cooling pools and whirlpools or using solar panels or wind turbines for generating electricity.

Another modern solution for energy generation is applying natural gas generators. According to Bruns-Smith et al. (2015) where natural gas is available, hotels can replace electricity with gas as a source of energy for the laundry and catering services, reducing the hotel's environmental impact, measured through greenhouse gas emissions, by approximately 40 percent; this estimate is based on the findings that laundry and catering services constitute 30 to 40 percent of hotels' energy consumption (Bruns-Smith et al., 2015:7).

### 1.3. Good water conservation practices

Water is in fact a crucial resource for the hospitality industry due to its scarcity and its role in a number of activities on property such as laundry, food production, bathrooms and outdoor facilities (Baker, 2005:70). Webster (2000) argues that only five percent of a hotel's overall water use is utilized for eating and drinking while the larger part is used for cleaning (including showering, bathing, laundering and dishwashing). According to Fairmont Hotel Green Partnership Programme: A Practical Guide to Greening Your Hotel, extraordinary amounts of water use could be conserved by maintaining water taps, valves and pipes, maintaining and upgrading toilets and retrofitting shower heads with low-flow, reusing greywater and involving guests in conservation process (Sloan, Legrand, & Chen, 2013: 99).

Guestrooms account for over 35 percent of water usage in large hotels (Webster, 2000:90). Webster (2000) argues that 'general estimates are that guests use only 10 percent of the total bedroom water poured and that the rest is used by the chambermaids during cleaning'. Similar to the short-term energy reduction strategy, staff training is essential when contemplating decreasing water usage.

As reported by many authors (Baker, 2005; Manson, 2012; Sloan, Legrand, & Chen, 2013), various simple technologies and practices are available to support lower water usage and waste water recycling. Investments in water-saving systems, greywater reuse rainwater collection and management systems can help reduce water consumption by 1049 m<sup>3</sup> per year, or 27% lower volume per guest per night according to Rainforest Alliance (Rainforest Alliance, 2010). As well many water-saving technologies installed by hotels and other businesses have short payback times, making them economically attractive.

Various water-saving solutions could be divided into three main groups depending on the functional area they are installed in:

- In *the bathroom area* could be used water-efficient fixtures would save up to 2 liters of water per hand wash, flow controllers or low-flow fixtures can be installed in plumbing



where water pressure is less important as in food preparation and guest toilets and could reduce water use up to one third. Another water-intense facility in hotel bedrooms is toilets and urinals that are responsible for up to 40% of domestic water use. Putting displacement device in the cistern or to fit water-free urinals and low-flush toilet, that uses less than 4 liters of water per flush, cut water use in half. Another way to optimize water use in toilets is to reuse grey water to flush toilets that can save up to 50% of domestic water use, but requires some filtering and disinfection. In public areas could be used faucet aerators and push button for shower activating to reduce water usage.

- Hotels that operate *laundries* on the premises have several options to reduce water consumption. The first is to use front loading machines that consume less water and less detergent than top loading machines. A further way to reduce energy by washing is low temperature washing that effectively reduces energy use by 30% resulting in client savings.

Moreover some hotels put printed cards on unmade beds in guestrooms asking the guest whether or not the linen should be changed. The guest's willingness to participate in these initiatives saves the hotel thousands of liters of water, cleaning products and energy per day. The same process can be used to limit the amount of fresh towels needed, e.g. only if they are on the floor, they get replaced (Bardi, 2010:308; Sloan, Legrand, & Chen, 2013:100).

- *Swimming pools, spas, water features and gardens* are another energy and water consuming area in the hotel. Swimming pools usually require much water as well as energy for its heating. Warmer water evaporates more quickly than cooler water, however in the opinion of Sloan, Legrand and Chen (2013) cooler water in the swimming pool could cause the guests' dissatisfaction. Pool covers could be partial solution for this problem as they would reduce an evaporation as well as heat loss, especially in cooler climates. Furthermore various filtration devices could enhance water quality in the same time reducing back washing and chemical usage resulting in significant savings over the year.

Another eco-friendly solution for swimming pools is building so-called natural swimming pool that work on the same principles as ponds and lakes using plants and natural

organisms to produce clear and clean water. Natural swimming pools have an added advantage of being water feature in the grounds of a hotel.

Water conservation is important in good garden maintenance. The first rule of sustainable gardening must be to plant indigenous plant species where possible that are best adapted to the local climate and soil. Watering should also take place either early in the morning or late in the day to reduce the possibility of the evaporation. As well filtered grey water or rainwater could be used for watering the gardens. Properties investing in fountains and water features should turn off appliances in the night and consider the use of grey water. (Sloan, Legrand, & Chen, 2013:101).

Good water management can result from staff training and motivation. Tasks such as washing vegetables should always be done in bowls instead of running water and defrosting should be done overnight rather than directly with water. Finally, many hotels have introduced water initiatives in the laundry department causing controversial discussions, namely towel and linen programs (Greenhotelier, 2005b). Stipanuk (2002) adds that regulations regarding water use will tighten in the future and hoteliers will have no other options than to introduce water saving policies and technologies to further reduce consumption. But in the same time, while hotel guests have become increasingly aware of environmental issues, many five-star luxury hotels have been trailing with the initiative stating that guests are reluctant to apply reuse programs claims Greenhotelier (2005b). Clear communication is essential to avoid misunderstanding between the intended environmental initiative and guest comfort.

## **1.4 Good waste management practices**

Baker (2005) maintains that ‘...costs can be greatly reduced by waste reduction and replacing conventional waste disposal activities with practices aiming for reuse, disassembly, recycling and composting’ (Baker, 2005:71). Proper waste management is a

cost-cutting measure as well as an environmental impact-reducing measure. Four categories of waste creation can be identified according to Baker (2005):

1. as a result of site clearance;
2. throughout the operational life of a hotel;
3. during refurbishment and;
4. at the end of the building's life or if there is a change in use.

However, Baker (2005) states that the majority of waste will be created throughout the operational life of a hotel.

Hotels are key generators of waste, producing about 100 kg per day. The case study of UK showed that over 3.4 million tones of waste is recycled every year and from this only 48 pec cent is reused recycled or composed while almost 43 pec cent (1.5 million tones) is thrown away, mainly to landfill. Shockingly, 600 000 tones was food waste going to landfill, two-third of which could have been eaten (Sloan, Legrand, & Chen, 2013:71).

As such, waste management systems should be implemented at a very early stage of hotel development. The four 'r' system of reducing, reusing, recycling and recovering has gained increasing attention over the past decade (Webster, 2000; Stipanuk, 2002; Greenhotelier, 2004b). Minimizing waste starts in the procurement department, ensuring that only products with a minimal packaging are acquired (Stipanuk, 2002) and (Lebel & Rajesh, 2010) with small simple changes in working processes. Many supplies can be reused, for example in a hotel bathroom: shampoo containers should be made out of glass and get refilled, replacing the small plastic bottles that end up in the garbage bin at home. Another example is reuse of textile: convert damaged textiles, such as uniforms and linens, into useful items as guest-room laundry bags, baby bibs, cleaning rags, etc (Sloan, Legrand, & Chen, 2013:82). This type of waste source reduction helps to reduce waste handling cost, because it avoids additional costs through recycling, municipal composting, combustion and land filling.

Food waste is often brought to cattle farms and piggeries to be used as animal feed or food donations are given to NGO's. The latter is not so common as the hotel often has to bear the costs for transportation (Franchetti, 2009).

Working with suppliers that have a proper environmental policy in place is also necessary. The increase in price for raw material can immediately make a recycling and reusing programme more attractive (Webster, 2000:91).

## **1.5 Responsible procurement**

Responsible procurement that is also well known as sustainable or green procurement, environmentally preferable purchasing, sustainable or responsible purchasing is a process by which environmental, social and ethical considerations are taken into account when making a purchasing decision.

According to Greenhotelier (2012) sustainable purchasing involves choosing products and services that have a lesser or reduced effect on human health, the environment and society when compared to competing items that serve the same purpose. Other authors give more detailed definition of sustainable purchasing where it refers to the purchase of alternative products with improved recyclability, reduced packaging, greater durability, recycled content, higher energy efficiency, low pollution/toxicity or high degradability; and the minimization of unnecessary purchases. The effect of the hotel industry's purchasing with the environment in mind would have a significant impact on supply industries and encourage them to supply more green alternatives (Environmental Consil of Macau, 2005).

Greenhotelier (2012) states that one of the principles of responsible procurement is life-cycle costing. It is a technique that establishes the total costs of purchasing a product or service, from "cradle to grave", by asking questions relating to each stage of its life cycle. It considers the following:

- whether a purchase is necessary at all;

- what products are made of;
- under what conditions they have been made;
- how far they have traveled;
- their packaging components;
- how they will be used;
- how they will be disposed of.

Purchasing decisions can have significant environmental and social impacts, particularly for the tourism and hospitality sectors, which often find themselves under pressure to import large numbers of goods, including food, from distant countries to cater for guests' demands.

Sustainable purchasing could be established on different levels:

- on the level of hotel's construction where sustainable materials and equipment are used for building's construction as well as furnishing rooms. According to Williams (2011) the décor of an average hotel room turns over every five to seven years. And despite the fact that many new hotels are being built to green building standards, the furnishings of the interior of the hotel aren't given the same scrutiny. Hotels spend more than \$1 billion a year on furniture, fixtures and equipment.
- on the level of daily operations that means sustainable purchase of food and drinks, printing and writing paper, toilet paper, tissues, and paper towels, office supplies, office electronics (computers, printers, copiers), cleaning products etc.

Sourcing food and drink locally is now an established strategy for many in the hospitality industry and the practice will continue to expand into other areas of procurement. There are many benefits of local sourcing including reducing transportation costs, support for the local economy, creation of a strong community relationship, and more certainty and predictability of delivery.

What concerns spas, it is a good practice to use in spa operations natural materials and products sourced locally. Besides being sustainable it is nowadays very trendy. A few years ago Spas stepped in line with the Bio and Eco trends, and that is “Back to Basic” (Tung, 2001) in other words instead of using (chemical) products during treatments, which are sourced from far away, more and more spas are starting to use local and natural products from their very own surroundings. Some spas went even further by developing a line of spa products using local ingredients to help market its new products to national and international audiences.

Furthermore, selecting sustainable goods and services from responsible suppliers will enhance the company reputation, increase customer loyalty and attract new customers. Association with a supplier with a poor environmental, social and ethical record can pose a significant reputational risk to a business. By showing a genuine commitment to environmental and social issues, responsible procurement can play a contributing factor in attracting and retaining hotel staff as well as creating more highly motivated and productive employees (Greenhotelier, 2012).

## **1.6 Social aspect of sustainability in hospitality and spa business**

Why should hotel companies care about developing social components to their sustainability strategies? In opinion of Moon (2011) hotels are playing now a role of social hubs that bring people to destinations which makes hotels responsible for the impact they have on surrounding communities.

Estabrook (2013) agrees with this opinion and underlines that despite the fact that the hospitality industry has made significant development in the 'green' department by driving towards more sustainable technologies and processes that help both the environment and the bottom line, sustainable development should encompass the three elements of people, planet and profit (the 3Ps) - implying long-term considerations for all stakeholders. With planet and profit already the focal point of the industry's sustainability efforts, the issue of

people, and the pursuit of their basic human rights is crucial, and requires an unfaltering focus on the communities our industry operates in (Estabrook, 2013).

It is vital that you help local communities implement and manage their own infrastructure when updating your own. In doing so, not only are you leading the drive towards more sustainable technologies and processes and hence being branded as a sustainability champion within the industry, but you are also assisting in subsequent community development that will increase the attractiveness of the destination you are operating in. Improved health alongside time saved from no longer being ill or having to make long, dangerous journeys to go and fetch water give more people basic access and time for education, opening the door to a wealth of opportunities. Whether through the sponsorship of a local school, the participation in an international training partnership, or through an in-house traineeship program, taking initiative in this regard will help develop a more suitable and sustainable workforce for your business to source its talent from. The consequential decrease in outsourcing professional labor from abroad will promote organic and continuous development of locals within your organization (Estabrook, 2013).

According to Turner (2010) the hotel industry is characterized by high employee turnover and a mostly unskilled workforce, with relatively little room for internal advancement. If employment in a hotel is unstable it means that employment in the surrounding area is unstable and development can be hindered as hotels interactions with their staff is the front line for their interactions with the local community as they are generally employing residents of the local area. He points out through providing training to staff that hope to build a career within the organization, the company tend to decrease employees retention. As Marriott noted, retaining employees is not only good social practice but good business as well with the company estimating that every 1% improvement in employee turnover would lead to \$10-15 million in savings (Turner, 2010).

What concerns spas according to Singer (2010) and Mearns (2008), spas nowadays have an opportunity, and many people say a responsibility, to effectively and seamlessly address both personal and global sustainability....it's all about lifestyle choices that lead to results

that positively impact people and the planet. Eco-efforts are not about sacrificing or "doing without" (not about dieting or deprivation) but rather making healthy choices that enhance the overall well-being of people and places (Singer, 2010). Spa guests want to be educated on how to better lead a green lifestyle and they are viewing spas as a reliable source of information and education. Thus, spas must lead by example (Mearns, 2008).

And the following concerns not only spa guests. Cultivate an eco-friendly culture of awareness among your staff through low-impact collateral and the use of sustainable practices and materials will not enhance overall resource efficiency and sustainability in the hotel and spa, they will feel a deeper sense of wellness and fulfillment - which is our ultimate goal (Singer, 2010). A recent study carried out by the London Met University on Hotels in England found that 60% of staff interviewed would like to be more involved in Sustainable Policies at the hotel (Trainor-Buckingham, 2009) what only confirms this point of view.



## 2. RESEARCH AND METHODOLOGY

### 2.1 Research aim and methods

The study is conducted by Viktoriia Nikotina, second year student of Wellness and Spa Service Design and Management Programme of Tartu University under supervision of Professor Melanie Smith.

The research section of this Masters Thesis will start with stating the hypothesis of the study and the proposed research aims. This will also include an analysis of the chosen methodologies and action taken during the conduction of the research.

The hypothesis of the study that serves as the focus for data collection, determines the direction and scope of the study is the following:

*It is possible to combine sustainability and luxury services in the context of luxury spa and wellness hotels*

It is traditionally assumed that sustainability and luxury are in conflict but the author decided to examine the real situation and to find out whether it is true. Furthermore the researcher supposes in the Hypothesis that sustainability and luxury service provision need not be in conflict and decides to examine how far this assumption is confirmed in a real life context.

The main objective of this study is to analyze the concept of sustainability and identify the level of implementation of sustainable practices in luxury spas and wellness hotels.

The aims of the research are:

1. To conduct the research investigation by analyzing the level of integration of sustainable practices in hotel operations in general and in spa operations in particular;
2. Develop the list of indicators of sustainability for spa hotels on the basis of various case studies and thematic literature related to sustainability in hospitality and the spa industry;

3. Identify the driving influential factors towards the adoption of sustainable practice in the luxury segment of spa and wellness hotels;
4. During the research investigation to test the hypothesis and identify areas of improvement of sustainable operations in the context of luxury spa hotel;

The author has chosen to conduct a qualitative research study. The selected research method was considered to be the most appropriate for collecting data needed for answering the research question. In the author's opinion the most suitable definition of the term *qualitative research* is formulated by Gay (1996) as the systematic collection and objective evaluation of data related to past occurrences in order to test hypotheses concerning causes, effects or trends of these events that may help to explain present events and anticipate future events.

The main advantage of a qualitative study is that it strives to collect, integrate, and present data from a variety of sources of evidence as part of any given study (Yin, 2011:7). According to Flick (2007) another advantage is that with qualitative research it is possible to produce detailed and exact analyses of a few cases, in which the participants have freedom to determine what is relevant for them and to present in its context. The disadvantage of qualitative study is that qualitative analyses take a lot of time and the results can be generalized to the vast audience in only a very limited way.

## **2.2 Research methodology**

The case study methodology is considered by the author the most appropriate for the research conduction in accordance with the following reasons:

- the case study is designed to undertake a contextual analysis of similar situations in multiple organizations;
- case study method involves using multiple sources and techniques in the data gathering process;

There are different ideas about what a case study is. The author would like to generalize ideas that many case study researchers support (Yin, 2011; Stake, 1995; Johansson, 2013), which would be something along the following lines: The case study should have a “case” which is the object of study. Accordingly to Johansson (2013:2) the “case” should

- be a complex functioning unit,
- be investigated in its natural context with a multitude of methods, and
- be contemporary.

There are many different classifications of case studies. Yin (2003), Stake (1995), Guba and Lincoln (1981) use different terms to describe a variety of case studies. Yin categorizes case studies as explanatory, exploratory, or descriptive. He also differentiates between single, holistic case studies and multiple-case studies. Stake (1995) identifies case studies as intrinsic, instrumental, or collective. Guba and Lincoln (1981) describe case studies as factual, interpretative and evaluative. Further definitions of the most known and used types of case studies are provided in Appendix 1.

As it was already mentioned before one of the key strengths of the case study method and the reason for choosing it for the research is the possibility to use multiple sources and techniques in the data gathering process. According to James, Milenkiewics and Bukman (2007) data collection methods could be divided in three different categories:

- Data collected directly in words by people
- Data collected once or throughout a process of change
- Data collected during the event(s) being studied

Each section outlines different methods of data collection, the first section includes interview and focus group strategies, the second category involves field notes, reflective journals and thematic literature examination and finally the last section features observation method and study of anecdotal evidence and logs as well as student works. The full classification of data collecting methods accordingly to James, Milenkiewics, Bukman

(2007) and discussion of practical considerations that researchers need to take into account as they implement these strategies is presented in the Appendix 2.

After thorough consideration and analysis of different data collection strategies it was decided by the researcher to use a few different investigation tools in order to gather maximum information and strengthen the study.

The secondary data analysis of existing literature was reviewed in order to build up a solid theoretical structure as a basis for this research study (Veal, 2011:45). The research involved the analytical review of different thematic books, journal articles and on-line publications concerning sustainability management in tourism and hospitality business, hospitality business records and company internal reports as well as published information in other words all types of external and internal records that can assist an evaluator in gathering information about the implementation of sustainability in the hotel operations and relevant trends regarding the sustainability concept in community. Information regarding sustainability and environmental issues in the form of books was collected mainly from the library of University of Tartu Pärnu College and academic databases. This information is characterised by ease of access and gives better understanding of the research participants, their values, interests and positions and contributes to making comparisons between cases.

One of the main tools of primary data collection used during this research was the interview method. The interview with knowledgeable insiders yields the richest data and gives new insights. It was decided by the author that in-depth interviews will be used in the research in which the interviewer does not follow a rigid form (e.g. fixed, structured and closed-ended questions) but provides the opportunity to explore topics in depth. The interview questions consisted of twelve open-ended semi-structured questions. The questions were categorized under four main categories in order to cover all the relevant topics relating to the research study:

- Implementation of sustainable practices in hotel operations
- Future development of sustainable practices in hotel operations

- Customer's attitude towards sustainable hotel operations
- Implementation of sustainable practices in spa department

Despite the challenges in arranging interviews with knowledgeable interviewees and time-consuming characteristics, this method in the researcher's opinion is the best to present the meaningfulness of the experience of a respondent and to encourage capturing of respondents' perceptions in their own words, which is a very desirable strategy in qualitative data collection (Overview of Qualitative Methods and Analytic Techniques). The interview questions can be seen in Appendix 3.

The interview was supported by a "Check-list of Sustainable Practices". On the basis of the literature review the author has identified main sustainable practices which were summarized and categorized by five main categories accordingly to the directions of sustainability implementation in hospitality operations. It covers the following operational areas:

- Energy management
- Water management
- Waste management
- Responsible procurement
- Social aspect of sustainability

All together that author has chosen 36 practices that are mostly performed by sustainable hotel properties and on the basis of which it is possible to indicate the level of the hotel's sustainability.

By developing Check-list of sustainable practices that examines 36 different indicators in five main areas of sustainable hotel and spa operations the author fulfilled one of the aims of the research notably the author developed *the list of indicators of sustainability for spa hotels*. The check-list of sustainable practices can be seen in Appendix 4.

During the data collection stage the check-list was used by the researcher as a precautionary backup. The usage of the check-list allowed the researcher consistently and purposefully to take notes about all important aspects of sustainability practically applied in each area of the study and to identify which practices are used by the hotel on a daily basis. The main aim of the check-list is to supply data for further analysis of the cases and to compare them with the common practices summary presented in the Literature Review.

## **2.3 Context explanation and selection of the cases**

As the research aimed to examine the approach to sustainability in luxury spa and wellness hotels in Europe, this influenced the selection of the cases. It is important to note that luxury wellness spa hotels can vary significantly in size and location. One of the criteria for choosing the accommodation provider is that it should belong to the luxury segment of the hotel industry. Accordingly to Hotelstar Union Association (2015) a five star property possesses the following features:

- Reception open 24 hours, multilingual staff
- Valet parking service
- Concierge, page boy
- Spacious reception hall with several seats and beverage service
- Personalized greeting for each guest with flowers or a present in the room
- Minibar and food and beverage offer via room service during 24 hours
- Personal care products in flacons
- Internet-PC in the room on demand
- Safe in the room
- Ironing service (return within 1 hour), shoe polish service
- Turndown service in the evening
- Mystery guesting

As per Forbes Star rating criteria (2015) a luxury property must meet exacting standards of excellence in all areas affecting guest comfort, convenience and well being. But at the same time the World Tourism Organisation reports that in terms of the comparison of star categories, in the vast majority of cases, classification criteria in 5 star criteria catalogues are also reflected to some extent in 4 star criteria catalogues. Moreover, for the most recurring classification criteria in 5 star criteria catalogues, there is little to no difference with their rate of recurrence in 4 star criteria catalogues (UNWTO 2015, p. 6). In regard to all mentioned above the author assumed that for research both hotels with five star and four star plus ranking would be suitable.

The second main criteria for research is that all accommodation providers that are selected for the research must have a proper spa using a variety of the resources and should be considered as a spa hotel. Accordingly to the International Spa Association (ISPA, 2012) a Spa Hotel is defined as follows: “A spa located within a resort or hotel providing professionally administered spa services, fitness and wellness components”.

In regard to further case study selection, it was accomplished in accordance with the following objectives:

- to have a representative sample
- to have useful variation on the dimensions of theoretical interest.

On one hand it is important for the author to select a sample in a systematic way in order to ensure that the readers of this research see it as a credible and indicative sample, but on the other hand statistical representativeness is not the aim (Patton, 2002:11).

In the beginning the author considered to use so called *most similar* strategy in case selection which proposes to select cases that are similar on specific variables other than X and or Y (Gerring, 2007:90). The purpose of this strategy is to intensify the sampling by providing rich information using a few cases that manifest the phenomenon intensely, but are not extreme cases (Patton, 2002:10). But later after further consideration of different sampling approaches and deeper analysis of the cases, the author assumed that in this case

the research conclusions would not fully display the situation in the industry as spa hotels differ significantly from each other. After careful analysis of all sampling tools it was decided by the author to select those cases that are likely to generate various data. To ensure that the sample is credible and covers the main groups of interest the *maximum variation* sample strategy was selected by the author. As per Patton (2002) *maximum variation strategy* is to document diverse variations that can help to identify common patterns that cut across variations.

According to this strategy three different types of cases were chosen for the research:

- spa hotels that are known for their sustainability performance;
- spa hotels that do not announce themselves publicly as sustainable;
- spa hotels that belong to a global hotel chain that is involved in sustainability.

There are also certain limitations of qualitative research that influenced a lot the case study selection. The main challenge for the author during the data collection process was arranging of interviews with managers in luxury spa hotels. First of all the Sales and Marketing managers were targeted as they possess full information about the property, its infrastructure and hotel policies. As well they could easily gain access to the managers of specific departments such as engineering, spa and housekeeping in order to get extra information. Secondly, it was complicated to receive an approval to share obtained information. But as soon as all managers were assured about the privacy policy in regard to the spa hotels, this problem was solved. Therefore the names of the luxury spa hotels will not be announced by the author in this research. The other limitation connected with interviewing is the issue of the expected social norm in other words there is a danger that people might over-state their knowledge or intentions but do not always act on it.

The hotel location also affected the collection of primary information as the researcher preferred the opportunity to arrange face-to-face interviews and that is why she chose mostly those luxury wellness and spa hotels that are situated in the Baltic region within traveling distance from St. Petersburg where the researcher resides. During the preparation stage of the research the author contacted 19 luxury spa hotels across Europe, mostly in



Estonia and Latvia. In Tallinn and Riga there are in total 16 five star hotels, six of them have water-based spa centers with variety of services, all of them were contacted by the researcher. Among hotels in St. Petersburg only three hotels fitted the parameters of the research. As the author assumed that the location might be relevant, few luxury spa properties outside big cities were contacted such as Padasta Manor, Baltic Beach Hotel and Spa and TB Palace and Spa Hotel. For the same reasons such four star hotels as Vihula Manor and Country Club and Hedeon Hotel and Spa were also contacted. To gather more information in regard to sustainability management of spa hotels, few luxury spa properties around Europe were contacted including The Scarlet Hotel in UK, Graeflicher Park Hotel and Spa in Germany, Lefay Resort and Spa in Italy and Bohinj park Hotel Eco Resort and Spa in Slovenia.

As a result six hotels are involved currently in the research, two of them are situated in Estonia, the other two hotels are situated in Latvia, one luxury hotel is in Germany and the last one located in St. Petersburg.

The spa hotels in the Baltic States are situated in different locations. In four cases out of six hotels are situated in the city center. In the other two cases luxury spa properties are located outside of the city – the luxury spa hotel in Germany is situated in the countryside and the hotel property in Latvia is situated in a leisure destination.

As it was mentioned before for the primary data collection the method of semi-structured in-depth interviews combined with the Check-list examination was used. During the research six interviews were arranged with the managers of luxury spa hotels, five of them were face-to-face interviews and one interview was answered by e-mail. The findings from the interviews conducted with managers of the luxury properties reflected their knowledge towards sustainable practices in the hospitality sector and practical application of these practices in daily hotel operations. After conducting six interviews supported by the check list examination it appeared to be enough information for formulating the findings and the author assumed that the saturation point of the research was reached.

The pilot interview was arranged in October with the representative of one of Tallinn's luxury spa hotels in order to examine the effectiveness of the data gathering tools and to check whether the interview and check-list would bring sufficient results. The pilot study revealed that according to the primary data analysis two more additional questions would add value to the interview. These were:

- Age of the building or the latest date of renovation
- Target groups of the customers of the hotel

It should be mentioned that the "Check-list of sustainable practices" assisted significantly in the process of identifying the level of sustainable operations in both cases. It helped not only to cover all main sustainable practices, but identified those that were not obvious from the beginning even for interviewees.

Five of six interviews were conducted in English language and the sixth interview with the spa manager of the luxury business hotel in Tallinn new city was conducted in Russian language. The proper transcript of the interview was made in all the cases.

## **2.4 The description of the cases used in the research**

As it was mentioned before the first interview was conducted on 8<sup>th</sup> of October 2014 with the sales manager of a luxury spa hotel that is situated in old city of Tallinn opened on May 2007. The spa of the hotel is well known in the city and offers an variety of water-based facilities and wide range treatments. The hotel is not known for its sustainability actions, but during the interview it became clear the manager is aware about sustainability and green concepts.

The second and third interviews were conducted on the same day on 15<sup>th</sup> of October in Latvia. Firstly the meeting was arranged with Assistant of Spa Manager of one of the finest spa hotels of Jurmala known to have one of the largest spa centers in Northern Europe. In May 2014 the hotel received the Green Key certification which is the highest rate in the

tourism industry for environment preservation. The Green Key award is mentioned in the award section of the hotel's web page, but there is no separate section for it on the main page of the hotel. The interviewee appeared to be a member of the green committee of the hotel and was directly involved with planning of all the sustainable practices. Later the same day there was an interview with the Marketing Manager of recently opened Riga's luxury spa hotel situated in the historical city center. The interesting fact noticed by the researcher during the preparation stage of the interview is that the hotel does not publicly announce itself as sustainable and give no references to sustainability on the official web page, but according to Expedia the mentioned above hotel is on the list of sustainable hotels in Riga.

The fourth interview was received from the four star wellness hotel which is located countryside area of Germany. The hotel was founded 230 years ago and during all this period belongs to one family. The property was completely renovated and redesigned in 2007. The property accommodates two areas that offer relaxation and wellness: the Spa and the therapy centre. The hotel is famous in Germany due to its sustainability approach which is explained and announced on the official web page of the hotel. The interview was inquired via e-mail in September 2014. From the Hotel side in the research was involved Marketing and Social Media Manager who is one of two people involved in sustainability management of the property and one of the interns of the hotel who did the check list examination. The inquiry of the researcher was answered back in written form via e-mail in two stages: in the first place there was filled in Check-list sent back in November 2014 and in March 2015 interview answers were e-mailed to the author. It should be noted that one of the disadvantages of interviews answered in written form is that researcher cannot evaluate the personal attitude of the Interviewee towards the research subject.

The fifth interview was arranged with the Spa manager of one the leading luxury hotels of Tallinn situated in Tallinn New City. The hotel belongs to a global hotel chain that directly promotes sustainable approach to hospitality management and as a member of this chain is certified for ISO Quality Management (ISO 9001), Environmental Management

(ISO 14001), Health & Safety Management (OHSAS 18001) though the specific hotel in Tallinn does not have any separate certifications.

The last accommodating property that participated in the research is a luxury spa hotel in the city center of St. Petersburg. As in the previous case the hotel belongs to the global hotel chain which is famous first of all for its service quality and commitment to the ethical standards and secondly as a socially responsible company. The interview was arranged on April 17<sup>th</sup> with the Hotel Manager who appeared to be involved previously in sustainability projects of the company in property in Doha.

For analysis of the collected data the comparative case study method was chosen which implies the examination of a few cases in order to highlight how different they are, thus establishing the framework for interpreting how parallel processes of change are played out in different ways within each context (Finifter, 1993:108). This research is committed to identification of actual level of implementation of various sustainable practices in the hotel's operations in the context of luxury spa and wellness segment. It was noticed by the author that the research was rather narrow in its nature when only 6 in-depth semi-structured interviews took place, but mixed methods research could give a more accurate and reliable research results.

### 3. RESEARCH FINDINGS AND DISCUSSION

In this chapter the research findings and recommendations will be discussed. The findings include the analysis and evaluation of collected primary data. Primary data comes from semi-structured in-depth interviews with luxury hotel and spa properties managers, primary sales and spa managers and from a check-list filled in by the managers of each property. The findings from the interviews conducted with these hotel managers reflect their experience and knowledge regarding the sustainability concept in hospitality business and sustainability performance of their particular hotel.

To make the process of analysis simpler for comprehension and from the privacy policy matters the interviews were coded. The coding explanations can be found in Table 1.

**Table 1.** Case coding utilized in the research

Interviewee and case coding	Hotel	Position of interviewee
H1	Five star hotel in historical centre of Tallinn	Sales Manager
H2	Four (plus) star hotel and spa in historical centre of Riga	Marketing Manager
H3	Five star hotel and spa in the resort area of Latvia	Assistant of Spa Manager
H4	Luxury wellness and spa hotel in countryside in Germany	Marketing- und Social Media-Manager
H5	Five star hotel in business center of Tallinn	Spa Manager
H6	Five star hotel in the historical centre of St. Petersburg	Hotel Manager

Source: compiled by the author

The interview questions (see Appendix 3) consist of twelve open-ended semi-structured questions. The questions were categorized under four main categories:

- Implementation of sustainable practices in hotel operations
- Future development of sustainable practices in hotel operations
- Customer's attitude towards sustainable hotel operations
- Implementation of sustainable practices in spa department

In the attempt of ensuring that this research remains concise, only the most significant findings are included, recommendations are provided, and in the end results will be evaluated. To enhance comprehension of the findings quotations are used for explaining the results, so as to give a voice to interviewees.

The first theme discussed was the notion of sustainable practices and its implementation in hotel operations. All interviews were started with defining the notion of “sustainable practices” as a starting point of the interview to clarify the understanding of the notion by both sides. All managers were aware about sustainability concept in general and green practices but defining them in different ways: four of Interviewees saw sustainable practices first of all from the resource efficiency point of view for instance H1 defines it as *“sustainability in costs and efficiency in hotel operations”* where green and social practices comes only as a minor part of this notion while H3 and H4, which belong to the sustainable certified hotels, gave more detailed characteristics of the notion mentioning the key sustainable practices. The interesting fact is that H1 and H2, that belong to the hotels that are not publicly involved in sustainability, saw it purely as efficient resource usage and were hesitating while formulating the definition of sustainability practices and H4 and H5 included in this notion the waste issue for example H5 defines sustainable practices as *“not to use needless and always consider what will be left”*. In the researcher's opinion mentioned notions formulated by Interviewees reflect not only the differences in the personal understanding of one notion, general hotels' policy towards sustainability.

In all five open-ended semi-structured questions were asked regarding sustainable operations practiced in the luxury hotel. This part of the interview was supported by a Check-list (see Appendix 4) that covers 10 indicators in five areas of sustainable hotel and spa operations which were determined by the thematic literature research.

An interesting fact appeared in the cases of H1 and H2 when the Interviewee stated that they do not consider the Hotel as using sustainable practices but after some investigation carried out with help of the Check-list it was found out that there is a number of sustainable practices that are currently used in the hotel operations, not including operations of the spa department though which only. In the case of H3 the answers were confident and detailed which only underlines the level of involvement of the hotel into sustainability. Moreover H4 messaged that sustainability is part of the strategy defined by the founder of the hotel Marcus Graf von Oeynhausen-Sierstorpff in 18<sup>th</sup> century:

*"The special thing about us is that we are a family in the seventh generation. It is only possible to stay healthily at this market if your thinking is long-term-oriented and the company constantly evolving. The things we do may not only be designed for the next quarterly report, but also need to provide future generations with joy. "*

Accordingly to H4 an additional factor that enhances the usage of a sustainability approach in hotel operations is heredity of family business e.g. the desire to save resources for the legal successors.

As well an interesting situation appeared with the hotels in fifth and sixth cases, that belong to the global hotel chains that practice sustainability and are social responsible. In theory global chain hotels should follow one standard including sustainability standards, but during interviews it took some time to identify eco- and social practices used by the hotel as in the case of H1 and H2. According to this it might be assumed that researched hotels are not involved into sustainability in that high degree as corporate office claims.

Accordingly to analysis of the check-list in all six cases luxury properties are highly involved in sustainable performance in the areas of good energy consumption practices by

enhancing energy efficiency of their performance, good water conservation practices by significant reduction of water use, improved water quality and pool management, and partly in good waste management practices supporting the opinion of Sloan, Legrand and Chen (2013) that the general trend in the hotel industry is that most of the hotels are becoming more conscious about environmental issues. The indicator of support of sustainable procurement is relatively high, but it must be admitted by the author that in all four cases the properties strive to buy locally as much as possible, but only on condition of competitive price. The hotels are not ready to overpay for the local goods or eco goods, besides the demand from the guests does not always support this practice as in the case bottled water when some of the guests still prefer to have bottled water of a certain brand than a filtered one and the same with eco-cosmetics. As H1 reports regarding the demand on eco-cosmetics in the spa:

*“ ... it is always better to give a choice to the guests as some of them prefer what is more efficient rather than more green ... ”*

The only exception in regard to the sustainable procurement is the case six, where H6 explaining this fact claimed that as the property belongs to ultra luxury segment, the hotel must provide guests only with the best products, services and amenities and can not compromise the quality in favor of local origin.

Analysis of the Check list shows that there is a number of energy saving practices that are applied in each of the studied accommodation providers such as:

- Switching off the lights and heating when not in use
- Use energy saving bulbs and LED lights
- Insulating the roof and all spa premises, putting closing devices on doors
- Fitting all radiators with individual thermostats



According to the collected data it might be assumed that the hotels have understood all advantages of a sustainable approach and are ready to invest in energy saving devices to a certain degree. The same data shows that only truly sustainable hotels as in case four will go further with energy efficiency enhancement by re-using the heat for other purposes and using renewable energy sources. This assumption also includes other areas of sustainable operations such as improvement of waste water management e.g. collecting rainwater and reusing grey water and other measures for enhancing water quality.

The study revealed the growing trend among examined hotels which is usage of local materials and equipment for building's construction as well as furnishing rooms which could be connected not only with practical matters within the materials purchase, but also with a growing trend for the authenticity of all elements of guest's experience. This trend is however weaker within the hotel that belong to the global chains as their design and furnishing is usually supplied from the corporate office and is not based on offer of local goods and materials.

In regard to such indicators as "Involve guests in energy saving programs" and "Sort the waste", both of them are used in all four cases and in the author's opinion might be considered already as a *common practice* among the hotels as from six interviews it was obvious that this is well-known and already accepted undertaking.

The interesting fact was revealed during the interview with H6 in regard to the well-known key card systems to switch off electricity in guestrooms. It was noted by the researcher that in the guest rooms of this luxury property the regular switches of the light are installed to switch on the light. The H6 explained that in luxury hotels this system does not work as "*... the guests coming back to their room want it to be warm and well ventilated, so they just ask on the check-in the second card and leave it in the cardholder for the whole time of their stay, even when they are not in the room*".

The study revealed that the social aspect of sustainability is practiced mainly by hotels which already have the green certification. When it comes to staff involvement in environmental programs in luxury spa hotels, all of the staff members are going through the

training, which is obligatory when having Green certification. The level of social sustainability is also high in cases five and six mostly because of strong social corporate culture: many initiatives and trainings are initiated by a corporate office though it does not include the aspect of environmental trainings. From the interviews with H1 and H2 it appeared that they are informed about this area of sustainable concept but it is hardly practiced.

The main conclusion though made during discussion on this topic by all interviewees that it is planned to enhance implementation of sustainable practices in all types of the cases based on the common reasons. The main reason for the implementation of sustainable practices underlined by all Interviewees is cost efficiency gained through saving resources. The other motive highlighted by H1 is growing demand in the society towards sustainability:

*“Five star properties are under more pressure right now then three and four star properties”.*

Continuing with a theme of future of sustainable practices five of six interviewees claimed that it is planned to enhance the sustainability practices through different programs as the benefits of environmental undertakings are obvious for the management. The reason why H2 did not make any plans for its sustainability enhancement and H6 together with H5 postpone sustainable plans for later is that the hotels are relatively new and during construction some energy and water saving devices were already installed saving resources from the very beginning. However the main trend is obvious and evidence in favor of the growing importance of sustainability was provided by several interviewees.

The interesting finding indicated by the researcher is that in all cases further sustainability of operations is planned to be developed by installing new energy-saving technologies and do not involve staff trainings or social outreach actions.

The interviews revealed other interesting connections. During the discussion about implementation of sustainable practices in future the main obstacles for sustainable technologies implementation in all cases were named:

- Architectural construction and restrictions in regard to historical buildings;
- Financial investments on the initial stage of implementation of sustainable technologies.

The age of architectural construction of the Hotel appeared to be one of the main limitations for sustainable technologies implementation because of the legal and historical restrictions for modernization of the building and/or its low carrying capacity of that does not imply significant architectural changes. In regard to financial investments it was also admitted that the age of the building has a direct influence on the initial amount of expenses.

The next theme discussed was the theme of customer's attitude towards sustainable practices was started with the question *“Do you think it is worth emphasizing on sustainable working procedures?”* All interviewees answered positively on this question as there is a group of customers who are eco-oriented and sustainable performance matters for them. So the author assumes that the target groups of the customers has a direct influence on the hotel policy regarding sustainability as the demand for sustainability in luxury hotels comes only from well-educated, eco-oriented customers supporting the assumption of Bruns-Smith, Choy, Chong and Verma (2015) that travelers who are more highly educated claim to be more active participants in hotels' sustainability programs; the bigger target group of the eco-oriented customers is, the bigger the leverage is. But at the same time all four interviewees notice that this group is relatively small at the moment and H1 and H4 underlined that *“the group of the guests that are actually willing to pay more for sustainability”* is even smaller. Further during interviews it was found out that the group of eco-oriented customers is mainly guests from Scandinavia, Germany (corporate segment) and Switzerland. As H4 explained about German hotel customers:

*“In our opinion, demand will rise in the next years driven by companies booking their corporate events at hotels. During standardized assessment processes for the ideal location, one of the criteria sometimes is already now the sustainability practices of the*

*hotel. Certified green hotels will therefore have an advantage towards other, non-certified hotels.”*

The same assumption in regard to corporate segment of luxury hotel guests is revealed in the recent report of Bruns-Smith et al. (2015) stating the apparent interest of meetings and conference guests in hotels' green programs; other studies have indicated that meeting planners include hotels' carbon footprints as part of their hotel selection process as well.

At the same time the local population is not ready for paying more for sustainability. On the basis of conducted interviews and discussion it was found out that the main reason of implementation of sustainable practices in all cases is growing efficiency of operations, as H2 emphasizes that “...it is wiser from a managerial point of view”.

Regarding implementation of sustainable practices in spas all interviewees agreed that spa customers nowadays are less environmentally conscious than the usual customers of the hotel. Sustainability of the spa department is firmly connected with general sustainability of the hotel's maintenance and therefore benefits that might be obtained through sustainable practices in spa department are not obvious. Consequently there is no convincing argument in favor of a separate concept for spa sustainability and according to interviewees in luxury spas of researched hotels it is seen that sustainable practices could be implemented mostly at the time of general hotel reconstruction.

After thematic literature analysis it was summarized by the researcher that indicators that refer to spa sustainability are using energy saving bulbs and LEED lights, thermal insulation of spa premises and of swimming pool, usage of pool covers, utilization of various filtration devices for enhancing the water quality and disinfection. The study revealed that many of the mentioned practices more or less are utilized in the hotel operations all the cases, but according to the primary data sustainable properties invest more in energy saving practices and water quality improvement trying to provide the guests with the most natural water for drinking and for swimming as well.

An interesting finding is that none of the interviewees mentioned discussed practices in regard to the spa which only emphasizes the fact that the notion of spa sustainability is not developed enough. The only attribute of sustainable spa that underlines four of six interviewees is eco-cosmetics that at the same time is not always in demand among spa goers as many of them still prefer efficient cosmetics or a well known brand.

After carrying out research findings and analysis, the author will make some recommendations regarding the implementation of sustainable practices in regard to researched luxury hotels. These recommendations arose from the conducted results analysis and from the theoretical and empirical research findings. The aim of the recommendations is to contribute to existing knowledge of implementation of sustainable practices in operations of luxury spa and wellness hotels and give some suggestions for improvement. The recommendations are covering the main theme researched: implementation of sustainable practices in luxury spa hotel operations and their further development.

It came out in the research that all the participated luxury hotels are already involved in some degree in sustainability practices. In some cases sustainable approach was a matter of choice, in other cases such as H1, H2 and H6 the hotels are doing some random things sometimes even not realizing that they already are contributing sustainability. The second approach to sustainability is typical for many luxury spa hotels and in case they would like to develop their sustainability involvement the author recommends first of all to appoint responsible person or to create a “green team” that will be in charge of all aspects of sustainable performance of the hotel; secondly, before setting goals and creating the program of sustainable development it is advised by the author to conduct the sustainable audit of the property that will provide the luxury hotel with a baseline and frame a starting place. The current research shows that the utilization of simple check-list that systematically examines all areas of the hotel operations not only gives timely evaluation of the hotel’s sustainable performance and will help to determine the further action plan, but also contributes to better understanding of sustainability concept by management. For the those luxury properties that begin their journey towards sustainability the author recommends to start with simple steps like those that are describes in first chapter of this

master thesis and that are affordable, achieve obvious results and then add to their sustainable portfolio as time passes. The author believes that every effort counts.

It should be noted that two Interviewees were interested in practical application of the Check-list developed for this master thesis for further development of the properties' sustainable performance which author considers to be one of the main achievements of this work.

Another gap identified by the research is lack of education on sustainability which is relevant even for those hotels that have relatively high level of social sustainability performance. And it concerns first of all staff training as employee awareness in good water and energy management can save significant amount of resources. Furthermore, according to Mackie (1994) short-term energy saving initiatives can be achieved only when staff is committed to perform in a sustainable way and do not necessitate extensive advance planning. In this situation, pay back is instantaneous. The good practice for motivating employees in author's opinion might be rewarding them with a gift or extra holidays for their good performance and commitment to sustainability.

As for the further development of sustainability, the research shows that in such areas as usage of renewable energy sources and sustainable procurement can be done much more. It is clear that further development in these areas depends a lot from the external infrastructure and offer on the market. In this situation the hotel properties especially such resourceful as luxury spa hotels can cooperate and therefore create a demand on green energy or products from sustainable suppliers.

The findings from empirical part which revealed the fact that all researched hotels use sustainable practices in different degree and there is even those luxury spa hotels that make sustainable approach their competitive advantage. Mentioned above facts support the hypothesis that it is possible to combine sustainability and luxury services in the context of spa and wellness hotels. The study revealed that with some planning the luxury spa property can benefit from sustainable approach in the same time not losing customer's satisfaction.

## CONCLUSION

This Masters Thesis examined the possibility of combination of sustainability and luxury service in the context of luxury wellness and spa hotels. The objectives to this work were introduced, followed by a theoretical overview of sustainability concept in hospitality and tourism industry and sustainable practices applied in hotel operations. This was further supported by the author's own research which examined the possibility and then the level of implementation of various sustainable practices in the hotel's operations in the context of luxury spa and wellness segment. To fulfill the main aim of research the interviews with managers of luxury spa and wellness hotels in Estonia, Latvia, Germany and St. Petersburg were arranged. The interviews were supported by a "Check-list of Sustainable Practices" that was created by the author in accordance to the research tasks on the basis of analysis of thematic literature. In this concluding chapter the aims and research findings, as well as general recommendations in regard to development of sustainability in luxury hospitality segment will be discussed.

The findings from the theoretical and empirical part both support the hypothesis that it is possible to combine sustainability and luxury services in the context of spa and wellness hotels. On the basis of conducted analysis it might be assumed that despite interpreting the term in different ways the notion of sustainability is well known among the management of luxury properties. Furthermore, sustainability practices in different degree are applied in each of the researched luxury spa hotels what support the hypothesis of this master research and proves that it is possible to combine luxury of service and product with sustainability aspects. According to analysis of the hotels' operations it might be assumed that such practices as "Involve guests in energy saving programs", "Sort the waste", "Switching off the lights and heating when not in use", "Use energy saving bulbs or/and LED lights", "Fitting all radiators with individual thermostats", "Insulating the roof and all spa premises" might be considered already as a *common practice* among luxury hotels as from all interviews it was obvious that this is well-known and already accepted undertaking.

Though in research it was revealed that in the luxury hotels such practice as well-known key card systems for controlling energy supply to the guestroom is not working as guests ask the second card and leave it in the cardholder for the whole time of their stay to keep the room warm and ventilated.

The mentioned above example only supports the fact that the group of sustainability conscious customers in the luxury hospitality segment is relatively small at the moment. In regard to the luxury hotel guests the study showed that the demand for sustainability comes only from well-educated, eco-oriented customers though the demand might rise in the next years driven by companies booking their corporate events at hotels. At the same time the local population is not ready for paying more for sustainability.

As for the sustainability in spa department the research showed that sustainability of the hotel spa is firmly connected with general sustainability of the hotel's maintenance and interviewed managers did not mention any of the practices in regard to the spa which only emphasizes the fact that the notion of spa sustainability is not developed enough.

In regard to the reasons of implementation of sustainable practices on the basis of conducted interviews it might be assumed that in all cases the main reason is the growth of the operations' efficiency. As for the barriers hindering the development of sustainability among luxury accommodation providers, the age of architectural construction of a hotel appeared to be one of the main limitations for sustainable technologies implementation because of the financial, legal and historical restrictions for modernization of the building and/or its low carrying capacity of that does not imply significant architectural changes. In this situation newly opened luxury properties have an advantage as during construction some energy and water saving devices are already installed saving resources from the very beginning.

Among the gaps identified by the research one of the main is lack of education on sustainability which is relevant even for those hotels that have relatively high level of social sustainability performance. The author believes that more education, training and guidance in regard to sustainability needed to raise the awareness and commitment. The good



practice for motivating employees in author's opinion might be rewarding them with a gift or extra holidays for their good performance and commitment to sustainability. As for the further development of sustainability, the research shows that in such areas as usage of renewable energy sources and sustainable procurement can be done much more. It is clear that further development in these areas depends a lot from the external infrastructure and offer on the market. The author believes that in this situation the hotel properties especially such resourceful as luxury spa hotels can cooperate and create a demand on green energy or products from sustainable suppliers.

There are also certain limitations of qualitative research that influenced a lot the case study selection. The main challenge for the author during the data collection process was arranging the interviews with managers of luxury spa hotels. Initially it was planned to involve more hotels into research especially those luxury spa hotels that are famous for their sustainability performance and can serve as examples, but due to unwillingness the hotel to participate this part of research was not accomplished. Fortunately, those interviews were after all arranged successfully provided enough information for research to come up with the finding and outline the existing situation in regard to sustainability performance of luxury spa and wellness hotels. The other limitation connected with interviewing is the issue of the expected social norm in other words there is a danger that people might over-state their knowledge or intentions but do not always act on it.

This research revealed valuable information in regard to the approach to sustainability in luxury segment of hospitality industry. Despite the research study limitations and difficulties along the way of making the research, by completing this research the author has contributed new information regarding the environmental undertakings practiced among luxury spa and wellness hotels. For further studies in the field of sustainability in hospitality industry, the author can give few suggestions. The author believes that investigation the ways of increasing demand for sustainability among luxury hotel customers as well as among local population might be interesting topic to research. Furthermore creating the demand on sustainable service and goods suppliers might be a great contribution for further studies on sustainability in hospitality industry as well.

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## APPENDICES

### Appendix 1. Definitions of different types of case studies

Case Study Type	Definition
Explanatory	This type of case study would be used if you were seeking to answer a question that sought to explain the presumed causal links in real-life interventions that are too complex for the survey or experimental strategies (Yin, 2011).
Exploratory	This type of case study is used to explore those situations in which the intervention being evaluated has no clear, single set of outcomes (Yin, 2011).
Descriptive	This type of case study is used to describe an intervention or phenomenon and the real-life context in which it occurred (Yin, 2011).
Multiple-case studies	A multiple case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory (Yin, 2011).
Intrinsic	Stake (1995) suggests that researchers who have a genuine interest in the case should use this approach when the intent is to better understand the case. It is not undertaken primarily because the case represents other cases or because it illustrates a particular trait or problem, but because in all its particularity and ordinariness, the case itself is of interest. (Stake, 1995).
Instrumental	Is used to accomplish something other than understanding a particular situation. It provides insight into an issue or helps to refine a theory. The case is of secondary interest; it plays a supportive role, facilitating our understanding of something else (Stake, 1995).
Collective	Collective case studies are similar in nature and description to multiple case studies (Yin, 2011)

Source: compiled by the author



## Appendix 2. Classification of data collecting methods

<i>Data collection strategy</i>	<i>Attributes</i>	<i>Challenges</i>
Data collected directly in words from people		
<b>Interview.</b> One-on-one question-and-answer sessions where the researcher may use a variety of techniques. Interviews average 30–45 minutes per person.	Reveal information about the worldview of a single individual. This is a flexible strategy that (with care) can be massaged during data collection as needed to heighten results	Interviews are a time-consuming form of data collection. To gather data from one person requires preparation, the time of the interview, and the time of transcription.
<b>Focus groups.</b> Group interviews, using the same variety of techniques and taking approximately the same length of time as interviews.	More time effective than interviews but with slightly less flexibility. The group process may encourage results from shy or hesitant people when the group brings up topics with which they agree.	The group dynamics may interfere with complete or accurate data.
Data collected once or throughout a process of change		
<b>Reflective journals/ Thematic literature.</b> Handwritten or verbal account of an event, or group of events, over time. These often unveil how writers subscribe meaning to their topics.	Subjective account of the event from the point of view of the writer, who may be the researcher or a subject of the research. Can be collected once or throughout a process of change	Similar to interviews, reflective journals display the worldview of single individuals. They also frequently require transcription.
<b>Field notes.</b> Written explanations or data taken, often by multiple observers at a single event, capturing interactions of interest to the larger topic under study.	May follow a prescribed format or be open-ended. Generally gathered by the PAR team and therefore likely to target the topic of study.	Somewhat more objective than reflective data although still subject to the biases of the writer.
Data collected during the event(s) being studied		
<b>Anecdotal evidence and logs.</b> Data taken from people often outside the research team that report	May follow a prescribed format or be open-ended. May be more objective about the topic of study, since not	Somewhat more objective than reflective data although still subject to the biases of the writer. Generally not

## Appendix 2 continued.

<i>Data collection strategy</i>	<i>Attributes</i>	<i>Challenges</i>
the facts of the interactions as understood by the writer.	constrained by the biases of the PAR team's discussions of the topic under study	gathered by the PAR team and therefore may not center on the topic of study.
<b>Observations</b> Stylized note taking about predetermined portions of an event or group of events under study, generally taken by more than one observer. Observations often tally the number of times an event takes place.	Are often collected over a period of time. Can be collected by a variety of people, thereby increasing the possibility of reliable results. Accuracy may be helped by voice or video recording prior, with multiple people taking part in analysis.	Accuracy may be constrained by the point of view of the person recording the data.
<b>Student work</b>	Can also be collected over time and with the intention of showing growth.	May be hard to interpret accurately.

Source: James, Milenkiewics and Bukman (2007)

### **Appendix 3. Pool of Questions for the Expert Interview**

1. How would you define “sustainable practices”?
2. Are sustainable practices integrated in your business strategy? Why? Why not?
3. How is your hotel practicing sustainability? Does your spa practice sustainability? What kind of technical installations have you implemented to save energy, water and other limited resources?
4. Have you already received some certificates or other rewards for being environmentally-friendly? Are you aiming to get such certifications? Why not?
5. Do you train your employees regarding sustainable practices?
6. Do you have any plans for improvement of your hotel’s and spa’s sustainability in future? If yes, what are they?
7. Do you think it is worth that hotels emphasize on sustainable working procedures? Do you think that consumers are willing to pay more for sustainable hotels and sustainable spas?
8. Have you experienced that consumers are actively supporting environmentally-friendly practices?
9. How are you promoting the sustainable aspects of your hotel and your spa in order to attract customers?
10. Have you changed any prices in spa (entrance fees/treatment prices) after implementation of sustainable procedures?
11. Do you think that sustainability practices in the spa can create any benefits as a result?
12. Have you experienced that costs of implementation have already been covered by savings of resource

## Appendix 4. Check-list of Sustainable Practice

1. Good energy conservation practices	
<b>Energy efficiency, conservation and management</b>	
<ul style="list-style-type: none"> <li>Switching off the lights and heating when not in use</li> </ul>	
<ul style="list-style-type: none"> <li>Use energy saving bulbs and LED lights</li> </ul>	
<ul style="list-style-type: none"> <li>Insulating the roof and all spa premises, posing closing devices on doors</li> </ul>	
<ul style="list-style-type: none"> <li>Installation of double glazing or Low-E glass that reflects infrared 'heat' energy back into the building</li> </ul>	
<ul style="list-style-type: none"> <li>Fitting all radiators with individual thermostats</li> </ul>	
<ul style="list-style-type: none"> <li>Re-using the heat to preheat water for laundry or swimming pools</li> </ul>	
<b>Usage of renewable energy sources</b>	
<ul style="list-style-type: none"> <li>Usage of thermal solar panels</li> </ul>	
<ul style="list-style-type: none"> <li>Usage Green Tariff electricity - supplied from wind farms</li> </ul>	
<ul style="list-style-type: none"> <li>Usage certain golf carts, vans and electric cars with solar powered or rechargeable batteries for staff and guests transportation</li> </ul>	
<b>Promote sustainable building</b>	
<ul style="list-style-type: none"> <li>Usage the principles of sustainable design within constructing the spa</li> </ul>	
<ul style="list-style-type: none"> <li>Usage sustainable (local/natural) materials and equipment for building's construction as well as furnishing rooms</li> </ul>	
2. Good water conservation practices	
<b>Reduce water use</b>	
<ul style="list-style-type: none"> <li>Fit showers with flow controllers or low-flow fixtures</li> </ul>	
<ul style="list-style-type: none"> <li>To install aerators and push button for shower</li> </ul>	
<ul style="list-style-type: none"> <li>To install low-flush toilets and to fit water-free urinals or put displacement device in the cistern</li> </ul>	
<b>Improved waste water management</b>	
<ul style="list-style-type: none"> <li>To install rainwater collection and management systems</li> </ul>	
<ul style="list-style-type: none"> <li>To reuse grey water to flush toilets or water the garden</li> </ul>	
<b>Improved pool management and water quality</b>	
<ul style="list-style-type: none"> <li>Usage of pool covers</li> </ul>	

• Thermal insulation of swimming pool	
• Usage of various filtration devices for enhancing water quality	
• Usage of modern approach to water disinfection by installing Ultra Violet Disinfection device or natural chlorine generators or saline systems for pools and whirlpools;	
• Natural swimming pool	
<b>Laundry management</b>	
• Use front loading machines that consume less water	
• Involve guests in energy saving programs	
<b>3. Good waste management practices</b>	
<b>Waste minimization, reuse and recycling</b>	
• Re-usable implements that can be washed and sanitized	
• Buy products in recyclable (package) glass with the minimum of packaging	
• Cosmetic (shampoo, shower gel, etc.) containers should be made out of glass and get refilled	
• Recycle the waste	
<b>4. Responsible procurement</b>	
<b>Support sustainable purchasing practices</b>	
• Give preference to products & services of local origin	
• Usage local and organic treatment products or using a line of spa products on the basis of local ingredients	
• Purchase in bulk rather than small containers	
• Offer filtered water instead of bottled water	
• Selecting sustainable goods and services from responsible suppliers	
<b>5. Social aspect of spa sustainability</b>	
<b>Social actions</b>	
• Provide education on sustainability issues or/and create Green Team in place to drive green initiatives and push for continual improvement	
• Organize professional training to staff to decrease employees retention	
• Cultivate an eco-friendly culture of awareness among your guests	
• Support of local community through community involvement program / donation programs / discount schemes / etc.	

## SUMMARY / РЕЗЮМЕ

В наше время туризм является мощной мировой индустрией. За быстрые темпы роста он признан экономическим феноменом столетия. Доля туризма в мирового объеме ВВП составляет 9%, а доля в мировом экспорте достигает 6%, туризму обеспечивает одно рабочее место из одиннадцати. По данным 2013 года вклад 1,087 миллиона международных туристов в международный экспорт составил 1.4 триллиона долларов. Несмотря на ряд проблем, включая медленный послекризисный экономический рост, с 2010 года количество международных туристов в среднем возросло на 5%, а по данным прогноза Всемирной Туристической Организации к 2030 данное число возрастет до 1.8 миллионов туристов. Бурное развитие туристической индустрии может привести к серьезным экологическим и социальным проблемам, которые серьезно затруднят развитие экономики устойчивого развития. В особенности это касается возможности применения модели устойчивого использования ресурсов в отдельно взятой индустрии, такой как гостиничная индустрия, так как согласно расчетам, отели оказывают наиболее сильное негативное влияние на экологию среди всех коммерческих учреждений.

Проведенный анализ тематической литературы показывает, что на данный момент опубликовано много работ, касающихся применения модели устойчивого использования ресурсов в ежедневной операционной деятельности отеля, но едва ли найдется много работ, сфокусированных на устойчивом управлении такими ресурсозатратными учреждениями как роскошный спа или курортный отель. Более того, использование модели устойчивого использования ресурсов в рамках операционной деятельности роскошного отеля с обширным спа, потребляющим большее количество ресурсов, чем обычный отель, считается мифом. К заблуждениям так же относятся утверждения, что эко-подход в организации отельной деятельности является более дорогим и затратным, а так же утверждения, что гости роскошных спа отелей не одобряют данный подход к операционной деятельности. Данная работа направлена на уточнение и развитие концепции

устойчивого развития применимо к роскошному сегменту отельной индустрии путем исследования успешных устойчивых практик, применяемых в данной категории отелей.

В соответствии с проведенным анализом тематической литературы сформулирована следующая гипотеза: предоставление роскошного гостиничного сервиса и продукта возможно в условиях применения модели устойчивого использования ресурсов в ежедневной операционной деятельности роскошных спа отелей.

Цель данной магистерской работы состоит в проведении анализа концепции устойчивого развития и определения уровня использования природо-, энерго-, и материало-сберегающих технологий, включая социальных аспект концепции устойчивого развития, а так же степень влияния на окружающую среду.

В соответствии с гипотезой и целью данной магистерской работы были сформулированы следующие задачи:

1. Изучить особенности концепции устойчивого развития применимо к деятельности отеля и установить степень использования устойчивых практик в операционной деятельности отеля в целом и спа центре в частности;
2. Разработать список индикаторов относящихся к модели устойчивого использования ресурсов на базе анализа тематической литературы и примеров практического применения устойчивых практик в деятельности роскошного спа отеля;
3. Установить основные факторы, оказывающие влияние на внедрение модели устойчивого использования ресурсов в деятельность роскошных спа и курортных отелей;
4. В процессе проведения исследования проверить гипотезу, а так же определить перспективные направления развития модели устойчивого использования ресурсов в сфере роскошного гостиничного бизнеса.

Для осуществления целей и задач данной магистерской работы, автором было проведено теоретическое и практическое исследование концепции устойчивого развития, а так же степени использования устойчивых практик в операционной деятельности роскошных спа отелей. В рамках эмпирического исследования автором была использована методика исследований, основанная на изучении частных случаев путем проведения интервью с шестью менеджерами подходящих под условия исследования спа отелей, расположенными в Эстонии, Латвии, Германии и России, а так же изучение их операционной деятельности с помощью перечня индикаторов, относящихся к модели устойчивого использования ресурсов.

В результате исследования была доказана гипотеза, что совмещение стандартов предоставления роскошного гостиничного сервиса возможно в условиях применения модели устойчивого использования ресурсов в деятельности спа отелей. Согласно результатам исследования приемы, относящиеся к модели устойчивого развития гостиничного бизнеса, применяются в разной степени во всех изученных роскошных спа отелях. На основании анализа операционной деятельности, участвующих в исследовании гостиниц, можно предположить что такие практики как «Вовлечение гостей в ресурсосберегающие программы», «Сортировка мусора», «Выключение света и отопления в случае не востребоованности», «Энергосберегающие лампы и LED освещение», «Оснащение отопительных радиаторов термостатами», «Изоляция крыш и помещений отеля, включая спа центр» уже могут считаться принятой нормой, используемой в гостиничной деятельности, в том числе и в роскошных спа отелях.

Что касается группы экологически сознательных гостей, которые поддерживают начинания, то согласно полученным данным, она довольно мала. Исследование показывает, что интерес к концепции устойчивого развития исходит в основном от группы гостей с хорошим образованием, в контексте данного исследования преимущественно из стран Скандинавии. Исследование выявило интересную тенденцию, согласно которой спрос на роскошные спа отели, управляемые согласно



модели рационального использования ресурсов, может возрасти со стороны компаний, организующих события для корпоративных встреч.

Касательно основного мотива внедрения природо-, энерго-, и материало-сберегающих технологий в деятельность роскошных спа отелей остается увеличение ресурсной и экономической эффективности деятельности гостиницы. Среди барьеров, препятствующих внедрению и использованию данных технологий, исследование показало возраст и особенности изначальная архитектурной планировки, которая ограничивает возможности модернизации. В данной ситуации недавно построенные отели имеют преимущество, поскольку имеют возможность спланировать внедрение природо-, энерго-, и материало-сберегающих технологий и осуществить это на стадии строительства, рационально используя ресурсы уже с момента открытия.

На основании проведенного анализа деятельности изученных отелей, автор может дать следующие рекомендации относительно развития модели устойчивого управления. По мнению автора социальный аспект концепции недостаточно развит во многих из изученных случаев. Автор уверен, что обучение и мотивация персонала относительно данной концепции и её пользы, а так же вознаграждение сотрудников за достижения в данной сфере путем презентации подарков или предоставления дополнительного выходного может значительно повысить мотивацию и сознательность персонала. Так же перспективным направлением развития концепции устойчивого управления отелем и модели устойчивого использования ресурсов в контексте роскошных спа отелей может стать увеличение использования возобновляемых источников энергии, а так же снабжение, ориентированное, в первую очередь, на местный рынок товаров и услуг. Автор уверен, что в случае объединения усилий со стороны отелей, а особенно со стороны ресурсоемких роскошных гостиниц, будет возможно создать спрос на эко (возобновляемую) энергию и увеличения качества и объема местных товаров и услуг.

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