Sustainable Tourism Practices in the Hospitality Sector: A Case Study of Scandic

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Abstract

Recently the interest in green environmentally friendly products and services increased dramatically. This trend does not stop at tourism related products. Therefore, this thesis aims to have a closer look at the sustainability issues in the hospitality industry. The theoretical background of this study defines associated terms like sustainability, sustainable tourism and development as well as eco tourism, because they are often used interchangeably. Moreover, sustainable practices including their benefits within the hotel industry are examined. Lastly, the role and importance of eco labels is analyzed. The second part of this thesis is dominated by a case study of the Swedish-based hotel chain Scandic. A qualitative research approach was chosen in order to explain and describe the case in detail. The findings show that Scandic implemented various sustainable practices in their daily operations. The business believes in the concept of sustainability, incorporates it in every possible area of action and profits from the benefits. Scandic is clearly a leader when it comes to sustainability efforts in the hotel industry. In this regard, the business acts as a role model and may motivate other businesses to follow. The thesis concludes by giving recommendations for further research.
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1. Introduction

1.1 Background of the Problem

In the last years, the interest in green and environmentally friendly products and services has increased notably. The society is more concerned about the fragile environment and customers are willing to spend more money on products that seem to help in protecting the environment. According to Pforr (2001) nowadays “eco means big business”. In the tourism business terms like sustainable tourism, ecotourism and alternative tourism are becoming popular. In this regard he mentions that the eco-tourism segment is one of the fastest growing markets in the tourism sector. In this regard, the question whether environmentally friendly products exist only to make money or if the producers/service providers really want to support the environmental protection remains unanswered.

According to the World Tourism Organization, the amount of international arrivals is expected to increase dramatically until 2020. The organization expects that 1.6 bn arrivals can be reached by then. See Figure 1 for details. (UNWTO, n.d.)

![Figure 1: Tourism 2020 Vision](source)

Erdogan and Baris (2007) argue that the hotel industry is a key element in the tourism industry and therefore has a crucial position in protecting and preserving the environment as hotels use huge amounts of energy, water and other sources. Nevertheless, sustainable practices do not only help to preserve the environment, it helps to reduce costs, for example by shutting down hotel floors during low season. In addition, sustainability is not only focused on the natural environment, it includes as well the society and the economy.
Moreover, sustainability became very popular during the last years and became also part of political debates (Pforr, 2001). Another question that can be posed is if sustainable development is possible in every sector and if it is the principle that guides future developments.

The public image of Scandinavia is dominated by admiration of the variety of natural resources, which reach from geysers on Iceland and the Norwegian fjords to huge lakes in Sweden. Therefore, people developed a great understanding of the conservation and preservation of the environment, which is reflected in the fact that Ecotourism and sustainable tourism practices are booming in that region. (Gössling & Hultman, 2006) Moreover, Weaver (2006) adds that tourists from Sweden, the Netherlands, Germany and Austria have much stronger green feelings that people for example from the United Kingdom or the Unites States.

This thesis will have a closer look at sustainable practices in the hospitality sector in Sweden. Therefore, a case study of the hotel chain Scandic will be undertaken. It will show that Scandic is an exemplary case when it comes to sustainable tourism practices.

1.2 Purpose of the Study and Formulation of the Research Questions

The existing literature has various possible definitions of sustainability and related concepts, therefore an aim is to identify the perception of the hospitality businesses in Sweden. In particular the following research questions will be treated: How can sustainability be defined and what are associated problems with defining the term? Are sustainable practices the future for the hotel industry? What is the aim of labeling environmentally friendly hotels?

1.3 Layout

After giving an introduction to the theme and the purpose of the thesis with the incorporated research questions, the next chapter will deal with the theoretical framework of the subject. In particular, the frequently used term sustainability will be explained in general and also in relation to the hospitality industry. Furthermore, sustainable practices and their benefits for businesses are going to be treated. The theoretical part will be rounded off by analyzing the various labels for environmentally friendly hotels.

In the methodology chapter, the author gives a very deep insight into the way research was conducted. The purpose and choice of data collection will be explained. In the following, the results of the study will be presented and afterwards, the author will discuss the findings by
comparing the gathered data with the theoretical framework. In the end, conclusions with the most important findings will be drawn and recommendations for further research will be given.
2. Theoretical Framework

This part of the thesis aims at giving the theoretical framework of the further research that will be conducted. Here the terms around the topic sustainability, sustainable practices and the usage of labeling environmentally friendly hotels or similar will be the center of attention.

2.1 Defining Sustainability and associated Problems

The concept of sustainability has its origin the environmentalism that evolved in the 1960s. There people looked at the continuing growth of industry and population critically and perceived it as a force to damage the environment irreversibly. Over the years, many environmental pressure groups where founded and the public interest in the environment increased dramatically. However, the aims of this environmental movement were not very clear in the beginning, but they emerged in course of the time. (Bramwell & Lane, 1993)

In the 1980s, the ideas and debates reached the climax with “the concept of sustainable development” (Bramwell & Lane, 1993). It started as the International Union for Conservation of Nature (IUCN) published the World Conversation Strategy (WCS). Together with the WWF and institutions of the United Nations, for example the UNESCO and the United Nations Environment Education Program (UNEP), the publication had the purpose to draw up a strategy for living resources and its conservation with facing the current environmental problems like desertification and loss of diversity. “The WCS defined conservation as the management of human use of the biosphere so that it may yield the greatest sustainable benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations” (Hall & A. Lew, 1998). In particular the WCS addressed the relation between economic development and conservation of natural resources. (Hall & A. Lew, 1998)

In addition, this publication boosted the environmental movement further and the concept of conservation and sustainable development was launched “onto the global stage” (Bramwell & Lane, 1993). Although the idea about environmental problems and ideas for conserving the nature were not new, this document helped to raise awareness globally and acted as a basis for some governments to respond, for example with implementing environmental policies. Nevertheless, the term sustainability did not enter lexicons until the publication of the World Commission on Environment and Development (WECD) in 1987, commonly known as Brundtland report and Our common Future. In that report sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (UN Documents: Gathering a Body of global
Agreements, 1987). Within the report, five basic principles that determine sustainability were detected:

- “the idea of holistic planning and strategy making
- the importance of preserving essential ecological processes
- the need to develop in such way that productivity can be sustained over the long term for future generations […]
- achieving a better balance of fairness and opportunity between nations” (Hall & A. Lew, 1998)

A few years later, in 1991, the IUCN published the report Caring for the Earth which aimed at enforcing the call for more sustainable behaviors in our daily life. The call was especially addressed to developed countries which are wealthier than others. It became clear that humans are affected by the environmental problems, in other words environmental problems are as well human problems. (Sharpley, 2000)

Since the publication of the Brundtland report and the report of the IUCN, sustainability and sustainable tourism became a popular field of research. However, more than 20 years after the release, the debate about the detailed definition of sustainable development, sustainability and sustainable tourism continues. In the literature, these terms are all well-established, but they are “used loosely and often interchangeable” (Lui, 2003)

Hunter (1997) criticizes that authors publish articles about sustainable tourism without defining the term and its deeper meanings. Then the reader must find out by himself what the author means, which can lead to misinterpretations. Furthermore, it can also be the case that the term sustainable tourism is treated very vague and is described as harmonious and balanced relationship with the environment. Nevertheless, Hunter admits that there are as well studies that describe the term very well and analyze the underlying factors for a sustainable development in an appropriate way.

In order to prevent any misunderstandings from the very first, the relationship between the terms sustainability, sustainable tourism, sustainable development and ecotourism will be analyzed and clarified. Butler (1999) and Harris and Leiper (1995) tried to figure out the differences between the terms. They defined sustainability as state-focused and it involves “steady life conditions for generations to come” (Lui, 2003). Sustainable development on the contrary is more oriented towards a process and the management of changes, which should improve the living conditions for people involved in that development (Lui, 2003). Another definition of sustainable development comes from Farrell (1992) who said that sustainable
development is “the need to find a balance in the development system between economy, environment, and society [...]” (Hunter, 1997) in such a way that no aspect outweighs another one, in other words that the three aspects are equal (Figure 2).

![Figure 2: Farrell's Definition of Sustainable Development](image)

According to Weaver (2006), sustainable tourism can basically be regarded as applying the ideas of sustainable development in the tourism industry. In the same regard, Butler and Harris and Leiper defined sustainable tourism as the forms of tourism that contribute to sustainable development (Lui, 2003). However, the Brundtland report did not mention tourism in connection with sustainability at all. With the beginning of the 1990s and especially the establishment of the Journal of Sustainable Tourism helped to recognize that tourism brings advantages but also disadvantages to a host region. Bramwell and Lane (1993) support this definition by saying that sustainable tourism is a positive approach that aims at the reduction of tensions that are created by the relationships between the tourism industry, visitors, host population and the environment. If all needs of the four groups are integrated and addressed, the community will profit from increased quality of life and the tourists will experience satisfaction. Furthermore, fair profit for the tourism makers will be created as well as the environment will be protected appropriately. This idea shows clearly that the focus of sustainable tourism lies in the positive long-term relation between these groups/factors.

The literature about sustainability often entails also the term ecotourism in the connection with sustainable tourism. The International Ecotourism Society (TIES) (1990) defines ecotourism as "responsible travel to natural areas that conserves the environment and improves the well-being of local people...". The concept provokes two opponent opinions. Liu (2003) argues that ecotourism is only a marketing tool and does not aim at protecting or preserving the environment and its resources. Rather it is used by the tourism industry to diversify their products and to answer to the movement of the green customers. Pforr (2001) agrees that ecotourism is big business nowadays and the tourism industry makes a lot of
money from it. Nevertheless, he sees as well the connection to sustainability and its principles within ecotourism. According to Pforr a common understanding of ecotourism as “the intersection of nature-based tourism and sustainable tourism has developed” (2001). Both researchers see the increase in tourist numbers in the ecotourism sector and therefore, they argue that it might be difficult to stick to the principles of sustainable tourism. On the theoretical side, they both think that ecotourism “can be path to sustainable development” (Pforr, 2001). However, if ecotourism is only promoted for marketing reasons or if it really aims at sustainable practices remains unanswered for now. In addition, ecotourism is often used as an interchangeable term for nature tourism, which includes activities like bird watching and hiking (Viken, 2006)

The existing literature about sustainability allows various interpretations of the term. “The concept […] is malleable and can be shaped to fit a spectrum of world views” (Hunter, 1997). The understanding can range from extreme environmental conservation to the extreme environmental exploitation, when the growth of the economy outweighs environmental concerns. Hunter (1997) concluded therefore, that different circumstances call for different interpretations of sustainable tourism. In particular he calls sustainable tourism an adaptive paradigm and not a fixed framework that can be applied to every situation.

In the end, it can be said that the concept of sustainable tourism has its roots in the environmental movement which started in the 1960s. Today, it is regarded as a desirable intention of tourism development. It embraces the natural environment, the economic situation and the society equally, which is important because these areas influence each other to a huge amount and problems in one area will affect another one.

2.2 Description of sustainable Practices and the Benefits within the Hotel Industry

After clarifying the associated terms of sustainable tourism, the meaning of those will be applied to the hotel industry. According to Bader (2005) is the hospitality industry becoming the greatest example that shows that sustainable practices within a business are crucial for its long-run success. As costs for energy, water, etc. are rising, hotels are more or less forced to act economically, environmentally and socially responsible. On the other side, Cavagnaro and Gehrels (2009) argue that the hospitality industry is in general not really aware of sustainability. In particular, only few hospitality businesses implemented sustainable practices in their daily routines (Bader, 2005). A reason for this could be the unawareness of the public and industry that sustainable practices bring benefits to the surrounding society,
economy and environment and of course to the hotel business at the same time. Nevertheless, this will change in the next time due to the given reasons of increased costs and changing demand, in particular the demand of green products and services.

Hotels are depended on its surrounded environment, because this is the main reason why people come to a certain area. In other words, hotels rely on their immediate surrounding and therefore, they should preserve it in order to exist in the long-run. (Bader, 2005)

Since the end of the 1990s, more and more hoteliers implemented sustainable practices. The main goals were since then various, some want to save costs, others want to promote themselves and even others want to set an ethical statement. (Cavagnaro & Gehrels, 2009) However, Cavagnaro & Gehrels (2009) argue that is seems to be easier for smaller businesses to set up sustainable commitments. A reason for this could be that there might be a better communication and coordination between the various departments. Hotels have many possibilities to act sustainable. These practices bring various benefits to the business and the environment. Table 1 gives an overview of the actions that hotels can undertake to act more sustainable and at the same time the benefits that hotels can gain are presented. There are more actions that hotels can undertake in order to act sustainable, but to name all would be out of the scope of this thesis. Therefore, only the most important actions are addressed.

The most obvious benefits of sustainable practices within a business have a financial character. A huge amount of costs can be reduced by using energy-saving measures. For example, energy-saving light bulbs can be installed. Furthermore, hotels can of sensors and timers for light installments which ensure that the light is only switched on in areas/rooms when it is needed. Moreover, employees of the hotels could be remembered to turn off lights when they are leaving a room. In order to control the heating in the guest rooms and public areas, digital thermostats can be used and programmed in such a way that it fits to the time of the day and the temperatures which are needed. Key tag controlled switches for hotel rooms are another very effective action. This means that the key card for the door is simultaneously the card who switches on the electricity including air condition in the room. This ensures that guests do not have the chance to leave the light or air condition turned on when they are leaving their rooms. Furthermore, hotels can save a lot of energy when they shut down wings of the hotel, which are not occupied. In the long-term, hotels could install solar panels on the roof to produce their own energy. (Global Stuards, n.d.)
In addition, hotels can save water by installing things like low-flow showerheads and toilets. Another way to save laundry supplies and water is to implement a towel and bed linen reuse program, which means that the towels will not be changed every day, rather only then when the guests want to have new towels. (Global Stuards, n.d.) All these named measures that aim at reducing water and energy consumption help the hotel business to keep costs down. Moreover, it is environmentally friendly to save energy and water. Due to lower costs, hotel businesses can create additional revenues, because less money needs to be spent on energy, water, etc. (Bader, 2005).

The use of less fragile tableware as well as the avoidance of plastic cups helps to save costs in the long term, because the dishes have a longer lifetime. Moreover, less waste is created. Waste disposal is very expensive for hotels and it pollutes the environment. Recycling and separating waste can help to reduce the amount of waste that need to be transported from the hotel to a waste incineration or garbage dumb. In addition, the hotel could donate food that is left over to local non-profit businesses. This has two advantages, first the hotels save costs for the waste disposal and second the businesses contributes to the society. (Global Stuards, n.d.)

The last category of benefits is socially oriented. The immediate surrounding and its inhabitants play a crucial role, because they contribute to the experience of the visitors. If the visitors feel not welcomed by the host region, their stay will be influenced negatively. Hotels can contribute to a good relationship with the locals and prevent tensions between the guests and locals. Especially regarding the food, hotels can make use of local products. This supports one the one hand local businesses and one the other hand, hotels and their restaurants can differentiate itself by serving locals specialties. Furthermore, the environment is preserved, because there are no long transport ways for the local goods. (Cavagnaro & Gehrels, 2009)

The same is applicable for other local products, for example furniture or tableware. In the long run, these actions are sustainable because the hotel benefits and the locals can contribute to the business and do not need to have any negative feelings towards the tourists.

In the wider social context, hotel business can set an ethical stance by buying fair trade and organic products. These kinds of products act as a symbol for sustainability. (Cavagnaro & Gehrels, 2009)
<table>
<thead>
<tr>
<th>Action</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• energy-saving light bulbs</td>
<td>economic: cost-savings due to energy-saving measures</td>
</tr>
<tr>
<td>• sensors/timers for lightening</td>
<td></td>
</tr>
<tr>
<td>• switch off lights</td>
<td></td>
</tr>
<tr>
<td>• digital thermostats</td>
<td></td>
</tr>
<tr>
<td>• key tag controlled switches for hotel rooms</td>
<td></td>
</tr>
<tr>
<td>• turn off unoccupied parts of the hotel</td>
<td></td>
</tr>
<tr>
<td>• usage of solar energy</td>
<td></td>
</tr>
<tr>
<td>• low-flow showerheads and toilets</td>
<td></td>
</tr>
<tr>
<td>• reduce chemical and laundry supplies</td>
<td></td>
</tr>
<tr>
<td>• linen reuse programs</td>
<td></td>
</tr>
<tr>
<td>• use less fragile table ware</td>
<td>environmental: other cost-saving measures, which help to protect the environment at the same time</td>
</tr>
<tr>
<td>• avoid usage of plastic cups</td>
<td></td>
</tr>
<tr>
<td>• recycling</td>
<td></td>
</tr>
<tr>
<td>• separating waste</td>
<td></td>
</tr>
<tr>
<td>• respect local food habits</td>
<td>social: setting an ethical stance and support local economy</td>
</tr>
<tr>
<td>• use/buy seasonal products</td>
<td></td>
</tr>
<tr>
<td>• use/buy locally grown/produced products</td>
<td></td>
</tr>
<tr>
<td>• buy fair trade and organic products</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Benefits of sustainable Practices

Source: own development based on the sources given in the text

Besides the given benefits there are overall advantages for hotels that implement sustainable practices. Next to the cost savings and additional revenues, sustainable businesses are oriented towards to long-term. Therefore, it is more attractive to lenders which means that better and faster financing of a hotel project is possible compared to other businesses that do not aim at sustainability. Sticking to sustainable practices stands also for the hotel’s “long-term ability to stay in business and be profitable” (Bader, 2005). More and more investors see corporate sustainability as a crucial success factor when thinking about investing in a project.
Moreover, hotels can create positive PR by communicating their sustainable practices. This could attract a new market segment, namely green customers, and/or increase the demand in general, also thinking about repeat visitors. In both ways, additional revenue that contributes to the business's profitability is created. (Bader, 2005)

There are national and international committees that award hotels for sustainable practices. These awards increase first of all the awareness of sustainability and secondly, they can create raise the visitor numbers. However, the next part of the report, will deal with labeling in more detail.

As it was written in the beginning, the numbers of international tourist arrivals are increasing. Consequently, there will be increasing impacts that tourists have upon a host region, in particular the environment, the society and the economy. For this reason, hotel businesses are kind of force to act in such a way that the impacts are minimized and the environment is preserved. (Bader, 2005)

Today, there are some hotel chains and independent hospitality businesses that incorporated sustainable practices in their daily business. International hotel chains like Hilton, Marriott, Fairmont and Accor made significant steps towards “corporate hotel sustainability” (Bader, 2005). Examples for sustainable measures that they make are: waste separation, efficient use of energy and water, installation of solar systems and water purification means. (Bader, 2005)

The latest given examples of hotels and their sustainable practices show that several businesses undertake steps towards sustainability. Looking at the given actions that businesses can do, it can be seen that sustainability can be reached in various departments of a hotel business. There is an increasing understanding that “these steps are crucial to ensure long-term business prospects and profitability” (Bader, 2005). For hoteliers are the economic advantages the most relevant benefits from implementing sustainable practices in their business. However, the environment also benefits from those practices, for example cost reductions and increased revenues. Nevertheless, according to Bader (2005) is remains surprising that not more hotels incorporate sustainable measures in their business. However, the big international hotel chains made a start, which may animate others to implement sustainable practices as well.

The membership organization International Tourism Partnership (ITP) consists out of leading companies in the tourism field. The organization aims at providing practical information for
the hotel and tourism industry, in particular regarding more responsible and sustainable business practices. The ITP released three influential publications. In 1993, the first edition of the guide called *Environmental Management for Hotels* was published. This is a guide to environmental management and sustainable practices in the hotel industry. Furthermore, the *Green Hotelier*, which aims to inspire, challenge and educate the stakeholders within the tourism industry is released by the ITP since 1995. The latest publication is *Sustainable Hotel – Siting, Design and Construction*. Here readers can find proposals and suggestions for designing sustainable hotels. (International Tourism Partnership, n.d.)

In the future, customers will demand even more *green* businesses and hotels need to listen to them in order to be successful. Moreover, governments and European regulations may force hotel businesses to act more responsible. Therefore, businesses will be pushed to act more sustainable and implement sustainable practices in their daily business (Bader, 2005). Organizations like the ITP propose helpful guidelines for hotels that show how they could implement sustainable practices in their management.

### 2.3 Labeling of environmentally friendly hotels

According to Gössling (2006), Scandinavian countries are seen as strongly committed to sustainability. Various bodies like governments, non-governmental organizations, stakeholders and industry as well as the population in these countries act towards a sustainable development. Pro-environmental behavior has a high degree of relevance within the various levels of the society. The Swedish government has announced the “overall goal of becoming a sustainable society by 2021” (Gössling, Tourism Certification in Scandinavia, 2006).

In this regard, more and more companies try to act more responsible and work together with *green* partners and environmental organizations. As it was given in the beginning, customers are willing to pay a premium price for products that are more environmentally friendly and socially fair. Therefore, their decision-making is influenced by certifications that give a hint to which products and services fulfill these criteria. Not only regarding tourism, but also in general the amount of national and international certificates and awards is growing. In particular, there are recently more than 60 international programs in the tourism sector. These programs set standards and verify them afterwards. (Gössling, Tourism Certification in Scandinavia, 2006)

In the following, the most significant certifications for the hospitality industry in Sweden will described. Afterwards, their aims and benefits will be analyzed.
2.3.1 Labels in Sweden

In general it can be said that labeling of sustainable businesses has increased during the last years dramatically. One reason for this could be the general orientation of the market and its consumers towards more sustainable products and services. Figure 3 gives an overview of the most relevant logos and labels regarding sustainable tourism in Sweden.

First, the “official Nordic eco-label” (Gössling, Tourism Certification in Scandinavia, 2006) Svanen (The Swan) can be named. The label was founded by the Nordic Council of Ministries back in 1989. It embraces various product categories, ranging from computers, over printing companies to hotels. At the moment there are 247 hotels and youth hostels in Sweden, Finland, Norway and Iceland that are eco-labeled (Miljömärkning Sverige AB, 2010). However, the majority of the businesses is situated in Sweden (Gössling, Tourism Certification in Scandinavia, 2006). Businesses can apply for being labeled by approving that the meet the criteria that are set by the non-profit organization. These include for example, environmental and health arguments as well as the lifecycle of the product are considered. Applicants need to pay an application fee, which amounts to 18 000 SEK (approx. 1 900€) at the moment (Miljömärkning Sverige AB, 2010). After a positive assessment by the organization, the license is given to the applicant. The license is valid for three years in which the businesses need to pay an annual fee of 0.15% of its annual revenues. After these years, the businesses can apply again for a license. However, Svanen adjusts the criteria every year according to the constantly developing environment, therefore, it might be more difficult to get again a license. (Miljömärkning Sverige AB, 2010)

The European Flower, also called European Ecolabel, was established 1992. It is applicable for a wide product range. However, since 2003 the certification considers accommodations. The criteria for being labeled are tough and various experts are consulted in order to set up criteria. In total there are 37 mandatory and 47 optional criteria that the applicant need and respectively should fulfill. If a hospitality business wants to apply for this label, it received an application kit that includes self-evaluation forms. After the self-assessment, an independent organization will check the application. Similar to the Svanen-label, an application fee needs to be paid. The amount depends on the size of the business, but lies between 300 and 1300€. In addition, 0.15% of the annual sales need to be paid to the organization as annual fee.

The Green Key is an internationally eco-label that is given to various types of accommodation, restaurants and leisure facilities. The organization is part of the non-governmental organization Foundation for Environmental Education (FEE). Today it is used
in seventeen countries around the globe. Applicants need to criteria from the field of communication, technical requirements and environmental management (Foundation for Environmental Education, 2010). Thereby the organization divides the criteria into mandatory (need to be fulfilled before being awarded), essential (need to be fulfilled within a given time) and optional (nation specific) criteria. (Gössling, Tourism Certification in Scandinavia, 2006) The application for the certificate is for free, but labeled businesses need to pay an annual membership fee that also allows the business to use the label for promotional purposes. The label is valid for one year, and then the applicant needs to send a new application. (Gössling, Tourism Certification in Scandinavia, 2006)

Different from the given labels above, is the Green Globe 21 a for-profit organization, which says about itself that the Green Globe brand is the “premier international symbol for environmental responsibility and response to climate change” (Green Globe International, 2009). The foundation dates back to the United Nations Earth Summit in Rio in 1992 and therefore, the organization is based on the principles of the Agenda 21, which has been developed during that conference. All areas of the tourism sector can be certified by the Green Globe. There are three levels of membership, namely affiliated, benchmarked and certified status. The annual fees depend on the level of membership and the size of the organization. In general, the costs range from 120 to 6 000€ (Gössling, Tourism Certification in Scandinavia, 2006). The affiliated membership status means that businesses confirm a strong commitment to sustainable tourism. Within the second stage, businesses are forced to prepare environmental performance reports, which are then used to benchmark organizations worldwide and to set international performance standards. The final status of the Green Globe is the certification. Here the businesses are allowed to use the logo and the tick. However, the businesses need to be reviewed annually by a third party in order to maintain the status. (Harris, Griffin, & Williams, 2002)

![Figure 3: Overview about the various labels in Sweden](Svanen, European Flower, The Green Key, Green Globe 21)

Sources: (Miljömärkning Sverige AB, 2010), (Europa - Environment, 2010), (Foundation for Environmental Education, 2010)
Lastly, the International Organization for Standardization (ISO), certificates, among many other products and services, the hospitality industry. In 1997, the non-profit organization was founded with the aim to develop standards that are applicable worldwide, because then international communication and collaboration as well as the exchange of goods will be enhanced. (Chan & Wong, 2006) Some hotels make a step towards more environmentally friendly businesses by adapting the ISO 14001 Environmental Management Standard. This ISO standard provides guidelines about how to set up an Environmental Management System and at the same time it is the only ISO standard that gives organizations a certificate for their EMS. An EMS is a formal means that ensures that all activities, products and/or services within an organization are working towards environmental goals that have been defined in an environmental policy. (Chan & Wong, 2006) Chan (2009) describes an EMS as a way for an organization’s management to keep track and deal with the impacts of their activities.

In general, there are twenty environmental standards that are embraced by the ISO 14000 series. All these standards are voluntary and up to the business to implement them in their daily operations. In particular, the ISO 14001 EMS standard has five cores, namely:

(1) “environmental policy
(2) planning
(3) implementation and operation
(4) checking and corrective action
(5) management review” (Chan & Wong, 2006).

A business “can be certified by an external certification authority against the ISO 14001 standard” (Chan W. W., 2009). Around the world, there are more than 2 500 certification bodies that proof businesses and give away the certification. However, ISO does not have control or authority over these bodies. (ISO, 2010)

According to Chan (2009) there are over 110 000 organizations around the world that has been certified according to the ISO 14001 standard. Among them were approximately 600 hospitality businesses. Nevertheless, certified businesses are prohibited to use the ISO logo, because it stands only for the organization that sets up the standards and does not carry out the certification. (ISO, 2010)

Next to the certifications that businesses can obtain there are various awards which organizations give away to businesses with remarkable sustainability efforts. “Awards are similar to ecolabels in so far as they involve funding and awarding bodies that […]” (Weaver, 2006) evaluate and assess businesses, products and services according to sustainable
principles. Most prizes are awarded on a regularly basis, either every year or twice per year. (Weaver, 2006)

The above named organization *Green Globe* hands out awards on an annual basis since 1996. In particular there are three awards, from these two can be won by members and one is given to non-members. The distinction and achievement awards can be won by members of the *Green Globe*. Here outstanding achievements and respectively outstanding improvements related to environmental performance are awarded. Members can nominate non-members in the category recognition award. (Harris, Griffin, & Williams, 2002)

The *World Legacy Awards* are an example for an independent award. It is an effort of the magazine *National Geographic Traveler* and the organization *Conservation International*. Businesses that aim at obtaining a prize in one of the four categories Nature Travel, Destination Stewardship, Heritage Tourism and General Purpose Hotels and Resorts) need to apply for it. (Weaver, 2006)

In the end, it can be said that certifications vary considerably concerning their international scope, assessment, fees and the character of the certifying organization. As it can be seen in the above there are five major certifications that are used in Sweden. Some of them are international, like the ISO standards, the *Green Globe* and the *Green Key*, the *European Flower* acts on a European level and the *Svanen* certifies businesses only in the North European countries. According to Gössling (2006), Sweden is on the forefront of labeling environmentally friendly businesses, practices, etc., because there are in addition to the given certifications five that exist only in Sweden. Furthermore, the assessment is very different between the certifications. First, the various organizations set various standards and secondly, some base their assessment on self-assessment of the applying organizations whereas others authorize independent third parties to do this.

In addition, the character of the certifying organization can be either profit or non-profit oriented. In this regard, the membership fees can be a drawback for smaller businesses that may fulfill criteria to obtain a certificate but are economically not able to raise the annual fees, or even the application fees. Gössling (2006) argues that certifications can work towards sustainability. However he criticizes that the business should not be judged from an absolute point of view. One cannot say whether a hotel or other business is sustainable, without taking the destination and its uniqueness into consideration. Therefore, the especially certifications that exist around the globe, should consider national or regional conditions in their assessment.
Certifications and awards can be good means to create PR and consequently more guests in the case of hospitality businesses. Nevertheless, there are more aims and benefits of certifications which will be described in the next part of this thesis.

### 2.3.2 Aims and Benefits of Labels

In general, there are two main aims of eco-labels, which accompany the motivation for businesses to be certified. First of all, according to Font & Buckley (2001), eco-labels motivate businesses to make considerable improvements regarding their environmental performance. Secondly, eco-labels are an important marketing tool, because they influence or at least try to influence the consumers’ decision making process. (Gössling, Tourism Certification in Scandinavia, 2006)

All above discussed eco-labels have one common goal, which is to animate businesses to act more sustainable. For example the Green Globe aims at increasing the awareness and actions towards sustainability within the whole tourism industry. Furthermore, the organization wants that various bodies that are involved in tourism, participate in more sustainable behaviors. (Harris, Griffin, & Williams, 2002) Consequently, certified organizations benefit from being labeled. All certifying organizations offer their members access to environmental experts and training, which helps businesses to implement sustainable measures within their daily activities. (Harris, Griffin, & Williams, 2002) Moreover, the sponsors help businesses to monitor their environmental performance. In this regard, businesses are constantly constrained to improve their performance, in other words due to peer and market pressure. (International Organization for Sustainable Development, 2010)

According to Gössling (2006), eco-labels aim at influencing the decision-making process of consumers. Therefore, marketing plays a big role within eco-labels. Tourism products are rather intangible, which means that it is hard to evaluate them before the consumption. For this reason, certifications and labels play a role for customers, and especially green costumers, because in this way they can make more informed purchases and can distinguish between normal and sustainable products and services. (Weaver, 2006)

In addition, eco-labels tend to create positive publicity. This and also the previous mentioned benefit can lead to increased business especially by green consumers. According to Font (2002) people think that products and services that are eco-labeled are more expensive. Weaver (2006) proofs this believe by arguing that eco-labels allow businesses to charge a premium price for certified products and services. Mostly these labels become a strong brand
and consumers can identify themselves with the product or service, which may lead to increased purchase of these products. (Font, 2002) In addition, there are other benefits that are associated with eco-labels. Businesses that carry the same label have networking possibilities (Weaver, 2006) or they can form alliances (Font, 2002). This would allow “them to penetrate local markets more quickly” (Font, 2002).

In conclusion it can be said that eco-labels aim basically at two main goals, namely increased improvement of environmental management and secondly usage as a effective marketing tool. Customers have various choices when it comes to choosing a hotel for an overnight stay. Labels could guide them in so far that they show which businesses take more the environment into consideration within their daily activities. And due to the fact that customers choose more and more green products, labels will guide them to the “right” product. However, eco-labels also create public awareness, which could animate more business to act more sustainable. At the same time, consumers are motivated to think about their own behavior and what they can do regarding sustainability issues.

2.4 Conclusion of the theoretical Framework

![Figure 4: Summary Theoretical Framework](source: own development)

In the end, Figure 4 aims to summarize and visualize especially the first and second part of the theoretical framework, because these parts involve various views from different researchers. However, Figure 4 shows the perception of the definition of sustainability and accompanied concepts by the author of this thesis.

First, it is shown that sustainable development is process-oriented and leads finally to sustainability. Sustainable tourism can be equalized with sustainable development, because it also leads and aims at sustainability. Secondly, the relationship between economy, society
and environment is very important when talking about sustainability. Within sustainable development it is important to find a balance between these three aspects, only if this succeeds, sustainability is possible. Lastly, these three elements reflect the categories of benefits that can be gained within sustainable development.
3. Method

3.1 Introduction

After giving the theoretical background of the defined problem, the theory will be applied to a real-life case. The case will show how a North European hotel chain became one of the leaders regarding sustainable efforts worldwide.

3.2 Methodology

As it was mentioned in the introduction, a case study method is employed within this thesis, which belongs to the study field of social sciences. And according to Yin (2003), “the case study is but one of several ways of doing research …” in this field. The data will be gathered mostly from material that Scandic offers to the public, especially the very detailed and comprehensive homepage will be used to analyze the company and its practices. Especially, Scandic’s Better World page will be used as it is dedicated to the sustainable efforts of the hotel chain. Moreover, academic articles about previous research on Scandic will be analyzed and incorporated when it is appropriate.

The qualitative research method is suitable because it helps to understand complex processes. Furthermore, case studies are “argumentative, descriptive and exploratory in character” (Bohdanowicz & Zientara, 2008), which helps to indicate issues, and in this case practices at Scandic, in great detail. Moreover, Yin (2003) argues that case studies are appropriate for “how” and “why” research questions. This is also the case in this thesis as the research questions are formulated in this way in the beginning of the study. Furthermore, this research method allows to investigate holistic and meaningful characteristics of organizational real-life processes (Yin, 2003), which is also a purpose of this thesis.

3.3 Operationalization

After providing the theoretical framework in the beginning of the paper and the description of the case in accordance with the theory, these two chapters will be compared by analyzing how far the theory can be applied to a real-life case. In order to do so questions have been set up (see Appendix 1) and will be answered in the next part of the thesis. Originally, those questions were questions for an interview with Scandic. However, due to the refusal from the side of Scandic, the questions were kept and with the help of Scandic’s online presence (especially the Better World page by Scandic) and some academic articles answered. Moreover, the questions act as a guideline to incorporate all the aspects that have been described in the theoretical background. Thus, the theory nearly set the agenda for the type
of questions that must be answered within the case study in order to be able to analyze the case appropriately and to keep a red line within this thesis. After the analysis, the author will state her own opinion about the results of the case study. And in the end, conclusions will be drawn and recommendations for future research will be given.

The motivation to choose the real-life case of Scandic can be found in the author’s personal interest in the way tourism businesses operate in Sweden. This interest can be derived from the author’s study program and the fact that Sweden was the home for the author for half a year. After doing the first research on the subject of sustainability, it became clear that especially the Scandinavian countries take up a leading stance. In this regard, Scandic as Scandinavia’s largest hotel chain stick out from usual hotel chains, by implementing sustainable practices really at the core of its business. In other words, Scandic constitutes an exemplary way in running a sustainable hospitality business and this study aims at identifying the practices at Scandic in order to act as a role model for other hotels or appropriate businesses.

3.4 Validity/ Reliability

The explicatory case study research includes basically various research approaches. These were needed in order to gain a general overview and in depth knowledge about the subject, to develop appropriate research questions and to gather the needed data from the case.

First, secondary data from books, peer reviewed articles and official web sites from organizations were used to develop a theoretical framework for the thesis. Then, these data has been used to formulate research questions and to come up with striking positions within the topic of sustainability.

For the case study secondary data has been used as well. These were mainly retrieved from Scandic’s homepage, which includes next to written information, videos, interviews with the management as well as graphical presentations.

Although, only secondary data has been used for this research, the thesis can be seen as reliable due to the fact that only officially published and peer reviewed data from official sources has been used. However, this secondary data turned out to be enough for analyzing and describing the case of Scandic, because the company has a very comprehensive homepage, where nearly everything about the environmental efforts by Scandic can be found.
Moreover, critics that say that case studies do not provide enough reliability due to the fact that only one case was analyzed can be denied, due to the fact that this thesis aims at describing the exemplary case of Scandic hotels and it does not aim to make generalizations for the whole hospitality sector. Nevertheless, some general conclusion can be drawn because some theoretical aspects are exactly reflected in the case study.

3.5 Limitations

As every research, this thesis does have certain limitations. Due to the fact that Scandic Östersund was not willing to give an interview, the author had to rely only on secondary data. However, this data turned out to be similar with the interview that would have been conducted.

Furthermore, due to the fact that only one case is elaborated in this paper, no generalizations for the whole hospitality industry can be made. Nevertheless, some general assumptions are included in this work as far as possible.
4. Results and Analysis

After giving details about the methodology, this part of the thesis constitutes the case study. Here the Swedish hotel chain Scandic will be analyzed according to the formulated research question. In this regard, each research question will have a look at the situation at Scandic and afterwards, the theory that was given in the beginning will be compared with the investigated results at Scandic. However, before starting with the actual presentation of the results, an introduction of Scandic will be given in order to show the business’s historical development and its current position in Sweden.

4.1 Historical Overview of Scandic

Scandic operates at the moment 157 hotels, which are situated in Sweden, Norway, Denmark, Finland, Germany, Austria, Belgium, Poland, Estonia and Lithuania. With this record, Scandic is the leading hotel chain in the Northern hemisphere of Europe. (Scandic, 2010)

The history dates back to 1963, when Esso Motor Hotels (which will become Scandic later) established the first motor hotel in central Sweden. The number of hotels grew constantly and in 1972, the markets in Denmark and Norway were penetrated. Only one year later, Sweden’s largest hotel chain was Esso Motor Hotels. In the beginning of the 1980s, the hotel chain was bought by a Swedish consortium and the company as well as all accompanied hotels were re-named into Scandic. (Scandic, 2010)

In the 1990s, Scandic had to experience some setbacks. The ongoing Gulf War had effects on the tourist numbers and consequently the hotel industry suffered. Moreover, “Sweden was in a state of recession” (Goodman, 2000). In order to overcome this crisis, a CEO, called Roland Nillson, was employed. Goodman (2000) points out Scandic weaknesses at that time as follows: rapid growth and a strategy without any focus. The new management team decided to enter in environmental issues and a new vision of Scandic was launched, which will be analyzed in depth in the following point. (Scandic, 2010)

In the mid 1990s till the end of the decade, Scandic acquired various hotels in Norway and Sweden and was listed on the Stock exchange in Stockholm. In the following year, more hotels were acquired, for example Provobis Hotels and Finland’s Arctia. (Scandic, 2010)
The Hilton Group Plc bought Scandic in 2001, which means that the listing at Stockholm Stock exchange was removed. Later in 2007, the hotel chain was bought by EQT, a private equity fund. Today, the expansion of the hotel chain in Europe goes on. (Scandic, 2010)

### 4.2 Scandic’s Definition of Sustainability

As Scandic was in trouble in the early 1990s and a new management was employed, the business decided to engage in green issues with the goals of “becoming one of the most environmentally friendly hotel chains” and “to become the most resource-efficient hotel company” (Bohdanowicz & Zientara, 2008). In this regard, Scandic developed a sustainability program, which is today one of the leading programs of the whole tourism industry. (Scandic, 2010) The next point of this thesis will analyze this program in detail.

In addition, the management aimed at building a strong brand that makes it easy for employees and guests to identify with. Consequently, the new strategic direction included decentralization and sustainability. Decentralization was necessary in order to focus more on the customers. Employees can act more independent and according to the situation. (Goodman, 2000) However, this is out of the scope of this thesis and the next parts will only focus on the sustainability issues at Scandic.

The newly appointed CEO Nillson, “made sustainability a key building block of Scandic’s new direction, future growth, and market success” (Goodman, 2000). Therefore, sustainability needed to be incorporated in the company’s strategic thinking.

In the very beginning of Scandic’s sustainability efforts, its environmental policy was formulated as follows: “No company can avoid taking responsibility for the environment and focusing on environmental issues. Scandic will therefore lead the way and work continuously to promote both a reduction in our environmental impact and a better environment. Scandic will actively contribute to a sustainable society.” (Scandic, 2010)

In 1998, *The Compass* (see Figure 4) and the concept of *Omtanke* was introduced to embrace all aspects of sustainability and the strengthen Scandic’s environmental commitment. The word *Omtanke* means in this regard as that employees need to care for the guest and each other. At the same time, they need to care of the surrounding of the business, in particular the society and the environment. (Scandic, 2008)
Furthermore, the concept of the compass explains how Scandic defines sustainability. Basically, the concept is divided into three main areas, namely: ecologic, economic and ethical aspects.

In particular the ecologic point embraces two areas: environment and health. Scandic says about itself that the business believe in acting environmentally responsible and by doing so the business can also be a role model for other businesses to work towards a sustainable society. In other words, the business aims at reducing negative impacts on the environment as well as decreasing the environmental footprint. (Bohdanowicz & Zientara, 2008)

Next, health issues are also important within Scandic’s core issues. The organization wants that all employees and guests live a healthy life, which is realized for example by helping employees to quit smoking. All in all the ecological sustainability aims on the one hand on the environment and on the other on the employees’ and guests’ health. (Scandic, 2008)

Economically seen, salesmanship and efficiency are important issues within the business. Like every other business, the hotel chain needs to make profit in order to survive in the market place. Factors that lead to profitability are “efficiency of operations and salesmanship” (Bohdanowicz & Zientara, 2008).

The last third deals with ethical sustainability. Here a positive development of the society as well as safety and security for guests and employees, which is also addressed in a comprehensive safety and security manual, are important (Bohdanowicz & Zientara, 2008). In addition, Scandic promises to treat everybody equally and with a feeling of care (Scandic, 2008).

Figure 5: The Compass - Scandic’s Core Business Values  
Source: Scandic (2008)
All three aspects are clearly targeted towards a sustainable present and future for the environment, society and the business itself. In short, it can be said that Scandic’s interpretation of sustainability is clearly embedded in the Compass. However, these three areas, ecological, economic and ethical correspond with previous definitions that have been given in the theoretical framework.

First, Farrell defined sustainable development with equality between economy, environment and society. This aspect can clearly be found in Scandic’s understanding of sustainability, as the Compass shows. Nevertheless, the theoretical chapter has shown that there is a difference between sustainability and sustainable development. However, when applying this to Scandic it can be said that the business combines both definitions. On the one hand, sustainable development is state-focused, because there are benefits that show of immediately (or respectively in a short time frame), for example the non-smoking help for employees. On the other hand Scandic also employs actions that will pay off in the long-run and are therefore process oriented, for example environmental protection efforts like reduction of water and energy levels.

As far as the research showed, Scandic never uses the term eco-tourism in connection with its sustainability efforts. This shows that this concept seems to irrelevant when it comes to the hospitality industry. This assumption would also support the argument that eco means only big business, because Scandic's sustainability efforts are not done in order to attract more and greener customers, rather they want to support the overall environment and society and its own economy.

That Scandic really believes it its sustainable efforts is shown by the words of the current CEO, Frank Firskers: “Sustainability is clearly a part of the company’s DNA.” (Scandic, 2008) And this DNA is shaped and grounded in the compass, which embraces natural, economic and social sustainability.

4.3 Sustainable Practices at Scandic Hotels

It can be said right at the beginning that Scandic’s sustainability program is leading in the whole industry sector today. Scandic became a trendsetter and role model to other businesses. (The Natural Step, n.d.)

The following paragraphs will have a close look at the practices that Scandic implemented in order to act sustainable and to point the way for other businesses.
As it has been touched in the historical overview, Scandic had some trouble in the beginning of the 1990s. In particular, the company had to deal with losses of $22 million (The Natural Step, n.d.). The newly employed CEO implemented the new philosophy which highlighted environmental responsibility without taking socially and economic sustainability into consideration. He recognized that Scandic needs to make a turnaround if the company wants to be successful in the future and in this regard, sustainability became a key issue of Scandic's new direction. (Goodman, 2000)

The non-profit organization Natural Step advises Scandic and many other international businesses on environmental issues. In particular the organization developed a framework, which is available to everyone, “that helps communities and businesses better understand and integrate environmental, social, and economic considerations.” (The Natural Step, n.d.). The organization helps businesses to develop sustainable strategies and gives advice in implementing them. However, it is not part of the thesis to describe the framework of the Natural Step, rather the sustainable actions that Scandic implemented in its hotels will be given. Since 1993, Scandic implemented many measures to reach environmental and social sustainability and be doing so, the business itself reaches economic sustainability.

Right in the beginning of Scandic's sustainability program, the business was a pioneer of the towel-reuse program, which is today standard in nearly every hotel business worldwide. (Scandic, 2008) Guests are asked to use their towels more than once and if they wish to get new ones, the have to indicate that with putting their towels on the ground of the bathroom. By this action, Scandic saves water as well as detergent. Another way that Scandic uses to minimize chemicals is by “following a cleaning schedule based on how dirty dishes are after different meals” (Goodman, 2000).

Furthermore, Scandic hotels aim at reducing water and energy levels. The first one is done by installing water saving taps, toilets and showers everywhere in the hotel. Moreover, water which is left in carafes is not thrown away rather it is used to water flowers and plants. Until 2006, Scandic reduced its water consumption by fourteen per cent.

Secondly, the hotel business changed all ordinary light bulbs to energy saving light bulbs. In 2004, the organization implemented keys, which act at the same time as light and electricity switch in the hotel rooms. In this way it is guaranteed that no energy is wasted when guests are out of the room. (Scandic, 2008)
In addition, Scandic implemented measures to reduce the daily amount of waste. Since 1996, the business decided to do not use disposable packages anymore. Instead, the business introduced PET dispensers for shampoo and soap, but also for butter, marmalade and similar products. The money that has been saved by avoiding disposable packages and the accompanied amount of waste is spent on high quality eco labeled shampoo which is available in all hotel rooms. Another action that has been done in the regard of waste disposal is that the hotel chain installed bins where the hotel guests should separate their waste. Of course not only the guests, but the whole hotel separates the waste. By doing so, Scandic could reduce the amount of unsorted waste by 67 per cent per hotel guest per night. (Scandic, 2008)

In order to monitor the success of these measures, Scandic started to keep track of its energy and water consumption as well as the sum of unsorted waste. The business has a system in which every hotel of the chain needs to fill in the amount of resources that have been used during a month. This Sustainability Indicator Reporting allows the business to compare the numbers of various hotels. By doing so, hotels can constantly improve their performance. (Scandic, 2008) Moreover, Scandic implemented sustainable measures within the food and beverage department of the hotels. “Since 2001, all [our] Swedish hotels offer breakfast with 22 KRAV eco labeled items that together make up a totally ecological breakfast...” (Scandic, 2008) Furthermore, Scandic uses only Fairtrade Coffee since a few years.

Two years ago, Scandic decided that it is not very environmentally friendly to transport water bottles each day to the hotels. Instead the hotel chain used tap water and installed water dispensers in every hotel. For the Scandinavian tap water, which is considered to be the best in the world, a special bottle has been designed. The bottle is made of recycled glass and hand-blown. (Scandic, 2008)

The introduction of eco rooms is probably the climax of Scandic’s pursuit of environmental sustainability. In 1995, the hotel chain developed a room which is 97 per cent recyclable. The eco room combines “profitability and environmental concerns with aesthetic and emotional requirements” (Scandic, 2008). Scandic’s building standards say that all renovations and constructions are done with a minimum of environmental impacts and the material is chosen carefully. For example wood, recyclable materials and cotton instead of synthetic, plastic and metal constructions are used (Goodman, 2000). Since 2000, all newly constructed rooms follow the guideline of eco rooms. (Scandic, 2008)
The Swedish-based hotel chain makes big efforts towards social sustainability. In 2000, the business new work wear was designed. Thereby, the different cultural backgrounds of the employees were taken into consideration. Today, employees have the possibility to wear a scarf that fits to the uniform, because these were added to the uniform collection. (Scandic, 2008) One year later, Scandic launched its initiative Scandic in Society. Scandic wanted to contribute to the well-being of the community that lives close to the hotels. Together with the employees, each hotel discussed ideas how to contribute to the society. This means that every hotel has tailor-made actions for the surrounding society. Initiatives, which are all based on personal involvement, include for example donating of bed linen as well as furniture to charity organizations, serving meals to homeless people, “offering coffee and sandwiches to parents on youth night patrols, sponsoring local sport teams and events, and offering part-time jobs to people with disabilities to keep them within the society” (Bohdanowicz & Zientara, 2008). Other activities are blood donations and entertaining people in homes for the elderly.

Accessibility for all people is an important core concept of the hotel chain. In 2003, Scandic was one of the pioneer companies who appointed a disability coordinator. An Accessibility Standard was introduced. This standard includes 93 points, whereof 77 are compulsory, of minimum accessibility. Moreover, actions have been taken to ease the stay of disabled: single-grip taps in the bathrooms, hearing loop at the reception and a SafeWake. The latter one is a vibrating alarm that is placed under the pillow and is connected to an alarm clock and to the fire alarm. (Bohdanowicz & Zientara, 2008)

Since 2005, the hotels are smoke free and in this connection Scandic offers its employees help in quitting smoking. In the same year, the business became the main sponsor for the breast cancer campaign Pink Ribbon. In October the hotels offer a special rate from whish ten per cent are donated. In addition, Scandic gives employees tips for a healthy lifestyle. (Scandic, 2008)

Apart from the given measures there are some other actions. For example, Scandic decided in the year 2003 not to send any Christmas cards anymore, because the business considered that delivering them around the world does not contribute to a sustainable development. Instead of spending money on stamps and cards, Scandic decides to donate the money to the WWF fund and the Baltic Sea Project. (Scandic, 2008) In addition, the hotel chain in Sweden and Norway entered an agreement that 100 per cent of the electricity need to come from producers who use only renewable resources. (Scandic, 2008)
However, next to all these measures that contribute to sustainability, Scandic’s efforts towards its employees need to be mentioned. Right in the beginning Scandic involved the employees by educating them about ecological and social sustainability with help of Natural Step. Afterwards, employees had the possibility to make suggestions for practices that could be implemented within Scandic. The management proofed all ideas and found 1 500 ideas that are valuable for the business. For these they set up action plans to implement them in the hotel businesses. (Scandic, 2008) In addition, employees at Scandic receive constantly training and education about sustainability issues. This also helped the employees to develop awareness towards energy and water waste and how they could help to safe these resources. (Bohdanowicz & Zientara, 2008) Another area that is touched by training is safety and education. All new employees need to follow an interactive training about these issues. Moreover, there are evacuation exercises at least twice per year. In 2002, the company established a new e-learning program that teaches employees about ecological sustainability.

Looking back at the theoretical background it is obvious that Scandic implemented many measures that have been mentioned there, for example the installation of energy saving light bulbs and water saving showers and toilets and the usage of Fairtrade products. However, during the description it became clear, that Scandic employs much more measures to act sustainable than it could be researched in the theoretical part of this thesis. The business looks constantly at every aspect of its business and tries to find areas in which the operations and materials could be “made more sustainable”. For example, Scandic invented the eco room and the concept of the SafeWake.

Table 2 gives an overview of the sustainable activities that Scandic implemented up to now. The benefits of these practices match with the benefits that have been indentified under point 2.2 in the beginning of the thesis. Basically, the benefits for Scandic are cost-savings due to the described measures like the key which acts as a switch and the introduction of PET packages. Since 1996, the business saved seventeen per cent of energy (equates 10,944,393€), 36 per cent of unsorted waste (equates 5,270,196€), fourteen per cent of water (equates 2,702,059) and 31 per cent of carbon dioxide emissions. In total Scandic saved 18, 75 million € from 1996 until 2007. (Scandic, 2008) The savings go back to the employees. Scandic created a fund, which amount depends on the savings on water, energy and waste levels, for every hotel. The money is spent on additional employee training, which means that they are the first ones who benefit from their changed awareness and behavior.
The actions that aim at social sustainability have benefits for the employees and the community. Nevertheless, all these benefits reflect back to the business and its reputation. First, the sustainable measures enhance the “feeling of unity and shared values” (Bohdanowicz & Zientara, 2008) among the employees, because they all work towards one common goal: sustainability. In other words, there is a high staff commitment, employees can identify themselves with the business also due to the various trainings that are offered to them and this may contribute positively to the employees’ motivation levels and efficiency. Consequently the latter two contribute to the overall business.

The community involvement that has been described with the Scandic in Society program clearly aims at contributing to the immediate community. These people will have then a positive image of Scandic, which can lead to the action that they choose a Scandic hotel over others when they are traveling. In addition, the people in Scandinavia have a special relation to nature and its preservation as it was described in the introduction. This may lead as well to the fact that they choose Scandic over other hotels due to Scandic’s sustainability efforts.

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<th>economic sustainability</th>
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<td>towel-reuse program</td>
<td>Fairtrade coffee, KRAV certified breakfast</td>
<td>increased profit from energy and water saving measures and reduction of unsorted waste</td>
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<td>water saving taps, toilets and showers</td>
<td>usage of carafes with tap water instead of buying bottles</td>
<td>Sustainability Indicator Reporting</td>
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<td>energy saving light bulbs</td>
<td>introducing veils to the work wear</td>
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<td>key which acts as switch in hotel room</td>
<td>Scandic in Society program</td>
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<td>introduction of PET packages for shampoo, soap, marmalade, butter etc.</td>
<td>Accessibility index, disabled measures (SafeWake)</td>
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<td>installation of bins where customers are asked to separate their waste</td>
<td>support health of employees (smoking, healthy lifestyle)</td>
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<td>eco rooms</td>
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Table 2: Summary of Scandic’s sustainability measures

Source: own development based on the sources given in the text

Taking all the measures that Scandic takes to reach sustainability into consideration, it can be concluded that this business tries to contribute to the sustainable development in general. It implemented various practices in almost every department of a hotel. Furthermore, the
case of Sandic has shown that being sustainable can have a lot of benefits for the business, aside from financial savings, it really contributes to a sustainable society. Due to the fact that Scandic has been a pioneer in many measures, the business acts as a role model and could show other hotels that it is worth to implement sustainable measures in the daily operations. By being a role model and animating others to do the same, the image of Scandic rises, which can bring increased guests and this will consequently bring more financial benefits. But more important is the fact that if more business from various sectors contribute to sustainability, a sustainable society is possible.

4.4 Certifications of Scandic

After giving a comprehensive insight into Scandic’s efforts to act towards sustainability, it more or less seems obvious that Scandic should have received several labels or awards also because the chain acts as a pioneer and role model for other businesses.

In 1999 the first hotel of the chain was eco-labeled with the Nordic Swan. The hotel is situated in Oslo and was at the same time the first eco-labeled hotel in Norway. Until 2004, all Scandic hotels in Sweden were certified with the Nordic Swan. Scandic hotels in Norway and Denmark followed and become more and more eco-labeled. As the Swan is considered to be “one of the toughest eco labels in the world and places great demands on the entire operation of the hotel” (Scandic, 2008), Scandic constantly works to raise the number of Swan-labeled hotels. In this regard, the cooperation with suppliers becomes increasingly important. For example, Scandic realized that eco-labeled TVs do not exist and so the business asked Philips to produce TVs that can receive the Swan-label (Scandic, 2008). Consequently both sides benefit from this collaboration, Philips earns money as well as increased reputation and the hotel chain can contribute with the labeling efforts. Due to the fact that the Nordic Swan is an eco-label that is only represented in the North European countries, hotels outside this region are labeled with the European Flower. (Scandic, 2010)

All hotels of the chain carry some sort of labeling. The business argues that “Ecolabelling is a way of showing that sustainability is taken seriously” (Scandic, 2010). This statement gives also a hint at the meaning of the labels for Scandic. The business wants to show others that they do everything that is possible in order to act sustainable and to contribute to a sustainable society. In addition to the certifications, the hotel chain received various prizes that award Scandic’s efforts towards the environment and sustainability. Examples for the many awards that Scandic received over the years include national, for instance St. Julien Disability Award, The Swedish Grand Travel Award and the Initiative of the Year from Stockholm’s county council and international prizes, like the Hospitality Award in the category
“Best CRS Program” (France) and the “Sustainability Award” at the European Hotel Design Awards. (Scandic, 2010)

Concluding it can be said that Scandic’s efforts towards sustainability are rewarded by eco-labels as well as by awards. However, for the business it seems to be more an acknowledgement for the work that has been done in this field as the use it extensively as a marketing tool. Furthermore, the labels and awards that the chain received do not stop the business from further actions towards sustainability it rather motivates them to achieve even more. However, it cannot be denied that customers are attracted to choose Scandic due to their environmental efforts and conviction that this is the right way towards a sustainable future.

4.5 Conclusion of the Results and Analysis

In the following a short summary of the previous chapter will be given before in the next point the author will comment on the findings.

The Compass clearly shows Scandic’s commitment to sustainable issues and it defines sustainability at the same time. There are three areas, ecologic, economic and ethical, which Scandic sees as sustainable when there is an equal relationship between them. A connection can be seen to Farrell’s definition of sustainable development, which is exactly the same as Scandic’s view of sustainability. Scandic does not make a difference between these two terms, which speaks for the adaptability of the concept that has been found out in the theoretical framework.

Looking at the sustainable practices that Scandic employs, it is clear that the business embraces various aspects of its operations in the sustainability efforts. By doing so, the company acts as first-in-class, which can animate other businesses to think about sustainability and the implementation of sustainable practices as well. In the beginning of Scandic’s environmental efforts, the financial benefits, for example of the savings of water and energy, stood in the foreground, because the business experienced economic problems in the beginning of the 1990s. However, today Scandic appreciates the wider benefits, for example more motivated employees and a strong commitment to environmental preservation. The various awards and the certification by the Swan and the European Flower show Scandic’s success in its sustainability efforts. The prizes and certifications strengthen Scandic’s vision of a sustainable society and may also attract more guests, which will increase the profit of the organization. All in all, it seems that sustainable practices have only benefits for all three areas and therefore, more businesses should engage in those practices.
5. Discussion and Conclusion

The almost final chapter of the thesis will discuss the most striking, surprising and interesting topics with the main theme: sustainable tourism practices in the hotel industry and especially the case of the hotel chain Scandic is taken into consideration. The author will critically reflect the findings also in light of the current theoretical background. At the same time, the main findings of this study will be presented and concluded.

When looking back on the way data has been collected for this research, it can be said that the theoretical part is based on well-founded articles and books. Several opinions and sometimes also contrasting views of various researches were described and compared. Scandic's online presence gives detailed information about the sustainability efforts of the company. Furthermore, visitors of the Better World site are animated to think about their own behavior when it comes to water or energy saving measures.

Concerning the case of Scandic, it needs to be admitted that the business did and is doing an incredible job when it comes to sustainability issues. The core of Scandic's sustainable understanding is represented in the Compass, which also guides the sustainable development of the organization. In my opinion, this Compass forms the foundation in connection with the success of the sustainable program. The figure embraces all aspects within and without Scandic's scope of operations. For example it includes the health of the employees and simultaneously it is about salesmanship, in other words making the operations profitable. Having a closer look on the layout of the Compass, the three aspects of a sustainable development become visible. These are the environment, the economy and the society. Scandic added something to these aspects in order to define its meaning more precise in connection with the business. In other words, Scandic defines these three areas to a deeper level to make sure everybody especially within the business grasps what is meant with it.

By doing so, the adaptive paradigm of sustainability becomes visible. Even though, only one case has been researched, it can be generalized that each company finds and has to find an own definition of sustainability. However, the three main determinants environmental, economic and social responsibility need to be incorporated somehow, because this is the scope of every business and the determinants of sustainability that has been accepted from various researchers, international institutions and organizations, businesses and so forth.
The theory gave already big hints on the facts that sustainable practices in the hospitality industry can lead to various benefits for the business itself and at the same time to the environment and the society. The case study of Scandic, has shown that it even can help to recover from enormous financial losses. Furthermore, as Scandic is a large hotel chain, it has shown that the statement by Cavagnaro & Gehrels does not need to be true. They said that it might be easier for smaller hospitality businesses to implement sustainable practices. However, I think that the advantage of a big business like Scandic is that all hotels of the chain feel a kind of commitment to each other. And therefore, the case of Scandic has proofed that it is no problem for a company, the company only needs to really want it and needs to stand behind the ideas of sustainable development. In the regard, another key to success needs to be admitted: the commitment of the employees. Scandic involved the employees from the beginning of the sustainability program. Furthermore, the employees are asked to bring in own ideas and receive constantly training on sustainable issues but also other topics like security and safety. The employees get a very deep understanding of these issues and they feel that they can contribute to a sustainable society by their daily operations. Consequently, they feel motivated and needed which boost their efficiency in their job. All in all this contributes to employee loyalty, from which the business benefits, as less money needs to be spend on recruiting new staff members.

Personally, I think that Scandic is doing its very best in regard to sustainable hotel practices. The business is very inventive and tries to find all the time new projects or areas where something can be improved, or in other words made more sustainable. For example, the eco room or the invention of the carafe for the tap water go far beyond the typical measures that can be found in the literature. Therefore, Scandic is clearly a first mover in this area and shows other business what can be done to act sustainable. Moreover, it may not only bring other hotels to implement the same actions but also to come up with new ideas and concepts.

The Scandic Hotel chain received the Swan as well as the European Flower-label. In my opinion, Scandic uses these labels more as a acknowledgement for its sustainable contribution and not only as marketing purposes, because I have the impression that the business is really convinced and committed to a sustainable development. Over the years, Scandic received various awards that prize the numerous efforts towards sustainability. I think that Scandic is of course proud of the awards, but do not act sustainable because of the thinking that labels and awards will attract more visitors. Nevertheless, Scandic creates of course positive PR based on the constant innovations and measures. But the business does not show the labels and awards off all the time, rather they look for constant improvement. In
this regard, I think that the positive PR increases the awareness of the sustainability work of Scandic by the public. And if a hotel reaches this, I am convinced that people rather choose Scandic instead of a rather unknown hotel. In this regard, I think that the sustainable efforts of Scandic and the success and the connected publicity bring Scandic a competitive advantage over other hospitality business in Scandinavia.

All in all, I think that Scandic has only advantages from acting sustainable. There are financial benefits and the business contributes to the protection of the environment and to the society. In the wider sense it brings them positive publicity, which may make Scandic a preferred choice for hotel guests but also for people looking for a job.

6. Final Remarks

Concluding, it can be said that this research has shown that there are many ways for the hotel industry to engage in sustainable practices. The case of Scandic has shown the advantages for the hotel business itself, but also for the general society.

Scandic raises the awareness of sustainable practices and the benefits especially in the hotel industry due to the positive PR that is created by the numerous awards. This may lead to the fact that other hotel businesses follow Scandic and implement their own environmentally and socially friendly practices.

There is a special commitment to nature in Scandinavia, which may influence the fact that especially businesses in Scandinavia aim to more sustainability. However, due to globalization and the raising awareness of environmental issues worldwide, more and more business will engage in sustainable development practices. In the end, the businesses will not have another choice as the energy costs are constantly increasing.

Scandic is really a success story and it shows that strong commitment and new ideas bring huge benefits to a company. In the beginning sustainable practices were introduced as a way to bring Scandic out of a financial crisis. This succeeded and Scandic became a role model for sustainable practices in the hotel industry.

As Scandic’s environmental policy says the business will work constantly to contribute to a sustainable society. This commitment shows the way of Scandic’s future, which will be
characterized by even more sustainable practices, monitoring of the achievements and a sound financial position of the company.

7. Possible further Research

The field of sustainable practices in the hospitality industry could be deepened by looking at more cases. In this regard, comparisons between various international chains, or between chains and single hotel businesses can be made in order to find out if there are significant differences.

Furthermore, the perception of sustainability practices by the guests could be investigated to ascertain if guests are aware of these practices and if they really choose hotels accordingly.
8. Appendices

8.1 Questions for the Case Study of Scandic

Sustainability
1. How does Scandic interpret sustainability?
2. Is it an important concept or only a marketing tool?
3. Is there a sustainable policy? What does it say? Since when?
4. Why did you incorporate sustainability in your hotel? What are the benefits of incorporating sustainability in a hotel business?

Practices in Hotels
1. What practices did Scandic implement to save water and energy?
2. Which products does Scandic use in the kitchen? Locally grown products, fair trade?
3. What is done to reach social sustainability?
4. Why do you implement these practices? What are the benefits?
5. How are the employees educated about sustainable practices?
6. How do you monitor your sustainable performance? Annual reports?

Labeling
1. Do you receive any eco-labels?
2. What does it mean to you? Marketing tool or acknowledgement of your practices?
3. What is the aim of such labels, like The Nordic Swan, Green Globe, European Flower, etc?
4. Do guests actively choose their hotel by looking at those labels?
5. Do you think customers choose hotels consciously because of the sustainable practices?
6. Did your hotel/hotel chain win any awards/prizes for being sustainable?

Others
1. Do you have any plans for the future regarding sustainable practices?
2. Do you think being sustainable is a competitive advantage in the hotel industry?
9. References


