

ENERGY IMPROVEMENTS IN THE HOTEL INDUSTRY

Vlatko Cingoski^a, Biljana Petrevska^b, Nikola Trajkov^b, Roman Golubovski^a Saso Gelev^a

^aFaculty of Electrical Engineering, ^bFaculty of Tourism and Business Logistics, “Goce Delcev” University - Stip, Macedonia

Abstract

The study explores determinants of energy consumption and efficiency in the hotel industry. It was conducted in the Former Yugoslav Republic of Macedonia among managers of three, four and five-star hotels and identified the influencing factors of managing environmental protection practices. Results show that hotel category matters when addressing environmental policy issues. The evidence indicates that hotels support the European environmental impact assessment regulation, but there is a lack of interest due to restricted finances and high operation costs. Recommendations for hotel management for cutting the operational costs are also discussed.

Key words: Energy consumption; Environment; Efficiency; Hotel industry.

JEL: Q40; Q51; Q56

I. INTRODUCTION

Hotels are one of the most energy intensive facilities with correspondingly high energy costs. They are ranked among top five in terms of energy consumption in the tertiary building sector (Hotel Energy Solutions, 2011). Consequently there is an inevitable relationship between the hotel industry development and environmental and energy efficiency impacts. The main intention of the management is to focus its activities in the line of reducing operating costs by introducing new sources of energy that preserves the environment by creating an eco-friendly establishment. Clean and well preserved environment is one of the main preconditions for high quality service generally in the hospitality-oriented facility. As a result the dependent nature of the hotel development may be concluded.

The necessity of introducing environmental protection programs in hotels in terms of reducing energy consumption, recycling or composting food scraps is argued by Bowe (2005), Bruns (2000), Chen et al, (2005), Dodd et al, (2001) and Karagiorgas et al, (2006). Furthermore, hotels have noticed the benefits from improving environmental performance generally by reducing operational costs (Forbes, 2001; Kirk, 1998), sustaining a competitive advantage or increased demand for eco-friendly hotels (Bohdanowicz, 2005a, b; Le et al, 2006; Vazques et al, 2001). Additionally, various regulations serve as primary instruments of action for hotels for fulfilling obligatory health and safety regulations, environmental taxes or building leading to industry benchmarking (Kozak, 2004; Pyo, 2001; Wöber, 2001).

II. METHODOLOGY

A self-administered questionnaire was developed for an online survey for managers of 128 hotels (three, four and five-star) in the Former Yugoslav Republic of Macedonia (FYROM). The survey was conducted during May-June 2015 with a follow-up reminder to each non-respondent approximately each week. The overall response rate was 35.2% which is expected due to the lack of personal contact (Bohdanowicz, 2005b;

hotels are often faced with existential difficulties. Hence, the environmental issues have just recently come to attention, unlike the Scandinavian countries where environmental protection is of high quality and importance and has long received political and financial support at local and national level.

Based on various survey findings, the paper recommends that managers should focus on shifting professional ethics by developing and exerting wide range of environmental protection programs and activities. It can also be done by introducing renewable sources of energy which will result in reducing energy consumption. Furthermore, the study urges a need for applying the environmental protection as well as the energy efficient concept and more frequent penalizing the environmentally unsound concepts practiced in hotels. Instead of being focused on quick economic benefits, the hotels should induce more pro-environmental attitudes among managers.

ACKNOWLEDGEMENT

This study is a part of the research project “Opportunities and methods for energy substitution and energy improvements in hotel industry” financed by Goce Delcev University - Stip, Macedonia (Ref. No. 0201-165/6 and 0801-139/26).

REFERENCES

- Bohdanowicz, P. 2005a. Environmental awareness and initiatives in the Swedish and Polish hotel industries - Survey results. *International Journal of Hospitality Management*, 21, 57-66.
- Bohdanowicz, P. 2005b. European hoteliers' environmental attitudes: Greening the business. *Cornell Hotel and Restaurant Administration Quarterly*, 46(2), 188-204.
- Bowe, R. 2005. Going green: Red stripe, yellow curry and green hotels. *The Environmental Magazine*, 16(1), 52-53.
- Bruns, R. 2000. Do not throw in the towel. *Lodging*, 26(2), 88.
- Chen, J. S., Legrand, W., & Sloan, P. 2005. Environmental performance analysis of German hotels. *Tourism Review International*, 9(1), 61-68.
- Cunningham, P. 2005. Valuing for Ogasawara: Implications for sustainable practices within the accommodation sector. *Asia Pacific Journal of Tourism Research*, 10 (2), 207-216.
- Dodd, T. H., Hoover, L. C., & Revilla, G. 2001. Environmental tactics used by hotel companies in Mexico. *International Journal of Hospitality & Tourism Administration*, 1(3/4), 111-127.
- Erdogan, N. & Baris, E. 2007. Environmental protection programs and conservation practices of hotels in Ankara, Turkey. *Tourism Management*, 28, 604-614.
- Forbes, S. P. E. 2001. Environmental compliance and management benefits. *Forbes environmental engineering transformation strategies*
- Hotel Energy Solutions. 2011. Analysis of energy use by European hotels: online survey and desk research, Hotel Energy Solutions project publication.