Sustainable strategy as a source of competitive advantage for hotels

A case study of Ørestad area with focus on the Crowne Plaza Hotel

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Master Thesis in Built Environment (15 credits)

Tutor: Jean Charles Languilaire

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Summary

The purpose of this Thesis is to conduct an analysis describing the sustainable strategy available for hotels, evaluating its potential to create competitive advantage and exploring how its implementation influences other actors in the industry specifically and the whole area development generally. The case study of Ørestad district has been chosen with focus on the Crowne Plaza hotel.

The Crown Plaza is the first hotel in Ørestad area that has employed the sustainable strategy into its operational activities. According to the analysis, the sustainable efforts of the hotel include environment-friendly technologies, waste management, use of organic materials, organization of social benefits and events for their employees. The conducted interviews with Crowne Plaza’s employees showed the relationship between hotel’s strategy and employees’ satisfaction. Furthermore, the study has explored the ability of sustainable efforts to create unique reputation for the hotel. The latter, in turn, attracts the business customers who consider sustainable hotel as valuable partner for their own reputation. All in all, as the sustainable strategy enhances the profitability, it is considered a source of competitive advantage.

Despite the benefits of the strategy, the competing hotels are not willing to imitate the concept. Low demand from private guests, variety of alternative options, high risks and investments are main reasons of indifference to sustainability from their side. As a result, this reluctance restricts the sustainable spillover effect and corresponding urban development in the area. However, as the government and construction agencies are interested in “green” trend and the Crowne Plaza is willing to share its practices, the sustainable urban development opportunities are still possible in the future.

The recommendations to the Crowne Plaza include providing the tangible evidence of the sustainability in the hotel and continuing the introduction of environmental and social efforts. In turn, other hotels should start employing the sustainability in its strategic activities because the demand for it will only grow in the future. Only when all players in the area will realize the need for a change, the sustainable urban development will be achieved in Ørestad district.

Key words: sustainable strategy, sustainable urban development, hotel management, environment, Ørestad, Crowne Plaza
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Part 1 – Introductory part

Chapter 1: Introduction

1.1. Background

It has long been known that social responsibility and attitude for sustainability are becoming factors of great importance for businesses across all industries (Porter & Derry, 2012). This is the result of a general increase in awareness of these issues among the public, which subsequently affects the demand for businesses to comply to new standards of practice and accountability (Porter & Derry, 2012). As a result, the initiator of sustainable efforts may become an initial impetus to the sustainable urban development in a city or area (Tryggestad, Georg & Hernes, 2010). The type of business which can play such a role is hotels. In fact, as the hotel represents a building, the success of its sustainable practices and technologies may cause the spillover effect on other constructions in the town such as offices, houses or flats (Mihalič, Žabkar & Cvelbar, 2012).

Historically, hotel owners saw sustainable efforts as expenses for the economic performance (Mihalič et.al., 2012). For this reason, attention to “green” technologies was weak before the 21st century (Mihalič et.al., 2012). Today the sustainability is slowly becoming a dominant theme in the hotel industry (Spilanis & Vayanni, 2004). In order to extract benefits from this situation, some hotels started implementation of various “environment-friendly” technologies and their promotion in order to differentiate its offering and, consequently, outperform the competition (Green Building Elements, 2013). The examples of these hotels can be found on every continent nowadays. In China a URBN Hotel is rewarded as first carbon-neutral hotel (Green Building Elements, 2013). Alto Hotel on Bourke in Australia has the lowest energy, waste and water usage per guest in the whole country (Ong, 2012). However, the most remarkable results were achieved by the hotel Crowne Plaza in Copenhagen (Denmark) which has utilized the sustainability not only for the reputation’s sake but also to reduce its costs and enhance the profitability (Green Building Elements, 2013).

Crowne Plaza hotel is a global chain of full service hotels which represents a division of the InterContinental Hotels Group family of brands (IHG.com, 2013). However, it is the hotel situated in Copenhagen that stands out from Crowne Plaza hotels in other countries. It attracts global attention as the first energy-efficient hotel not only in Copenhagen but in the whole World (Danish Architecture Centre website, 2012). Until now this hotel has installed cooling and heating systems, computer control of all electronic equipment, energy producing gym facilities and many other technologies (CrownePlaza.dk, 2013). Even though these sustainable practices has enhanced the hotel’s awareness and lowered the expenses (Win-travel, 2012), other hotels in Copenhagen are not planning to install them (Tomasson, personal communication, 2013). It raises questions concerning the advantages of the sustainable strategy over alternative tactics such as price management and efficiency optimization.

In addition to the topic itself, the researcher’s personal motivation has encouraged writing this Thesis on the topic of the hotel’s sustainable efforts to gain better understanding of the strategy’s benefits, challenges and effects on the industry actors specifically and on the urban area in general.
1.2 Problem discussion

Hotel industry is a constituent part of the service sector. The size and role of the latter is increasing in almost all countries around the world (Lovelock & Wirtz, 2010: 27). It can be supported by the fact that service industries already account for almost two-thirds of the value of the GDP (Gross Domestic Product) globally (Lovelock & Wirtz, 2010). The service is defined as the economic activity or value offered by one party to another in exchange for money, time and effort (Lovelock & Wirtz, 2010: 37). In addition to hotels, the service sector includes such components as banking, consulting, restaurant and other industries.

The continuous development of the service sector is accompanied by several themes and processes. One of them is sustainability which becomes a central theme for-profit service organizations nowadays (Porter & Derry, 2012). Sustainability is an overarching concept that has various definitions. According to the World Commission on Environment and Development (Brundtland, 1987), the sustainable development ensures the meeting of the present generation needs without compromising the ability of future generations to satisfy their own needs. At the level of the dictionary definition, sustainability simply implies that a given activity or action is capable of being continued indefinitely (Santillo, 2007). However, in this Thesis sustainability is considered as the “triple bottom line” of environment, society and economics (Wirtenberg, 2012). Wirtenberg (2012) defines “triple bottom line” approach as integrating people, planet, and profits into all management actions or decisions. Therefore, the sustainable strategy for organization is an action plan that is aimed to simultaneously satisfy these three dimensions (Sev, 2009).

Despite the fact that sustainability implies satisfaction of economic (profit), social (people) and environmental (planet) dimensions outlined above, little research has been done in the service sector to prove whether or not sustainable service businesses can benefit from the sustainability (Gupta, 2012). There are two distinct views on this question. On one hand, group of researchers argues that firm’s high level of performance is associated with a strategy alone while the sustainable strategy is only related to sustainable performance (Enticott & Walker, 2008). Moreover, several scholars question the applicability of sustainability in the service industry. For instance, Spilanis & Vayanni write “the fact that there is an international trend towards these forms, it does not necessarily mean that they can be applied in all industries and in every location, without taking into account the local realities and economic characteristics” (Spilanis & Vayanni, 2004, p. 288). Consequently, this group of researchers recommends companies to concentrate solely on business issues and forget about sustainable practices (Enticott & Walker, 2008). On the other hand, second group of scholars identify several benefits that sustainability may bring to the organizations. For instance, the work-life options represented not only as a way to increase employee satisfaction and commitment but also as means to attract and retain employees (Sutton & Noe, 2005). Besides that Menguc & Ozanne in their paper (2005) argue that sound environmental practices are leading to higher overall business performance and competitive advantage. The latter represents the company’s advantage over its rivals that helps to earn a persistently higher rate of profit (Grant, 2010: 211).

Any competitive advantage is closely interlinked with stakeholders surrounding the organization (Grant, 2010). A stakeholder is a group or an individual who can affect or is affected by the achievement of the organization’s objectives (Werther & Chandler, 2010). They include customers, competitors, employees, government and other actors in the industry that has relation to the organization’s activities and profits. Therefore, the competitive advantage of any company is dependent on stakeholders’ needs and preferences. If the latter are satisfied, then the advantage is achieved (Grant,
2010). However, the criteria of having competitive advantage are perceived differently depending on the chosen stakeholder. For example, it might be a customer satisfaction for consumers and profitability for stockholders. In this Thesis the criteria of Heskett, Jones, Loveman, Sasser and Schlesinger (1994) is applied. They argued that profitability represents the last stance in any business process. Customer and employees satisfaction, for example, are only factors that enhance the profitability. Therefore, in this paper the criterion of competitive advantage is enhanced profitability.

As there is a research gap whether sustainable strategy is beneficial for businesses or not, Gupta (2012) calls for the empirical research in the specific industries of the service sector. As it was demonstrated above, the industries in the service sector differ a lot and, hence, have different reliance on sustainability. For example, the consulting and banking industries have low engagement of their services in sustainability rather than transportation, restaurant or hotel industries. As people become more conscious about their own impact on the environment they begin to adopt a more responsible approach towards travel which has led to a greater demand for more sustainable accommodation regardless of budget (Green Building Elements, 2013). Some experts have already named the sustainability as the strategy to stand out in the age of fierce global competition in the market (Conrady & Buck, 2011; Velazquez, Esquer, Munguía, & Moure-Eraso, 2011). Furthermore, there is evidence that hotels may initiate the sustainable urban development within area it operates. Lemke (2012) provides an example of Swiss five-star hotel “The Chedi Andermatt” which is driving the sustainable urban development in its corresponding area. The reason of this drive is technology transfer ease from hotel, the building in itself, to other constructions in the district (Lemke, 2012). All these trends make the hotel industry and its actors attractive for the research in regards to sustainable strategies (Goodman, 2000; Mihalič et al., 2012).

According to Atuahene-Gima (2013), the best practices in the industry are playing a role of viruses. The competing companies are imitating the successful idea or concept and by this causing the spillover effect across other actors and even industries (Atuahene-Gima, 2013). Applying this theory to our context, it becomes evident that successful sustainable efforts of individual hotels in the industry may initiate the spread of sustainable practices that may influence the urban development in the area. Thus, the role of competitors as supporters of the “flow” seems pivotal to investigate.

All in all, the problem discussion can be summarized into the specific problem formulation that is researched in the Thesis:

**Does a sustainable strategy bring a competitive advantage to hotel’s offering in the highly competitive industry?**

**And if it does, how does this strategy influence actions of competitors in the area?**

### 1.3 Research questions and purpose

Based on the problem formulation, the general **purpose** of the Thesis is to describe sustainable strategy for hotels and to explore its effects on the industry actors specifically and on urban area in general. In order to fulfill this purpose, the specific research questions were identified:

1) What are the sustainable efforts that improve the internal activities in a hotel?

2) Does the sustainable strategy enhance the employees’ work satisfaction in a hotel?
3) Does the sustainable strategy enhance the customers’ satisfaction of a hotel experience?

4) How does the sustainable strategy influence actions of competing hotels in the same market?

The table below describes the purpose of each research question and section where the corresponding questions are answered (see Table 1). In general, there are three commonly used purposes: description, exploration and explanation (Babbie, 2001). Description means observing and describing what was observed. Exploration stands for finding something new or familiarizing oneself with a topic. Lastly, explanation is responsible for clarifying things, answering why the specific things happen.

Table 1: Research questions and their corresponding purpose and Chapter

<table>
<thead>
<tr>
<th>Research question</th>
<th>Level of analysis</th>
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<tbody>
<tr>
<td>1) What are the sustainable efforts that improve the internal activities in a hotel?</td>
<td>Descriptive analysis</td>
</tr>
<tr>
<td>2) Does the sustainable strategy enhance the employees’ work satisfaction in a hotel?</td>
<td>Exploratory analysis</td>
</tr>
<tr>
<td>3) Does the sustainable strategy enhance the customers’ satisfaction of a hotel experience?</td>
<td>Exploratory analysis</td>
</tr>
<tr>
<td>4) How does the sustainable strategy influence actions of competing hotels in the same market?</td>
<td>Exploratory &amp; Descriptive analysis</td>
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</tbody>
</table>

Source: Author’s own

1.4 Thesis structure

The Thesis consists of three parts. The planned structure is depicted in the Table 2 below.

Table 2: Thesis structure

<table>
<thead>
<tr>
<th>Thesis structure</th>
<th>Corresponding research question</th>
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<td><strong>Part 2 – Study part</strong></td>
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<td>Chapter 3: The sustainable strategy and efforts of the Crowne Plaza</td>
<td>Research question 1</td>
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<td>Chapter 4: The sustainable strategy from Crowne Plaza customers and employees perspectives</td>
<td>Research question 2 and 3</td>
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<td>Chapter 5: The sustainable strategy from competitors’ perspective</td>
<td>Research question 4</td>
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<tr>
<td><strong>Part 3 – Concluding part</strong></td>
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<tr>
<td>Chapter 6: Discussion</td>
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<td>Chapter 7: Conclusion</td>
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Source: Author’s own

In detail, Chapter 1 introduces and discusses the problem. Methodology and data collection procedures are written in Chapter 2. Chapter 3 describes the sustainable efforts of the Crowne Plaza. Chapter 4 is dedicated to present the customers’ and employees’ views on the strategy. In Chapter 5 the reasons why other hotels do not implement the sustainable technologies are outlined. The discussion and quality of the research is provided in Chapter 6. Finally, the conclusion is outlined in Chapter 7.
Chapter 2: Methodology and Methods

The purpose of Chapter 2 is to demonstrate how the researcher will answer the problem formulation and reason his approach. The quality of research is described in Chapter 6.

2.1 Methodology and reasoning approach

Methodology is the logic behind the methods chosen when conducting research (Buckingham & Saunders 2004), the general approach to research topics (Silverman 2005).

The research philosophies help to create and clarify the research design of the paper. In general there are two research paradigms that are used by scholars: positivist and interpretivist (Malhotra & Birks, 2003). The positivists argue that everything in the social world can be broken into explainable fractions and described objectively (Blumberg, Cooper & Schindler, 2008). This paradigm is typically employed in the quantitative research. The interpretivists, in turn, believe that it is not possible to conduct an objective research of the social world because the researcher’s interpretation of the reality is socially constructed and is subjective (Blumberg et al., 2008). This approach is common in qualitative research.

Thesis’s purpose and the research questions are aiming to present the views and opinions of different stakeholders concerning the sustainable strategy application in hotel business. In other words, it will be emphasized the ways in which individuals subjectively interpret their social world through conducting the qualitative study; this is explained in the upcoming sections of Chapter 2. However, in addition, the theories and secondary data are used to generate research questions that can be tested and thereby allow explanations to research phenomena (Bryman, 2008). Therefore, the paradigm employed in this study is a combination of positivist and interpretivist approaches, with higher focus on the latter.

The reasoning approach undertaken throughout this Thesis is important to consider, as it will justify the legitimacy of the applied analytical process. In logic, there are two general methods of reasoning to distinguish between; namely the deductive and inductive approaches, which are quite dissimilar in nature. The deductive approach is characterized by its “top-down” nature of logic, in which validity of a theory is proven by associating premises with conclusions. This is executed through consecutive phases of narrowing down formulated theories into measurable hypotheses which are then addressed by data collected from observations, eventually leading to confirmation of the initial topic of interest (Trochim, 2006). Thus, deductive reasoning follows the logic of deriving conclusions from general statements. However, it is important to keep in mind that argument and reasoning for the premises must be valid and honest in order to produce plausible conclusions (Blumberg et al., 2008). On the contrary, inductive reasoning is applied through a “bottom-up” approach with initial focus on specific observations as the fundamental standing point for formulating broader generalizations and theories (Trochim, 2006). The inductive logic is based on measures obtained by observing specific cases, events, or situations, in which certain patterns or regularities can be detected. These are then used to form tentative hypotheses, applied in development of general conclusions or theories (Trochim, 2006). Following the logic of the inductive reasoning process, it is possible to attain previously unexposed knowledge, as validity of the hypothetical conclusion comes from collecting reliable and supportive evidence (Blumberg et al., 2008). Therefore, applying inductive reasoning to a study or a research can effectively grasp contemporary and relevant measures, unbound by previous findings.
Evidently, both methods of reasoning are constituted by different logical beliefs and structural processes. However, both processes are often accepted to be relevant and present in a large number of research and studies, especially those of social character (Trochim, 2006). This particular pilot study likewise makes use of both inductive and deductive reasoning, as a mixed approach is highly applicable to the structure of the research. In essence, the collection of empirical data has been driven by the problem formulation and its research questions, formulated by a preceding knowledge of general theories (deduction). The qualitative data have, however, encouraged an inductive approach as the researcher infers the implications of his findings for the theory that promoted the whole study (Bryman, 2008). In effect, inductive reasoning is utilized as a major pillar for the conclusive part of the Thesis.

2.2 Research design

The research design represents a blueprint of a research project or, in other words, a framework to guide data collection and analysis (Malhotra, Birks 2003). According to Bryman (2012), there are five typical research designs: longitudinal, experimental, cross-sectional, case and comparative studies. First two designs do not suit this study. The longitudinal design consists of multiple observations and its aim is to demonstrate the trend changes over time (Bryman, 2012). Due to time limitations of Thesis this option was excluded. Experimental design deals with dependent variables measurement in control and experimental groups (Bryman, 2012). Thesis purpose does not require pursuing an experiment and, hence, it was also left out. Nevertheless, other three research designs can be equally implemented in the paper. In order to explain the choice of specific research design, it seems vital to describe each option.

Cross-sectional design represents a collection of data from different cases or observations at a single point of time Bryman (2012). This design is useful to apply when there is a need to illustrate variation among particular groups and make generalizations for the whole population. The survey research presents a typical example of this design.

Case study is in-depth examination of the single instance of some social phenomenon (Babbie, 2001). In other words, it is a detailed investigation of one case that is conducted to analyze the general phenomenon in the specific context or settings. Examples of cases include the particular person, organization, area or even country. The example of this design is qualitative research (Bryman, 2012).

Comparative design expands the case study by analyzing and comparing two or more contrasting cases. In short, it is a multiple case studies. In contrast to case study, the comparative design may comprise both qualitative and quantitative research (Bryman, 2012).

The research design chosen for the following Thesis is a case study. First of all, a case study is most useful for descriptive and exploratory research (Bryman, 2012) and it goes in line with the Thesis purpose outlined in section 1.3. Secondly, Gupta (2012) calls for the case studies in the specific industries of the service sector to explain the phenomenon of sustainable strategy as competitive advantage. He argues that as generalization for the whole sector is impossible due to various contexts, the case study represents the best way to collect the valuable inputs. Finally, as the research is limited by time (the period for writing Thesis is set from March to May) and by expenses, the single case study seems the most appropriate design for this Thesis.

2.2.1 Selection of the case

The most challenging task in the case study is narrowing down the research and by thus identifying the unit of analysis (Miles and Huberman, 1994:25). The various suggestions on how to place case
boundaries include: 1) by time and place (Creswell, 1998); 2) time and activity (Stake, 1995); and 3) by definition and context (Miles & Huberman, 1994). The classification suggested by Creswell was chosen because this research is limited by time and by finances. Therefore, time boundary of the research is narrowed to the spring 2013 (justified by time limitation) whereas the locational unit of analysis is the neighborhood of Copenhagen, Ørestad (justified by monetary limitation). The map of this area is provided in Appendix 1.

Bryman and Bell (2007) identified three typical reasons why the specific case might be selected. The case can be representative (represent a population of cases), extreme (have extreme value for the research) or accessible (required information is available).

In case of Ørestad area there are two reasons. Firstly, this neighborhood can be easily accessed by different means of transportation from Malmö. Secondly, Ørestad district represents an urban development area nowadays (Ørestad.dk, 2013). The number of apartments, offices and other buildings is constantly growing. Thus, this area ideally fits the study.

Area identification does create settings but does not answer the research questions. Hence, there is a need to specify particular actor of the analysis. For this purpose, the Crowne Plaza hotel, an actor situated in Ørestad area (CrownePlaza.dk, 2013), has been chosen. According to Bryman and Bell (2007) classification, two reasons of this choice were identified. Firstly, the Crowne Plaza management and employees kindly provided information and several documents. Therefore, the data accessibility was high. Secondly, the Crowne Plaza represents the case with extreme value. The hotel is famous for its sustainable strategy and is recognized as the most energy-efficient hotel in the world today (Green Building Elements, 2013).

In addition to the above arguments, it is worth to underline that the case of Ørestad area with Crowne Plaza as main actor is relevant to the Thesis purpose. The competitive strategy of this luxury hotel is offering the high-quality service with close focus on sustainability. The business segment is the main target group and comprises approximately 70% of the Crowne Plaza guests (Jakobsen, personal communication, 2012). Other 30% are ordinary visitors such as tourists. Despite this mainly business orientation, the competition is still considered as highly competitive in Ørestad area (Tomasson, personal communication, 2013). Hence, the case not only matches the purpose but also represents an opportunity to extract answers to research questions and the problem formulation.

To summarize, Ørestad represents an urban development area where the hotel competition is considered as high. The Crowne Plaza is the main actor of the analysis in this area as it heavily relies on sustainable strategy (Tomasson, personal communication, 2013).

To obtain the explicit answers to the outlined research questions, there is a need to narrow down the topic even further. The significance of stakeholders’ role in determining the competitive advantage of the firm was already discussed above. However, due to the lack of access and relevance, not all stakeholders are relevant for this research. Werther & Chandler (2010) have divided an organization’s stakeholders into three separate groups for the ease of analysis: organizational (e.g. employees, managers, etc.), economic (e.g. competitors, customers, etc.) and societal (e.g. government, communities). Since the purpose of the Thesis is to analyze the sustainable strategy, those stakeholders that have direct relation to the hotel and its profits are selected for the detailed investigation. According to Werther & Chandler (2010), organizational and economic stakeholders have direct relation to hotels. Hence, managers, customers, employees and competitors were chosen for the detailed analysis.
Nevertheless, the relationships with societal stakeholders are also briefly described throughout the paper.

Due to time limitation, only one competitor was researched. To underline the unique position of the Crowne Plaza in regards to industry competition, it is compared with Bella Sky Comwell (BSC) that does not have such sustainable business model. This hotel is direct competitor of Crowne Plaza in Ørestad area (Tomasson, personal communication, 2013).

It is important to underline that research of hotel’s sustainable strategy effects in this paper is solely based on the Crowne Plaza study. Hence, most of the conclusions are related only to this peculiar situation.

2.3 Data Collection

This study is foremost based on secondary research backed up by primary research in form of semi-structured interviews and non-participant observation. Interview is a discussion in which one person, the interviewer, asks questions to receive information from another person, the interviewee (Malhotra & Birks, 2003) whereas non-participant observation is a term describing in which observer observes but does not participate in the process of social setting (Bryman, 2008). Both methods were used to gather qualitative data. They provide the required information to answer the research subquestions and, therefore, the problem formulation as a whole. This section reviews these methods.

2.3.1 Secondary data

To gain a thorough understanding of the Crowne Plaza, industry in Ørestad area, the sustainable strategies of hotels in general and thus provide a solid background for the analysis, secondary data research was conducted first. Secondary data represents data that have already been collected by others and for different purposes than the problem at hand (Malhotra & Birks, 2003, p. 85).

Here, information was gathered from online sources, primarily peer-reviewed academic research articles, but also a range of websites and newspaper articles were consulted. In addition to benefits already mentioned, the materials helped to form problem formulation and questions for the interviews.

2.3.2 Interviews

The purpose of the interviews in this Thesis was to receive the primary data about economic, social and environmental impacts of the selected hotels’ sustainable efforts. Primary data stand for data originated by a researcher for the specific purpose to address the research problem (Malhotra & Birks, 2003, p. 85).

There are generally three types of the interviews’ structure: structured, unstructured and semi-structured (Bryman, 2012). Structured interviews are demanding to follow the questions which were defined in advance. Opposite to this type, unstructured interviews have only topics while the questions are formulated during the interview itself. Lastly, the semi-structured type represents combination of previous two (Bryman, 2012): the interviewer covers all pre-defined questions but can also ask questions that come out from the discussion. In the Thesis both structured and semi-structured types of interview were conducted. It is vital to add that direct approach was applied when conducting the interview as all details about the project were given to the respondents in advance (Malhotra & Birks, 2003).
The interviewees are stakeholders essential for the research (identified in section 2.2.1): managers of the Crowne Plaza and its competitor, employees and customers. The interviews, therefore, can be separated into three groups.

2.3.2.1 Interviews with managers

The first group comprises interviews with general managers that have shared the information about CSR-activities (Corporate Social Responsibility) in their hotels and in the industry. The table 3 below summarizes the facts about respondents.

Table 3: First group interviews

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Interview Type</th>
<th>Time</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mireille Jakobsen</td>
<td>CSR Manager</td>
<td>Semi-structured</td>
<td>8/11/2012</td>
<td>Crowne Plaza bar</td>
</tr>
<tr>
<td>Mr. Tomasson</td>
<td>General manager</td>
<td>Semi-structured</td>
<td>17/4/2013</td>
<td>Office at BSC</td>
</tr>
</tbody>
</table>

Source: Author’s own

It is important to note here that two BSC representatives were contacted. The first one was a student worker David Kristensen. As David did not answer all questions, it was decided to arrange another interview. The second person from BSC asked to stay anonymous because of the sensitive topics regarding the hotel’s industry and rivals raised. Therefore, the second person will be called manager Tomasson (the name is chosen randomly).

A semi-structured approach was chosen as the most appropriate interview structure form for this group as it brings in both open-ended questions and closed questions. The interviewers had a predetermined list of questions printed out, such as “What sustainable technologies are you planning to add in the future?” while others arose out of the discussion such as “With whom are you sharing your practices specifically?” The reason why the interview leaned more towards being open-ended was that there were no particular expectations for the answers; rather the interest was to explore a series of opinions and topic areas which were not prepared (Bryman, 2012). As the managers have provided the answers for all questions, there was no need for additional interviews. All questions are presented under Appendix 2.

2.3.2.2 Interviews with employees

The second group represents interviews with employees of the Crowne Plaza (table 4). The respondents have presented their view on working conditions and sustainability in the hotel.

Table 4: Second group interviews

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Position</th>
<th>Interview Type</th>
<th>Time</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jorgen</td>
<td>Bar Tender</td>
<td>Semi-structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza bar</td>
</tr>
<tr>
<td>Julia</td>
<td>Cleaner</td>
<td>Semi-structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza bar</td>
</tr>
<tr>
<td>Robert</td>
<td>Manager</td>
<td>Semi-structured</td>
<td>27/4/2013</td>
<td>Croissant'en, Nörreport station</td>
</tr>
<tr>
<td>Michael</td>
<td>Manager</td>
<td>Semi-structured</td>
<td>4/5/2013</td>
<td>O'Learys bar, Central station Copenhagen</td>
</tr>
<tr>
<td>Kristian</td>
<td>Manager</td>
<td>Semi-structured</td>
<td>4/5/2013</td>
<td>O'Learys bar, Central station Copenhagen</td>
</tr>
</tbody>
</table>

Source: Author’s own
The permission to conduct interviews with Crowne Plaza employees was granted by the hotel under one condition – the process should not distract staff from their working responsibilities. To meet this requirement, the employees were allowed to choose their preferable location. For this reason, “Place” differs among interviewees in Table 4.

The semi-structured interview type was chosen again. For instance, the example of pre-defined question (all questions are in Appendix 3) was “Why did you apply for work in Crowne Plaza?” whereas “Are you satisfied with your salary?” arose out of the conversation. These interviews did not disclose any major differences among the respondents’ answers and, therefore, five interviews were considered satisfactory to make certain conclusions.

2.3.2.3 Interviews with customers

Finally, the third respondents’ groups were customers of the Crowne Plaza (table 5). They shared their view on hotel’s service and experience.

Table 5: Third group interviews

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Segment</th>
<th>Interview Type</th>
<th>Time</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergio</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Carlos</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Soren</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Martin</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Michael</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Gregory</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Troels</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Paul</td>
<td>Business</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Andre</td>
<td>Private</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Sven</td>
<td>Private</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Viktor</td>
<td>Private</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Andreas</td>
<td>Private</td>
<td>Structured</td>
<td>17/4/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Tom</td>
<td>Business</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Kristian</td>
<td>Business</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Alex</td>
<td>Business</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Niels</td>
<td>Private</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Stefan</td>
<td>Private</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>John</td>
<td>Private</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
<tr>
<td>Peter</td>
<td>Private</td>
<td>Structured</td>
<td>3/5/2013</td>
<td>Crowne Plaza hall</td>
</tr>
</tbody>
</table>

Source: Author’s own

All in all, 11 interviews with business guests and 8 interviews with private guests were conducted. The researcher stopped the data collection once the trends have matured. In comparison to previous interviews, these ones contained only 5 brief questions (see Appendix 4) because the respondents were not warned about the interviews in advance and thus some of them could not have time for it. For this reason, the structured type of the interview was selected. The interviewees were selected according to their accessibility (those who had time to reply) and time (the researcher has conducted interviews only on 17/4/2013 and 3/5/2013 from 12:00 to 15:00) criteria. No additional questions were asked throughout the interview.

2.3.3 Non-Participant Observation

The reason for classifying observation as non-participant instead of participant is that the researcher did not participate in what was happening (Malhotra & Birks, 2003). The research was performed on Thursday (8/11/2012) and Wednesday (17/4/2013) in the Crowne Plaza by attending the hotel rooms
and bar. BSC was visited on Wednesday (17/4/2013). The hotel rooms and the service encounter at reception were observed.

Overall, this method was very useful for evaluating the sustainable technologies implemented by both hotels.

2.4 Data Analysis

To analyze the qualitative data from interviews, non-participant observation and secondary sources, the coding procedure was applied. In qualitative research, coding is the process where data are broken down into component parts, which are given names (Bryman, 2008).

The initial coding was made right after the data collection. For example, the coding of the interview with Mireille Jakobsen was completed after few hours of the interview end. The initial codes were basic like “Society”, “Environment” or “Cost”. Once all data was collected, the second round of coding was pursued in order to decrease the number of codes. For this reason, those codes having similar features were integrated into specific theme (Bryman, 2008). For instance, “Energy”, “Water”, “Materials” were combined into theme called “Sev’s theory”. The same procedure was completed when analyzing secondary data and notes from non-participant observations.

Bryman (2008) has noted one problem of coding that may affect the analysis. According to him, the social context might be lost when the separate codes from different documents are integrated. In order to eliminate this pitfall, the researcher applied and reflected on data strictly in relation to the context of the case study. Therefore, the general codes that were not relevant for this specific research, such as topics of “global hotel industry competition” raised during the interview with Mr. Tomasson, were excluded from the paper.
Chapter 3: The sustainable strategy and efforts of the Crowne Plaza

This Chapter presents the sustainable strategy and efforts implemented in the Crowne Plaza. They are divided into three sections. In the first section Sev’s theory and its modification are explained. Next, the theory is applied into context of the Crowne Plaza. Finally, the answer to research question 1 is offered in the last section.

The deductive approach has been applied to choose and adapt theory to the context. Sev’s “Sustainable construction principles and strategies” is chosen over other models because it suits the descriptive purpose of the research question 1. The model itself specifies techniques that may improve performance of any type of building including hotels. Nevertheless, it lacks all three dimensions of sustainability and, therefore, was modified (explained below).

In turn, the induction helped to summarize the empirical facts in different categories in order to answer the research question 1. That is how the combination of deductive and inductive approaches was applied in this Chapter.

3.1 Theory

There are three principles of sustainable construction formulated by Sev: resource management, lifecycle design and design for human (Sev, 2009). The attention in this paper is paid only to the first principle. According to Sev (2009), sustainability is about the sustainable management of the resources. The principle consists from four strategies: efficient use of energy, water, material and land (see Figure 1).

![Figure 1 – Resource management strategies (Sev, 2009)](image)

The limitation of this framework is its focus on natural resources that represents “planet” dimension (Sev, 2009) whereas “profit” and “people” are excluded. For this reason, the strategy “efficient use of financial resources” and “efficient use of people” (representing “profit” and “people” accordingly) is added by the researcher. The final model is presented in the Figure 2 and applied in the next section.
3.2 Analysis

The core component of the Crowne Plaza business strategy is sustainability (CrownePlaza.dk, 2013). According to different sources, the hotel is the first energy efficient hotel not only in Denmark but in the whole World (Danish Architecture Centre website, 2012). Moreover, the Crowne Plaza is the first hotel in Denmark that meets the standards of the EU Green Building Program (Danish Architecture Centre website, 2012). Therefore, the sustainable practices are integrated into competitive advantage of the hotel and help to reduce the various expenses (discussed below). As Mireille Jakobsen note – “Sustainability is becoming basic requirement for all hotels nowadays. It is not “either sustainable hotel or not” anymore. Every hotel in Copenhagen has some sustainable features today. But it is only the Crowne Plaza that integrated sustainability into all activities...” (Jakobsen, personal communication, 2012).

In order to investigate and describe what technologies were implemented by the hotel, Sev’s model is used further.

3.2.1 Efficient use of energy

All sunny surfaces on the hotel are covered by the solar panels called “Solar Panel Park” (see Appendix 5). The idea is not only to save as much energy as possible but also to produce your own. This generates more than 170,000 kWh power on a yearly basis – the equivalent of the energy consumption in 55 Danish family houses (CrownePlaza.dk, 2013).

Another tool is computer control of all electronic equipment in the hotel. In every hotel room the sensors and low-energy light sources are installed. This equipment is connected to the computer system which contains a special program. Finally, the computer program combines all information from the sensors and shows the managers the overall picture of energy usage (Nørgaard, 2011). The whole operation ensures that consumption is kept as low as possible especially when the rooms are vacant.

The Crowne Plaza also has energy producing gym facilities. The presence of electric bicycles in the gym facilities looks especially innovative. The management has made from this simple activity the real
entertainment for their guests (see Figure 3 below). Everybody who is exercising the bike will generate the electricity for the hotel and produce discount (points) for a meal in the restaurant. Hence, both parties are satisfied in such scenario. It is possible to attach mobile or Iphone to the bike so the person may see the amount of electricity being generated (CrownePlaza.dk, 2013).

Figure 3 – Electric bicycles in the Crowne Plaza’s gym (Tjolle, 2010).

3.2.2 Efficient use of materials

In hotel rooms everything from the shampoo bottle to the tooth brush is made of corn and potato starch (Nørgaard, 2011). These products contain no allergenic substances. Furthermore, the Crowne Plaza has policy of reusing towels, saving the shampoo bottles and other efficient use of products. Allan Agerholm, general manager of the Crowne Plaza, in his speech to the press explains: “We believe that future hotel guests will require hotels to run their businesses and operations based on environmentally friendly principles, without compromising on modern comforts and luxury. We have therefore made the decision to build the most environmentally friendly Hotel building in Denmark, whilst still offering high level of comfort and luxury” (Win-travel, 2012).

Handling of waste products from the kitchen is another substantial investment in technology and environment. All food waste in the hotel is ground and sucked into a 1000 liters big tank in the basement. This tank is then later emptied and freighted to a bio-gas plant. The remains from this process are used to fertilize farm land (Win-travel, 2012).

3.2.3 Efficient use of water

The Crowne Plaza gets energy through renewable and sustainable sources. The management has built the groundwater-based cooling and heating system in the hotel. Technically, it means that hotel is receiving both cooling and heating from groundwater, 100 meters below surface (Danish Architecture Centre website, 2012). This groundwater cannot be used for anything else, only for energy purpose (Jakobsen, personal communication, 2012). When the energy is extracted and recycled, it is used for heating and cooling the hotel rooms. According to Crowne Plaza, this technology decreases the energy consumption by up to 90% (Win-travel, 2012). It leads to huge electricity cost savings.
It is important to add that Crowne Plaza is always seeking the ways to optimize the existing systems and to integrate it with new technologies. For example, the management has employed the company Danfoss that is currently investigating the possibility to implement water-related technologies. The main questions of the research are “where and what technologies to introduce” (Jakobsen, personal communication, 2012).

3.2.4 Efficient use of land

Location and efficient use of land were one of the most pivotal topics before the hotel was built. The main reason why Ørestad area has been chosen is the continuous urban development of the area: access to infrastructure and construction of business center, shopping area and sport arena (Jakobsen, personal communication, 2012). Moreover, accessibility of the area was also taken into consideration. Various modes of transportation are present in Ørestad area: bus, train, metro, car and bike roads (CrownePlaza.dk, 2013).

The Crowne Plaza is a part of business complex that is still in development stage. The whole name of the hotel is “The Crowne Plaza Copenhagen Towers”. The project was planned in 2008-2009 but the financial crisis has postponed the implementation of this plan (Jakobsen, personal communication, 2012). Until now there is only one tower. The second tower will be built in the nearest future, the exact date is unknown (CrownePlaza.dk, 2013). When the construction is finished, the Crowne Plaza will become part of the business center according to the plans of architectures.

The construction of these towers is following the sustainable design (Dissing+Weitling website, 2013). By this term the developers mean consideration of interrelationships between soils, plant communities and habitats.

3.2.5 Efficient use of financial resources

The technologies listed above are closely interlinked to “profit” dimension as most of them contribute to cost reduction (Jakobsen, personal communication, 2012). The exact amount of investment in all these efforts was not communicated by the Crowne Plaza managers and employees. Nevertheless, Mireille Jakobsen has noted that these efforts were implemented initially in 2009, when the hotel has opened doors to guests, and the payoff, estimated as sum of direct (financial) and indirect (social and environmental) benefits, was already reached in 2012 (Jakobsen, personal communication, 2012). However, as the payoff calculation was not provided, the statement can be biased.

Whether environmental-friendly technologies implementation is a good investment or not can be determined by comparing with other options available. According to manager Tomasson from BSC (Tomasson, personal communication, 2013), this investment is profitable in the long-term only if the hotel competes for business segment. For this reason, majority of the hotels look for other options to enhance their profits (see Chapter 5 for details). Nevertheless, in case of the Crowne Plaza with its focus on business customers, the investment seems reasonable.

3.2.6 Efficient use of people

Since its opening, the Crowne Plaza is actively engaging in social activities through charitable donations, supporting local sports teams and organizing events for their own staff (CrownePlaza.dk, 2013). Furthermore, in collaboration with local councils, the hotel management recruits candidates with various disadvantaged backgrounds, as well as candidates with diverse cultural and religious roots.
At the moment 24 nationalities are represented in the hotel’s team (Jakobsen, personal communication, 2012). Finally, there are various social benefits provided by the hotel to its personnel (see Chapter 4). According to the interviews conducted with the employees, all of them are satisfied with working conditions which are also considered as one of the reasons why they have applied for the job.

### 3.3 Answer to the Research Question 1

Research question 1 was formulated as following: “What are the sustainable efforts that improve the internal activities in a hotel?” In case of the Crowne Plaza the list of sustainable efforts include: solar panels, computer control of all electronic equipment in the hotel, energy producing gym facilities, use of organic materials, waste management, groundwater-based cooling and heating system, social benefits and programs for employees. In general, these efforts helped to achieve efficiency in waste handling, reduction in energy consumption and corresponding costs, high employee satisfaction and internal quality (explained in next Chapter).

The environmental dimension is considered as the most challenging in the 21st century due to continuous pollution of the environment (Rockström et al., 2009). According to the analysis above, most of the Crowne Plaza technologies are orientated towards being environmentally-friendly while economic and social dimensions play supporting role. As Mireille Jakobsen comments – “...we use some organic materials that are slightly more expensive than normal ones but ecology and environment care is more important for us...” (Jakobsen, personal communication, 2012). However, the researcher identifies the economic dimension higher than social because most of the environment-friendly technologies are closely related to cost reduction. Hence, Figure 4 summarizes these observations into visual presentation of the Crowne Plaza’s strategy.

![Figure 4 – Sustainable dimensions of the Crowne Plaza’s strategy (Author’s own)](image)

In fact, the “planet” dimension represents the unexploited area for the businesses because economic and social benefits for employees and community are present in most established service companies today (Conrady & Buck, 2011). Besides, the environmental pillar has more potential to differentiate the service than “invisible” social and economic efforts (Velazquez, et.al, 2011). Thus, it is suggested the Crowne Plaza to continue exploiting this dimension and implementing new technologies. The analysis has illustrated that Crowne Plaza pays more attention to efficient use of energy and materials in the environmental dimension. Therefore, it can be recommended to introduce the technologies that manage water use more efficiently. For instance, reduce potable water by implementing bio-composting toilets, low-flow shower heads, waterless urinals (Sev, 2009). Collecting rainwater can be another tool of efficient water management as it will provide another source of drinking water supply (Sev, 2009).
Chapter 4: The sustainable strategy from customers’ and employees’ perspectives

The Chapter 4 is providing the arguments of Crowne Plaza customers and employees concerning their attitude towards the hotel’s strategy. First of all, the Service- Profit Chain theory which establishes the link between employees, customers and service concept is explained. Secondly, the opinions of the employees and customers are presented in the Analysis section. Finally, the summary outlines the answers to research questions 2 and 3.

The Service- Profit Chain suggested by James Heskett and his colleagues in 1994 has been chosen for application in this Chapter to illustrate the existence of chain relationships among employee satisfaction, service concept, customer satisfaction and profitability for the service company. This theory is better than others as it may illustrate the close relationships between actors and the final result of it. By using deduction the components of the Service- Profit Chain were separated and analyzed. This analysis helped to answer the research questions 2 and 3.

4.1 Theory

Hotel business, as any service, has high reliance on the frontline employees because they are key inputs for delivering service excellence and competitive advantage to the customers (Lovelock & Wirtz, 2010). Therefore, the employee satisfaction and customer satisfaction are closely correlated. Any strategy introduced by the hotel should take into account how it may affect the current culture and the frontline according to James Heskett and et al. (1994). The authors argue that value provided by the service concept is enhanced by satisfied, loyal and productive employees (Lovelock & Wirtz, 2010). The latter components together are called internal quality which is measured by Heskett and his colleagues as feelings the employees have toward their job (Heskett and et al., 1994: 168). The combined value from service concept and internal quality, in turn, drives customer satisfaction and loyalty to the business. Finally, satisfied and loyal users will more likely spend more money or use the service more frequently, by that increasing the profitability of the company (Heskett and et al., 1994). This sequence of relationships was called the Service- Profit Chain (see Figure 5).

The Links in the Service-Profit Chain

Figure 5 – The Service-Profit Chain (Heskett and et al., 1994)
The internal quality that enhances the employee satisfaction may comprise from various elements such as workplace design, rewards, recognition, empowerment and others. However, the role of service concept should not be underestimated. The frontline should understand and be passionate with it in order to persuade the guests. In fact, if the firm cannot “sell” its own product to the employees (internal marketing), then it may experience the failure with offering it to the customers (Teboul, 2006). Thus, applying to the Crowne Plaza context, there is a need in fit between the sustainable strategy and its employees to achieve a service excellence and profitability of the business.

4.2 Analysis

4.2.1 Sustainable strategy and internal quality

In total, five interviews with the Crowne Plaza employees were conducted. Their answers can be divided into three groups: the recruitment, the working conditions and the role of sustainable efforts for employees and the hotel.

**Recruitment:** According to current employees, the factors driving their choice to work in the Crowne Plaza job were not related to the sustainable strategy pursued by the hotel. They were mostly related to such basic needs as location close to home, the salary, working conditions and reputation of the hotel. Even though the sustainability was not mentioned, the employees agreed that it supplements the reputation and working conditions of the Crowne Plaza. The conclusion of it is the hidden significance of the sustainable strategy for the Crowne Plaza for the talent attraction and retention.

**Working conditions:** The employee’s satisfaction with working conditions was considered to be good due to high grades awarded by the respondents. It is supported by positive comments. For example, Jorgen, one of the respondents, says – “It is a great place for work, a lot of friends, the salary is good one, I can adjust dates of my vacation in advance and hotel organizes the social events for us sometimes”. Most of the respondents mentioned the job design, workforce environment and recognition as factors that make them happy in the hotel. As all of them are related to the social dimension of the sustainability, it can be concluded that employees are valuing the current strategy. Nevertheless, nobody has mentioned the environmental care as the source of its internal satisfaction.

**Sustainable efforts:** On the one hand, all respondents have indicated the significance of sustainable strategy for the hotel. Michael notes – “I worked in different hotels in the past but it is only Crowne Plaza who pays attention to the environment, even to some minor details that I would never consider...the importance of our exclusive identity is frequently communicated and everyone knows it I think”. Some respondents also indicate the environmental focus as the reason why the Crowne Plaza should be chosen by guests among other hotels in Copenhagen. It is vital to add that the most frequently mentioned reason was the service quality.

On the other hand, the environmental care is not regarded as something pivotal for employees personally. Kristian comments – “I think for most employees sustainability is something basic you know. It is part of the hotel, we admit it but it does not mean that we are fans of organic food or soap, for example”. However, this opinion is not unanimous. For instance, Jorgen argues – “Of course, location and working conditions are important but another reason why I have chosen the Crowne Plaza because it suits my beliefs about ideal hotel. In my view, the businesses in Denmark should be society and environment-friendly...like at Crowne Plaza”.

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4.2.2 Sustainable strategy and external quality

As was outlined in Chapter 1, there are two notable customers’ segments in the Crowne Plaza business: private and business guests. As the replies and preferences of these groups are different, they are presented separately below.

Private guests: The significant factor that influences the private guests’ choice of the Crowne Plaza is the location. In fact, the hotel is located close to the shopping center and different transportation stations such as metro, train, bus and even airport. Moreover, it takes only five minutes to reach center of Copenhagen by train (Jakobsen, personal communication, 2012). It is important for private guests who are tourists that want to see the city.

The sustainability was chosen as the decisive factor only twice. As Stefan mentions – “I do care about environment and I wanted to stay in this hotel since its opening. But I wanted it only for the experience sake. I am not a fan of luxury hotels because I cannot always afford it. So I am not sure that I will stay here next time”. The last comment might be a reason of not high grades given to the hotel from some private visitors. As some private guests are price-sensitive (Capozzi, 2013), the price has probably influenced their service consumption in the Crowne Plaza. However, according to the conducted interviews, the private guests choosing the Crowne Plaza are individuals with high income and their expectations from the hotel service were quite common. John argues – “Well...I did not find anything really different from other luxury hotels. The employees are friendly and helpful, as always. Yeah, you have this idea that you are in sustainable hotel in mind but I would not notice it if they would not tell me it”. Stefan agrees with this view by adding – “…and I would love to have more elements in the hotel associated with environment, nature, something organic you know”. Thus, having the environmental-friendly technologies in the backstage is not enough for private guests to be satisfied with it. According to researcher’s non-participant observations, only brochures and labels on the walls are reminding the sustainable orientation of the Crowne Plaza hotel to their guests (see Figure 6).

![Figure 6 – Wall writings about sustainability in the Crowne Plaza hotel (Author’s own)](image)

Nevertheless, the grades of hotel service are still close to the maximum. Peter explains his top grade – “I am happy with everything. I especially liked the gym and the restaurant. Really high quality and the sustainability has impact on it, I can feel it.”
To conclude, the sustainable efforts did not enhance the quality of stay in the Crowne Plaza for majority of private guests. Some of them lacked the visible evidence while others were dissatisfied with high prices of the luxury hotel. There are exceptions, of course, but they do not constitute the majority.

**Business guests**: The hotel reservations for business guests in most cases were made by the company administration. For this reason, most of the respondents could only assume why their companies had chosen the Crowne Plaza. Opposite to private guests, there are three responses that were equally frequent: location, reputation and quality. Most of the business guests named all three, e.g. Paul says – “...Crowne Plaza has reputation of providing the high quality service and required facilities to us, businessmen. That is why our company has chosen it. And, of course, the location close to airport also played a role”. Furthermore, the sustainable efforts were regarded as one of the reputation drivers. For example, Sergio claims – “My firm is operating in the food market and, of course, it is highly important for us to show shareholders our sustainable intentions in every action”. In other words, according to Sergio and other business guests, Crowne Plaza reputation of being sustainable hotel automatically affects the status of their companies.

Despite the vital role of sustainability in the hotel’s image, it has not enhanced the service experience for most of the business guests. Alex comments – “Crowne Plaza provides accommodation, conference rooms and amendment services needed for successful business negotiations. I did not really pay attention to sustainability here, but it is great that they have it”. This opinion is similar to John’s (private guest) statement. The sustainability is regarded as basic requirement but some guests would not even notice its absence. Sergio has compared the sustainability with quality – “...sustainability is like a quality in food products – you know that it is there only if you find the quality label on the product. So this label ensures trust and safety of the products...that in turn enhances the taste”. It brings the conclusion that sustainability is not necessarily should be visible for business segment as they are not fans of it. They need it mainly for their own reputation enhancement.

It seems pivotal to add that average grade of the hotel from the business guests is higher than from private visitors. It can be explained by the fact that business segment does not pay for the hotel services from private money and can only concentrate on work.

**4.3 Answers to the Research Questions 2 and 3**

The research question 2 was stated in this manner: “Does the sustainable strategy enhance the employees’ work satisfaction in a hotel?” As sustainable strategy comprises both environmental and social aspects, the general answer to the question in the Crowne Plaza case is “Yes”. Nevertheless, the importance of these dimensions is different for employees. In fact, staff satisfaction does mostly relate to basic needs and social benefits rather than to environmental care. Of course, there are some individuals for whom environmental theme in the hotel enhances the working experience too but they do not represent majority. The implication for the hotel can be directing its recruitment efforts towards those individuals who give a high valuation to all strategic dimensions. These individuals both receive a satisfaction from working in the Crowne Plaza and encourage other employees with their passion.

Next, the research question 3 was formulated as following: “Does the sustainable strategy enhance the customers’ satisfaction of a hotel experience?” There is no explicit answer to this question as two groups of customers with absolutely different preferences were identified. On the one hand, the interviews with private guests have indicated the secondary role of the sustainability for them. They value other benefits of the Crowne Plaza described above. On the other hand, the business segment is
interested in the hotel’s unique “sustainable” reputation. As more companies today are becoming evaluated in terms of their social and environmental responsibilities (Esty, 2007), the demand for the Crowne Plaza with established reputation will grow in the future.

These findings can be applied into the Service-Profit Chain to find out whether Crowne Plaza achieves the enhanced profitability (competitive advantage) with its strategy. In fact, the interviews support the existence of relationship between internal service quality, employee satisfaction and productivity. However, the chain between external service quality and customer satisfaction is not such clear. Both private and business customers evaluated the employees as “friendly and helpful, as in all luxury hotels”. Therefore, the employees’ effect on service experience is considered as basic and indirect. What makes the difference is the “green” reputation of the hotel. It has direct effect on customers’ satisfaction (especially in case of business segment) and, hence, profitability of the hotel. Therefore, the sustainable strategy brings a competitive advantage to the Crowne Plaza in its business market.

Despite this advantage, the Crowne Plaza should take into account the possible challenges in the future. The Crowne Plaza claims itself as the sustainable hotel and, consequently, the sustainability becomes a basic need for guests rather than additional service. The danger is if they do not see the visible evidence of sustainability, then their satisfaction with service may decrease (Gupta, 2012). The latter, in turn, would lead to reputation damage. For this reason, it is suggested the Crowne Plaza to add more visible elements to its service concept, for example designing the rooms in a nature setting or put colorful labels on materials that remind their organic character. The aim is to make the hotel experience memorable for both private and business customers in comparison with other luxury hotels in the industry. Additionally, the employees’ satisfaction, knowledge and awareness about sustainability will only rise with these introductions.

Chapter 5: The sustainable strategy from competitors’ perspective

This Chapter presents the competitors’ view on the sustainable strategy in three sections. First of all, Zadek’s framework is described. Secondly, the hotel’s industry in Copenhagen is presented. Next, the pros and cons of the hotel’s sustainable strategy according to competitors’ perspective are discussed. Lastly, the results are summed up and the answer to research question 4 is derived.

The model used in the Chapter is Zadek’s framework (2004) which defines five stages of CSR learning. This framework is useful to apply when the CSR concern of company or industry has to be identified and analyzed as it is in our case. The deductive approach was applied to analyze hotels in the specific stage separately. In turn, the induction was applied to integrate all replies from the interviews with BSC managers into answer to the research question 4.

5.1 Theory

The main idea under the Zadek’s five stages model is that companies invariably go through the specific stages when moving along the CSR learning curve. First level is called “Defensive”. It implies that organization denies the responsibility for its actions and resists stakeholders' demands (Zadek, 2004). Next stage is “Compliance” where companies fulfill the minimum requirements. The third phase is defined as “Managerial” because companies give managers of the core business responsibility for the problem and its solution at this stage (Zadek, 2004). The integration of CSR into management practices
begins here. The fourth stage Zadek calls “Strategic” as CSR becomes the vital part of strategy planning process. Finally, the last phase is “Civil”. In this stage organizations promote collective action to address society's concerns (Zadek, 2004).

The five stages of CSR learning model is applied to present the hotel’s industry in Copenhagen and understand on what stage of development the Crowne Plaza is today comparatively to other players in the industry (Zadek, 2004). For the simplicity purpose, the CSR attitudes of only two actors are analyzed: the Crowne Plaza and the hotel industry in Ørestad area signified as one unified actor. The clear representative of the industry’s attitude to “green” trend is BSC, according to their own managers’ words.

5.2 Analysis

5.2.1 The five stages of CSR learning in Ørestad hotel industry

The hotel industry in Ørestad district consists of four players: Crowne Plaza, BSC, Cabinn Metro and Copenhagen GO hotels (Tomasson, personal communication, 2013). As the Crowne Plaza is analyzed separately, three remaining hotels are integrated into one group called “Ørestad hotel industry”. They do, in fact, have similar attitude to sustainability. All of them focus on other strategies rather than environmental-friendly efforts (Tomasson, personal communication, 2013). For instance, BSC wants to differentiate its offering by the unique design of the building and its rooms. Cabinn Metro hotel, on the other hand, wants to attract guests by low prices (CabinnHotel.com, 2013). However, the industry recognizes the growing significance of sustainability and, therefore, implements some “green” technologies to comply with minimum requirements. For instance, BSC receives some energy from its windmill (discussed in the next section). Furthermore, all players have social programs and events for their employees, though with varying degrees (Tomasson, personal communication, 2013). To conclude, the stage where “Ørestad hotel industry” is situated can between “Compliance” and “Managerial” stages. According to David Kristensen (2012), most hotel market entrants follow this strategy too.

In contrast to players above, the Crowne Plaza has already passed compliance and managerial stages. Sustainable efforts are becoming strategic activities of the company nowadays. It is clearly illustrated in the Chapter 3 where the examples of efficient use of resources by Crowne Plaza are provided. However, it is only internal activities whereas what makes Crowne Plaza unique is its civil focus. Today the sustainable urban development is occurring in the whole Ørestad area (Ørestad.dk, 2013). The recreation centers, business center, hotels, housing have been already built or are in the process of construction. The Crowne Plaza is playing important role in this process. The technologies introduced by the hotel became of great interest to other actors. The reason of this interest is the new regulation according to which Copenhagen should become CO2 neutral in 2025 (Stanners, 2012). Therefore, sustainability will become a basic requirement in the future city as demand is constantly growing (Jakobsen, personal communication, 2012). The Crowne Plaza is sharing their sustainable practices with any actor that contacts them regarding this issue (Jakobsen, personal communication, 2012). Today the hotel provides presentations to various stakeholders such as suppliers, government representatives and other competitors. This knowledge sharing may cause spillover effect in the whole city of Copenhagen. In fact, as was mentioned before, heating and cooling system, waste management and other techniques can be successfully installed in the ordinary offices, flats and houses.
Therefore, the Crowne Plaza is in the transition from “Strategic” to “Civil” stage nowadays. It does not support all Zadek’s criteria of being “Civil” (such as active participation in local events) but its knowledge sharing with other actors in the area puts Crowne Plaza higher than “Strategic” phase. The findings are summarized in the Figure 7 below. It is worth to mention that classification of the groups is based on the subjective judgment of the researcher and criteria outlined by Zadek (2004). The limitation of the model’s measurement is argued in “Discussion”.

![The Five Stages of CSR Learning](image)

**Figure 7 – The Five Stages of CSR Learning in Ørestad hotel industry (Author’s own).**

The drivers that may force the hotels to move from its current stage to “Civil” are demands from the government (push strategy), guests (revenue side) or cost reduction (cost side). By push strategy of the government it is meant the tightening regulation. As Copenhagen city council aims to achieve the goals of 2025 program, new environmental laws will be passed in the future (Stanners, 2012). They may, in turn, force the environment-friendly technologies’ introduction by businesses. Next, the revenue criterion was partly confirmed by the interviews with the Crowne Plaza customers in Chapter 4. The sustainability constitutes a primary value for business segment but not for private guests. Consequently, those hotels where private visitors comprise the major source of revenue will not be interested in sustainable efforts. However, besides increasing revenue, the hotels are also interested in lowering their expenses. The competitors’ position on the ability of sustainable strategy to reduce costs is presented in the next section.

5.2.2 The benefits and challenges of the sustainable strategy

Bella Sky Comwell is one of the largest hotels in Scandinavia (Bustler.net, 2011) situated close to Bella Center in the Ørestad area. It is regarded as the primary competitor of the Crowne Plaza for several reasons:

1) The Crowne Plaza and BSC are new players in Copenhagen hotel industry. The latter was opened in 2011 (BellaSkyComwell.dk, 2013) while the Crowne Plaza became available for guests in 2009.

2) Both hotels are situated in the Ørestad district of Copenhagen, Denmark. Hence, the visitors will not take into account the location benefits of these hotels. The strategies of the hotels to attract customers become decisive in this case.
3) The strategies of the Crowne Plaza and BSC are totally different. BSC points out the collaboration with Bella Center and unique design as the main sources of its competitive advantage. Despite this difference in strategy, it seems important to note that both hotels consider themselves as luxury hotels on the market.

The information provided by BSC managers regarding hotel’s sustainable efforts was not detailed while “CSR policy will not be available until the beginning of 2013 on hotel’s homepage” due to current updating (Kristensen, 2012). Despite this problem, some facts are clearly stated on the hotel’s website. First of all, there is a no-paper policy in BSC. The guests are getting information mostly from the television screen in their rooms or in the main hall (BellaSkyComwell.dk, 2013). Secondly, Bella Center has a windmill next to it that supplements the power demand of BSC. However, as David Kristensen notes “this windmill provides only small portion of energy to the hotel”. Finally, BSC implements other small sustainable steps. For instance, “the smaller showerheads in the bath encourage our guests to use less water” (Kristensen, 2012). To conclude, BSC pays less attention to sustainability than the Crowne Plaza.

The interview with manager Tomasson from BSC has shed the light on some sensitive topics about the hotel industry in Copenhagen. “Sustainability is an important subject in the hotel industry these days and it will become a basic requirement in the future...for example, the social programs and benefits for employees are present almost in every big hotel already today” (Tomasson, personal communication, 2013). The main trend, however, is still the price-value relationship according to Mr. Tomasson. Price sensitivity of both business and leisure segments is the main reason why sustainability is not the top priority for the hotels at the moment. Its time has not yet come because today it has more challenges than benefits. Firstly, it is expensive to purchase, implement and maintain the environmental-friendly technologies (Tomasson, personal communication, 2013). This statement is supported by Crowne Plaza CSR manager Jakobsen. She has noted that it is necessary to create new department responsible for sustainability and CSR if company wants to extract benefits from its actions. The challenge this new department brings is additional complexity to organizational structure (Jakobsen, personal communication, 2012). Secondly, the implementation process is time consuming. Mr. Tomasson clarifies – “Hotel should develop vision and long-term strategy, estimate costs and many-many other things. If you don’t do these activities, then press may write that you are “greenwashing” customers’ brains rather doing something seriously”. In other words, if the hotel decides to implement sustainable efforts quickly and cheaply, the reputation of this hotel will immediately drop. Finally, the uncertainty of the strategy’s success is high. “How much should I invest to earn profit? When is the payoff? Nobody knows the exact answer, so I would not personally risk” – concludes Mr. Tomasson.

According to BSC managers’ interviews, hotels in Ørestad area are looking for ways to decrease number of employees, design the rooms or add extra services nowadays. These options are more efficient (in terms of revenue increase and costs’ reduction in the short-term) and less expensive to employ than environment-friendly technologies (Tomasson, personal communication, 2013). However, the success of the Crowne Plaza’s sustainable strategy is recognized by Tomasson – “The Crown Plaza is definitely standing out in the quite crowded four-star hotel market in Copenhagen, they are doing great job” (Tomasson, personal communication, 2013).

5.3 Answer to the Research Question 4

The research question 4 in this paper is the following: “How does the sustainable strategy influence actions of competing hotels in the same market?” The BSC managers in their interviews have argued
that influence of the Crowne Plaza’ sustainable strategy on competitors in Ørestad area is insignificant. Even though the growing importance of sustainability and the Crowne Plaza success are recognized, hotels in the industry view this strategy as “uncertain and costly strategy” (Tomasson, personal communication, 2013). The benefits are considered only long-term. As there are various alternative options, low demand from private customers and short-term myopia of managers (Zimmerman, 2010), the priority will be more likely given to price management, efficiency optimization and other business aspects rather than to the sustainability of the hotel (Tomasson, personal communication, 2013). This orientation of the industry players is suitable to “Compliance” and “Managerial” stages of Zadek’s framework. Therefore, with this short-term focus the spillover effect across rivals is not possible and it will more likely limit the sustainable urban development in the area.

However, if actors outside Ørestad area are considered, then it is possible to observe the growing interest to environment-friendly technologies from government, emerging competitors and construction agencies (Jakobsen, personal communication, 2012). In fact, the demand for sustainable technologies can be pushed by Copenhagen city council which is planning to introduce tighter environmental regulation in the future (Stanners, 2012). In addition, as the Crowne Plaza management is willing to share its knowledge with others, the opportunities to induce the sustainable boom remains high. It is a topic for further research whether government and small actors may stimulate this spillover effect.
Part 3 – Concluding part

Chapter 6: Discussion

The purpose of Chapter 6 is to evaluate the results, methods, theories and general quality of the research. In fact, despite the many perks, the methods and theories used certainly have their pitfalls. In order to give a holistic picture of the research, these must thus be elaborated next.

6.1 Reflection on results

The results have demonstrated that sustainable strategy of the Crowne Plaza helped to reduce internal costs of operations and increase employees and business customers’ satisfaction. Therefore, the results are opposing the previous research of those scholars who declared the lack of relationship between business and sustainable strategy (e.g. Enticott & Walker, 2008). At the same time, the findings support the second group of researchers who reported the business benefits from implementing sustainable technologies (e.g. Sutton & Noe, 2005; Menguc & Ozanne, 2005).

Three findings can be added to the theoretical body of the previous research. Firstly, only those hotels competing for business segment should implement the sustainable strategy. If the hotel is targeting private guests, then the sustainable efforts will not play a significant role in attracting new visitors as the demand is not high for it nowadays. Secondly, in order to enhance customer satisfaction from sustainable strategy, it is necessary to provide visible or tangible evidence. Thirdly, the benefits from having the sustainable strategy are considered as long-term and mainly indirect. The latter implies improved top line which includes increase in brand value (or reputation), employee attraction and retention.

It is vital to note limitations of the results. First, the findings are derived from Ørestad case study and, hence, may not fully be used for generalization purposes (Bryman, 2008). Second, the information and findings in this paper taken from the official hotel websites can be subjective due to marketing bias of the companies. Lastly, time and monetary restrictions of the researcher have reasoned the choice of specific research design and methods.

6.2 Reflection on theories

There are three main theories used in the paper: Sev’s resource management, Service-Profit Chain by Heskett and et al. and, finally, Zadek’s model of five CSR learning stages. Each one has limitations and, therefore, was adapted to the context.

Sev’s resource management principle was expanded by adding two more strategies (one from “profit” and another from “people” dimension) to initial four “planet” tactics. This adaptation helped to eliminate bias towards environmental dimension.

Heskett and his colleagues took into account only the frontline employees when analyzing personnel in the service industries by the Service-Profit Chain model (Loveland & Wirtz, 2010). However, due to accessibility and time limitation, the interviews were also conducted with other types of employees, e.g. backoffice managers.
Finally, only minor modification was added to Zadek’s framework. Zadek (2004) did not quantify or set the strict borders to separate each stage. In this paper the researched actors were put in transition from one stage to another to illustrate the dynamic character of analysis (Crowne Plaza movement) and complexity of one actor (which was representing all competitors in the area). The researcher’s choice of the stage is based on qualitative criteria set by Zadek in his paper (2004).

In general, all three theories have fulfilled their aims by helping to structure the analysis and to answer the research questions.

6.3 Reflection on methods

The combination of deductive and inductive approaches helped to structure the analysis and provide coherent answers to the research questions. These reasoning approaches have fulfilled their role even though the degree of using one over another was varying depending on the analysis performed. For example, the interview with BSC managers was organized and analyzed mainly by using the inductive approach.

The primary research conducted is restricted by a number of limitations. A hazard that could arise is that the interviewees might not have answered the questions correctly with the intention to either withhold information about the company (in case of Jakobsen and Tomasson) or to direct the results in a certain direction, a problem known as response error. Further, the interviewees might have been unable to disclose full information about the hotels. Finally, the data collection from interviews may contain a risk of participants misinterpreting some questions (Bryman, 2012).

Next, much of the research and analytical description of the Crowne Plaza and BSC service was based on non-participant observation. The limitation of data from observations is dependence on specific context. In fact, many situations may change from day to day. For instance, employees may perform better or worse.

Lastly, it seems vital to note limitations of the secondary data. The articles read may be affected by subjectivity of the authors. Some articles may contain subjective judgments and errors (Bryman, 2012). Moreover, some studies have conducted empirical research in settings that cannot be fully generalizable and applicable for the Crowne Plaza case in specific and for the hotel industry in general. For example, Gupta’s findings (2012) are related to the sustainable strategy in the restaurant industry which might differ from hotel business.

6.4 Research Quality

6.4.1 Validity and Reliability

Reliability refers to the consistency of research results (Buckingham & Saunders, 2004). Validity is a key concept in assessing the quality of research and indicates whether the research measures what it claims to measure (Buckingham & Saunders, 2004). The reliability and validity of the data in this paper is evaluated as high, because it is mostly based on the primary data. To assure reliability and validity during the semi-structured interviews open questions were posed (Fowler 2002). Complex questions were discussed with and clarified for the interviewees in order to avoid misunderstandings. For example, questions about sustainability like “Did sustainable efforts of the Crowne Plaza influence your choice?” were asked only after the clarifying what it means by sustainability.
However, there are some limitations of the used methods that may affect the accuracy of data collection for this study. The subjectivity related firstly to the secondary sources whose authors may not always write objectively (Bryman, 2012) and secondly to the primary research which might have been resulted in biased statements on the part of the interviewees or biased analysis on the part of the interviewer may decrease the reliability and validity of the data. Furthermore, consistency over time cannot be assured as the interviews were conducted only once, thus somewhat inhibiting reliability. Finally, a study cannot be replicated with high degree of accuracy, since, as Bryman (2008) note, a social setting cannot be “freezeed”.

6.4.2 Ethics

Ethics is the study of the right behavior to follow (Blumberg et al., 2008). The researcher should consider ethical issues in every step of the project starting from obtaining permission and ending with privacy policies (ESOMAR website, 2013).

In order to treat participants ethically, the researcher has protected confidential information, as well as the integrity of the interviewee. For this reason, real names of the Crowne Plaza employees and the BSC manager that asked to stay anonymous were changed. Furthermore, the interviews were documented only when the consent of respondents was gained. When conducting the semi-structured interviews, the participants were informed about the project’s aims in advance. Finally, the questions, as already written above, were clear and free of bias in order to exclude any opportunity to manipulate the answers of the respondents.

There are different ways to prevent loss of privacy or embarrassment. Blumberg et al. have suggested three guidelines in which to pursue this: explain benefits of the study, explain the participant’s rights and protection, and obtain informed consent (Blumberg et al., 2008: 114). In order to conduct ethical study, these guidelines were assured during the research process.

Chapter 7: Conclusion

7.1 Conclusion

The purpose of the Thesis was to describe sustainable strategy for hotels and to explore its effects on the industry actors specifically and on urban area in general. The case chosen for the research was narrowed down to Ørestad area with its actor the Crowne Plaza hotel which was researched in details. The Crowne Plaza’s sustainable strategy consists of environmental technologies and social practices that help company to improve its internal activities by eliminating waste, reducing energy costs and increasing the employees’ satisfaction. This success did not influence other hotels in the area to introduce similar technologies though. The main reasons of this strategy ignorance are short-term orientation of rivals’ managers and the variety of alternative options available. Furthermore, the demand for sustainable offering was identified only from business segment by this limiting the implementation of the practices in hotels with focus on private guests. The indifference of competing hotels has restricted the opportunity to encourage the sustainable urban development in Ørestad area. However, interest of government and construction agencies in “green” change and the willingness of the Crowne Plaza to share their knowledge may create the sustainable spillover effect in the future.
The problem formulation of Thesis was stated as following: *Does a sustainable strategy bring a competitive advantage to hotel’s offering in the highly competitive industry? And if it does, how does this strategy influence actions of competitors in the area?*

The answers to research questions throughout the paper have led to the final conclusion. The success of the Crowne Plaza hotel has shown that sustainability may bring profits if managed right and, hence, may create the competitive advantage for hotels. Today all three dimensions of sustainability (economic, social, and environmental) are working on the Crowne Plaza, not the other way round. These facts did not influence competitors’ actions and the sustainable spillover effect did not occur in the area. However, as environmental regulation is becoming stricter (Stanners, 2012) and demand for sustainability is growing in society, the situation may change in the nearest future.

### 7.2 Implications

The recommendations for the Crowne Plaza management outlined throughout the paper are summarized in this section. First of all, the analysis has identified that balance between economic, social and environmental dimensions is not equal; most efforts are directed towards “planet” and “profit” criteria. Consequently, it is suggested to pay more attention to the social activities (participation in local events, creating “green” promotional campaigns, etc.). Secondly, the Crowne Plaza is efficiently managing energy and materials use but forget about potential value of water as the resource. The researcher recommends Crowne Plaza to exploit one of the following options: reduce potable water (by implementing bio-composting toilets, low-flow shower heads or waterless urinals) or organize another source of drinking water supply (by collecting rainwater). Finally, the Crowne Plaza should provide more visible and tangible evidence of its sustainable strategy in the hotel in order to make the service experience memorable. For instance, designing hotel rooms, halls or bathrooms to the season settings or having sounds of nature in the background. These additions will stimulate the association with environmental care and more likely increase both customers’ and employees’ satisfaction.

In addition to Crowne Plaza, it is worth to mention other hotels, including investigated BSC, in Ørestad hotel industry. The achievements of the Crowne Plaza strategy may turn the sustainability from extra service into necessity in the future. As the society and government become more educated regarding benefits of green technologies, the demand for sustainable urban development will grow. It may have effect not only on hotels, but also on other buildings such as offices, houses and flats. For instance, Copenhagen city council has already started pushing companies towards “sustainable road” after 2025 plan release (Stanners, 2012). Furthermore, the regulation may become even stricter in the future (Stanners, 2012). Hence, the researcher recommends other hotels to change its short-term profit orientation to long-term and start implementing the sustainable technologies. If it is done today, the hotel may receive first-mover advantage (Johnson, Scholes & Whittington, 2011). It means that the actor will possess more experience and knowledge concerning which efforts are worth to implement and which are not, how to install the system and maintain it, what to avoid or include. This knowledge may provide opportunity the hotel to stand out from the crowd of “sustainability trend” followers in the long-term.

### 7.3 Further research

The completed study was limited by time and financial factors. Moreover, the financial data of the hotels was not disclosed. If these factors can be eliminated, it is recommended to pursue the
comparative case study between the Crowne Plaza and Bella Sky Comwell during the year. This investigation may shed the light on costs’ and revenues’ differences (and changes throughout the year) between these two hotels with opposite concepts (with and without sustainable focus). As a result, the competitive advantage of the sustainable strategy and the demand trends on it from incoming guests can be evaluated with higher accuracy.

Furthermore, there is a need to collect more empirical data. For instance, more interviews with Crowne Plaza employees should be conducted to strengthen the findings. Additionally, the same type of interviews can be pursued in BSC or other hotels without sustainable strategy. They will allow comparison of the “satisfaction with job” rates.

Next, the role of government as the initiator of sustainable spillover effect in the city has to be studied. As Copenhagen city council intensifies its regulative push towards sustainability (Stanners, 2012), it is suggested to conduct the study of hotels’ actions. Longitudinal design is considered to be optimal in this case because the topic may require multiple observations to explore the trend.

Lastly, the possible topic for further research is comparison of hotels that implement similar sustainable strategies but one communicates it as the central pillar of the business while another does not. In this scenario, the customers’ attitudes to hotels should be explored. For instance, guests would more likely perceive sustainability as the basic need if the hotel calls it a core pillar of its business. In case if the hotel does not communicate but does have the sustainable strategy, then the latter might be considered as an extra service by the customer. To research this topic, Kano approach of basic needs and delighters (Kano, Seraku, Takahashi & Tsuji, 1984) is recommended (Appendix 6). Furthermore, in order to identify the customers’ expectations from sustainable service and compare them with the actual hotel’s performance, the Service Quality Gap framework (Parasuraman, Zeithaml & Berry, 1985) can be employed (Appendix 7).
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III. Appendix

Appendix 1 – Ørestad area map

Source: Karlson, 2011
Appendix 2 – Interview questions to hotels’ managers

Interview with Crowne Plaza CSR manager Mireille Jakobsen

1. General questions
- Can you, please, describe the Crowne Plaza business? What is the financial performance?
- What are the Crowne Plaza’s customers? What segmentation do you use?
- What are the Crowne Plaza’s competitors?
- Why did you choose Ørestad area for the hotel location? Can you, please, tell me about urban development in Ørestad area?
- Is it possible to expand the Crowne Plaza?

2. Questions about the sustainable strategy
- Do you consider the sustainable efforts as your primary competitive advantage over other hotels? Or is it additional service?
- What are the problems of using sustainable technologies?
- What sustainable technologies are you planning to add in the future?
- What companies have provided these technologies to Crowne Plaza?

3. Effect of the sustainable strategy on other actors in the industry
- Why do you think competing hotels in your area do not implement the sustainable strategy?
- Why would you recommend other hotels to use these sustainable practices?
- What your customers say about it? Do they like it?
- Does anyone contact your company concerning the sustainable efforts?
Interviews with BSC managers David Kristensen and Mr. Tomasson

Note: As David Kristensen did not answer all questions, the same questions were addressed to Mr. Tomasson.

1. Questions about BSC business

- Can you, please, describe the BSC business? What is the financial performance?
- Who are your customers and competitors?
- Why did you choose Ørestad area for the hotel location? Can you, please, tell me about urban development in Ørestad area?
- Does BSC have sustainable technologies? If yes, what benefits do you expect from them?

2. Questions about competition

- Can you describe the hotel market in Ørestad area? Who is the leader in it?
- What are the latest trends in the hotel industry during last years?

3. Questions about sustainable strategy

- The Crowne Plaza is using the sustainable strategy today. What is your opinion about this strategy?
- Do you consider sustainability as extra-service or as basic requirement for the hotels today? In the future? Why?
- Why do other hotels in the area ignore using the sustainable technologies today?
- What are the problems of using sustainable technologies in your opinion?
Appendix 3 – Interview questions to Crowne Plaza’s employees

1. General questions
- How did you know about Crowne Plaza?
- Why did you apply for work in Crowne Plaza?
- Are you satisfied with your work? Provide a grade out of 10

2. Questions about sustainability
- How do you understand term “sustainability”? Is it important for you? If yes, why is it so?
- What are the working conditions? Does the hotel organize any social events for the staff?
- Is sustainability important for the hotel? For the customers? Please, explain in what way

Appendix 4 – Interview questions to Crowne Plaza’s guests

1. What customer segment do you belong to? Options provided: private or business?

2. Why did you choose to stay in Crowne Plaza?

3. Did sustainable strategy pursued by Crowne Plaza influence your choice?

4. Did sustainable efforts of Crowne Plaza enhanced quality of your stay in the hotel? If yes, what did you like most?

Appendix 5 – Solar Panel Park

Source: Dissing+Weitling website, 2013

Source: Selby, 2010
Appendix 6 – Kano model

Source: Kano, Seraku, Takahashi & Tsuji, 1984

Appendix 7 – Service Quality Gap model