

ECO-MARKETING TRENDS OF HOTEL INDUSTRY DEVELOPMENT IN UKRAINE

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Abstract:

Eco-marketing trends of hotel industry development are examined. Major factors that effected on the appearance of eco-hotels are disclosed, as well as eco-hotel environmental and economic benefits are discussed. Classification of both eco-hotels and organizations involved in eco-certification is suggested. Problems and prospects of eco-hotel development in Ukraine are analyzed.

Key words: ecological marketing, ecological hotel, ecological certification, socio-ecological hotel, benefits of ecological hotels.

JEL classification: F16, F17, E40, E60.

1. INTRODUCTION

Covering a wide range of economic activities, tourism is fairly regarded to be the most powerful industry in the world whose growth rates over the last years have exceeded the same of all other sectors of world economy. Following the oil and chemicals producing industries, tourism occupies the third place in the structure of world export leaving the food and motor industries behind. The revenue gained from international tourism was \$1.4 trillion in 2015 with its world GDP share growing to 9% thus providing for 1/11 workplaces and 30% of world service exports [1].

Hospitality is an integral part of tourism industry. Hasty growth of hotels and aggravation of associated problems mainstream the need for new vectors of their development, e.g., introduction of eco-marketing initiatives in the practice of functioning of present-day hotel industry.

Ecological marketing as type of entrepreneurship aims at detection and satisfaction of environmental needs of both individual consumers and the public on the whole in a better way than that of the business rivals, which provides for company competitiveness and efficiency [2, 3]. According to J. Ottman, ecological marketing represents economic activity of companies aiming at delivery of ecologically-oriented products, formation of ecological demand, and bringing all their resources in compliance with market requirements and opportunities with the purpose of receiving profit and causing no harm to the environment [4].

Ecological marketing premises on the concept of social-ethical marketing and is an integral part of the latter [2, 5]. It was formed at the intersection of such components of society development as satisfaction of solvent purchasers' ecological needs, environment preservation and company profitability, and eco-hotels thus arouse due to ecological marketing as an innovative concept of hospitality.

The questions of eco-hotel functioning, classification, and provisions for their certification were discussed in publications of predominantly foreign researchers and organizations involved in

eco-hotel environmental certification [6-13]. "Eco-Hotels of the World" by Alex Conti deserves particular attention, since highlights ecological hotel activity at different continents and provides arguments in favor of their environmental and economic benefits [6]. With respect to domestic researchers, we would outline the works by Iu. Adrianova, M.T. Hostiuk, and N. Yemelianova, etc dedicated to problems of eco-hotel certification and operation [14, 15, 16].

Limited number of publications in this area of studies, especially with respect to Ukrainian scientists, necessitates further research, since no consistent approach to the concept of "eco-hotel" is yet developed, nor single-valued criteria to meet international practice are elaborated. Besides, there exist substantial differences in approaches to eco-hotel certification by various organizations. Hence, the objectives of this study lie in generalization of the criteria that would make hotels fit the "eco" status; development of our own eco-hotel classification with consideration of the consumer-environment-local community direct and inverse effects; and disclosure of the perspectives of eco-hotel industry in Ukraine.

2. STUDY RESULTS AND DISCUSSION

In conditions of growing exhaustion of planet's resources and but a few government programs oriented towards the use of energy-efficient systems and technologies, the nature often responses our predatory consumer instincts with catastrophes and disasters. And it is not until then that we start thinking of how to preserve our enduring planet from our consumer fancies.

This also pertains to hotel business. Individually, hotels exercise no significant impact on the environment. However, their combined effect can be very wasteful consuming too huge amounts of resources. Experts estimate that 75% of the hotels' environmental impact is directly related to excessive consumption [8].

Energy, water and waste are the three key impacts on the environment. In particular, the hotels average daily per bed energy consumption can make nearly 130 mJ. Hotels are powerful water consumers. It was estimated that 100 luxury hotel guests will consume water in the course of 2 months in the amount that would be enough for 100 urban families in the course of 2 years [13]. It was also established that hotels are not only intense energy and water consumers but simultaneously produce waste that is one of the most telling environmental impacts. On the average, hotels daily produce over 1 kg of waste per visitor. It was also established that an average hotel daily emits 20.6 kg of carbon dioxide [17].

Aggravation of hospitality-associated problems gave rise to the development of eco-hotels. Ecological hotel represents environmentally certified accommodation aiming at improving the environment by way of minimization of its own environmental impact. Eco-hotels as innovative concept of hospitality possess several attributes that make them different from usual hotels. Such hotels depend on the environment; they are ecologically sustainable and add to nature preservation; they are provided with environmentally trained staff; they incorporate local culture specificities; and they provide for economic returns to local communities [18].

Besides, ecological hotels should keep to strict "green" guidelines to ensure that their guests stay in safe, non-toxic and energy-efficient premises.

Major criteria that must be met by eco-hotels are the use of renewable energy sources such as solar or wind energy; energy-efficient lighting; recycling of grey water used in the kitchen, bath, laundry, garden and greening; fresh-air exchange systems; waste utilization programs; non-toxic cleaning agents and laundry detergents; 100% organic cotton bed-clothing; non-smoker suites; green vehicle transportation; organic and local-grown food service; non-use of disposable tableware [18].

The use of eco-materials in construction of eco-hotels is, to our opinion, another equally important criteria.

Certification of hotels by the third party or the competent authority of the state where the hotels are located should be a mandatory condition to assign them the status of "eco-hotels".

Ecological certification is a system of eco-mark tourism establishments that aim at reduction of tourism operation objects' pressure on the environment by way of rewarding, promoting and stimulating of useful initiatives and introduction of ecological methods of tourism management.

We suggest that existing ecological certifications were classified on the grounds as follows:

- 1) the territory of coverage:
 - International (ISO 14001, EMAS);
 - National ("ANAB" in the European Union);
 - Regional ("Blue Angel" in Germany);
- 2) the objects:
 - Certification of goods ("ANAB" in the European Union);
 - Certification of services ("Green Globe", "Blue Flag");
 - Mixed (goods and services) (ISO 14001).
- 3) the number of the criteria.

Certifying the hotels and assigning them the "eco" status, competent bodies usually apply different evaluation criteria that as a rule describe their impact but do not assess the environment itself. This discredits the essence of said status with respect to hospitality establishment if it functions in anthropogenically transformed urban environment.

We tried to classify eco-hotels taking into account direct and inverse impacts existing between the consumer, the environment and the local community. In this respect, we suggest that ecologically-oriented, properly ecological and socio-ecological types of hotels should be outlined (see hotel functional schemes presented in Fig. 1, 2).

Satisfying the demands for environmental services, ecologically-oriented hotels execute their own ecological policy with respect to the environment that always meets the prescribed requirements. Their performance is distinctive for direct and inverse relationship with the guests (provision for eco-services of accommodation ↔ formation of eco-services demand) and direct influence on the environment preservation through introduction of ecological policy into practice of their functioning (see Fig. 1). However, the requirements imposed to surrounding environment in which the eco-hotel is placed still stay beyond consideration. Such hotels (where resource-preserving technologies are introduced, ecologically-oriented requirements are considered and to whom the eco-labels are assigned) can operate in big cities and locations (e.g., *Radisson Blu 4** in Kyiv (*Green Key's* certification), *Regent's Garden Hotel Paris* in Paris (EU *Ecolabel* certification)). Their contribution to environmental preservation is doubtless, but it seems rather inappropriate to assign the eco-status to those placed in the environment which does not meet the eco-standards due to surrounding's pollution by vehicular and static sources, etc.

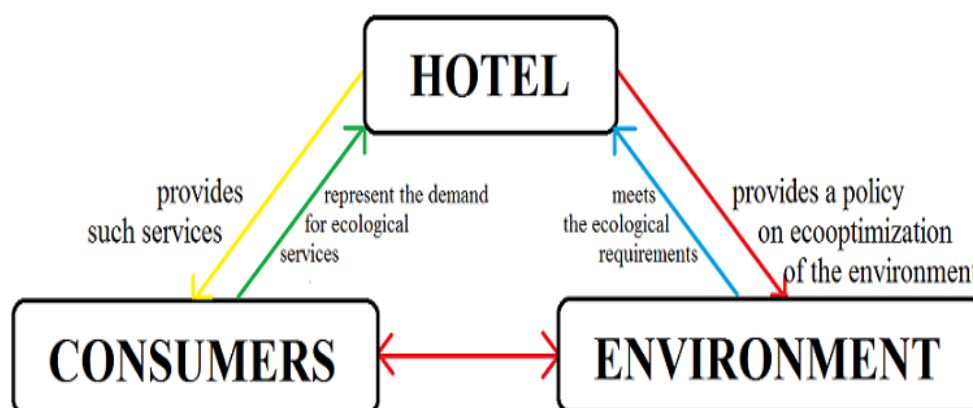


Figure 1. Scheme of functioning of ecologically-oriented and properly ecological eco-hotels

To our opinion, the properly ecological hotels are those that meet the demands of eco-services operating in an environment that meets ecological requirements, and their activity fits the

criteria of ecological certification. These hotels consider direct and inverse relationship with the guests (provision for eco-services of accommodation ↔ formation of eco-services demand) and direct/inverse relationship between the hotel and its environment (hotel's influence on the environment preservation through introduction of ecological policy into practice of their functioning, environmental requirements ↔ environmental fitness to eco-requirements) (see Fig. 1). Placed in the village of Dolishnyi Shepit, Chernivtsi Region, an ecologically pure locality, the "Kovcheg Hotel" is a vivid example of properly ecological hospitality establishment. The hotel is awarded a "Green Crane", a world-recognized label that meets the ISO 14024 (ДСТУ ISO 14024) standard, is included into the register of the Global Ecolabelling Network (GEN), and is recognized by 27 certification systems in 60 world countries.

Socio-ecological hotels to their best satisfy socio-ethic concept of eco-marketing, since, in addition to being located in ecologically clean environment and full satisfaction of their guests' ecological demands, they promote economic development of local communities on whose territory they operate (see Fig. 2).

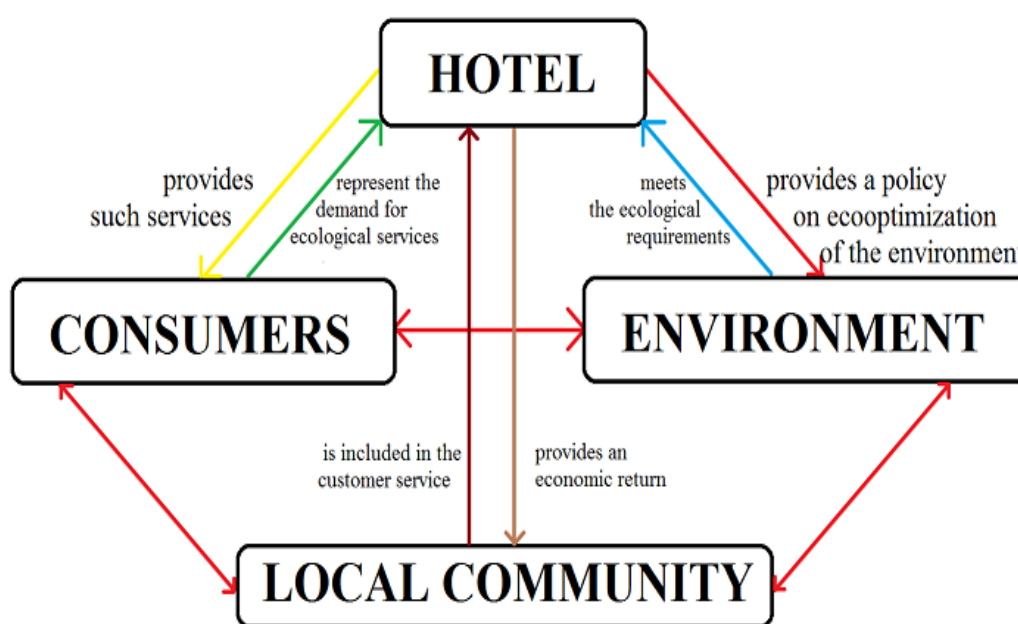


Figure 2. Scheme of functioning of eco-social hotels

Outlining of this type of hotels is connected with the advancement of the concept of responsible tourism which makes the tourist's travel more significant and still more beneficial for the host party. The concept was given a boost after the 2002 Cape Town Conference on Responsible Tourism in Destinations. The Declaration signed by representatives of 20 countries attending the Conference, has outlined two major goals of responsible tourism: provision of economic benefits to local people with improvement of their well-being and encouragement of benevolent and attentive relationship between the traveler and the local community [20].

Socio-ecological hotels appeared as part of realization of these goals. They are placed in localities that necessitate assistance in solution of certain problems (e.g., provision of food supply security on both local and regional levels), and, beside employment, offer services of education and consulting (e.g., in the area of sustainable agriculture).

If ecologically-directed (-oriented) and properly ecological hotels majorly accentuate on introduction of resource-preserving technologies and minimization of their environmental impact, socio-ecological hotels, beside the aforesaid issues, concentrate around the promotion of externally-oriented companies that are of particular importance to local community.

Performance of the “Strawberry Fields Eco-Lodge” (SFEE) in Ethiopia is a good example of functioning of socio-ecological hotel. The establishment is a socio-oriented and ethical investment project founded in Konso (Karati) in 2007-08. It integrates the eco-hotel, the model of a permacultural farm and garden, the organic restaurant, educational center for computer design, and starts the program of excursions and community culture events. The project aims at encouragement of the Konso community to alternative livelihood by way of involvement of local people into tourism activity, and at provision of food security on a local and the Ethiopian levels offering educational and consultative services on permaculture for local, national and international interested parties [21].

Ecological and socio-ecological hotels are alternative but mutually beneficial; by way of hospitality, they form better relations with local communities and ultimately provide the best experience to travelers.

Development of ecological hotels is a promising trend in the hospitality industry of Ukraine.

In particular, there was significant progress in introduction of ecological certification of hotel industry companies within the last years in Ukraine. The state authorities permitted the entry of the “Green Key”, an international program of hotel and resort ecological certification [19], the one out of five projects by “Foundation for Environmental Education”, an international non-government independent organization, as well as they introduced the state certification, developed by the “Green Dossier”, an information center [22].

The “Radisson Blu” certified by the “Green Key”, the “Kosiv Hotel” and the “Zhyvytsia”, a private homestead certified by the “Green Dossier” were the first eco-labeled objects of hospitality industry in Ukraine and the “Kovcheg” eco-hotel eco-labeled with the “Green Crane”. Today, the “Green Key” standards are met in Ukraine by two “Maison Blanche” eco-homesteads (Kyiv Oblast, villages of Berezivla and Mytnytsia), “Radisson Blu 4*” in Kyiv, “Ligena 4*” hotels in Boryspil.

Major existing pre-conditions that favor the development of eco-hotels in Ukraine are as follows: availability of recreational resources and territories suitable for eco-hotel disposition; formation and development of the industry of environmentally certified building products; availability of fair number of educational institutions to train experts in hospitality; availability of scientific and research centers specializing in the development of energy and water-saving technologies, and training experts for that purpose; formation of the industry of ecologically clean foods products; availability of wide range of additional services; easement of tax pressure on hospitality industry.

Among negative trends that slow down the eco-hotel industry practice we would emphasize on the lack of developed infrastructure within hotel-suitable territories; negative image formed in response to the Chernobyl incident; absence of universal eco-hotel state certification; high costs of environment-friendly products; improper state environmental control in the area of production of building materials; lack of eco-hotel industry practice; people’s insufficient awareness of eco-hotels.

3. CONCLUSIONS

Ecological hotels are meant to solve problems of rational economic and ecological functioning of accommodation establishments. We interpret the eco-hotel to be an ecologically certified dwelling that aims at improving the environment by way of minimizing of its own environmental impact, and is located in an ecologically pure territory. Within the context of the “eco-hotel” we should discern between ecologically-oriented, properly ecological and socio-ecological hotels.

Successful operation of an eco-hotel requires availability of three components such as natural territory, ecological certification by an independent third party, and the hospitality establishment’s balanced environmental policy.

Further development of eco-hotel industry is a promising trend for this country, since its territory possesses great number of land areas fitting the construction of eco-hotels; the territory of

the region is poorly industrialized; there exists sufficient number of establishments to instruct experts in hospitality; foreign investments in the hotel industry tend to grow, the same as eco-hotel demands of domestic and foreign tourists, etc. Unfortunately, these obvious pluses are still not used to their best advantage.

It is much due to this state's stimulation of introduction of the companies' energy and resource preservation technologies beginning from 2014 that properly ecological and ecologically-oriented hotels now tend to further development. Financial saving is among the most important factors that would effect on realization of ecological initiatives in hotel business. It is especially clear to hotel companies that perform in highly competitive market where the cost of energy, water and wastes is highly money-losing. Hotel operators who are able to maximize their efficiency would become more economically rational than their competitors.

The scientists who research in the area of eco-hotel industry see their present-day tasks in urgent development of universal scheme of ecological certification, and formation of mechanisms to implement green initiatives in small, medium-size and large hospitality companies.

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