

ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE OF HOTEL ENTERPRISES. THE CASE OF LESVOS ISLAND, GREECE.

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Abstract. The modern international bibliography of tourism puts on the map Sustainability as the prevailing and suitable developmental approach in order to prove that the tourist growth can contribute to the economic prosperity in accordance with the rational use of the environmental and cultural resources of a region. "Hotel Enterprise" undoubtedly constitutes an essential fundamental element of tourist destination, if not the most essential one. It is arguably, therefore, an important mean of growth that has the potential to contribute to the sustainability of the tourist product.

The hotels mark their own land and offer the destinations' uniqueness. They constitute tourist landmarks with architecture which is often influenced by the culturally and environmentally established models. Because of their predetermined structure and their particular operation, they create various expectations not only for the visitors that reside there tentatively but also for members of the local society that constitute the permanent population.

For the last decades an increasing number of the theorists of tourism have begun to gradually recognize the contribution of the hotel industry in the achievement of objectives that are placed by the basic principles of sustainable growth. However, the simultaneous achievement of objectives from the part of the hotel industry for environmental protection, social justice and economic efficiency up to date remains a highly debatable subject.

The main purpose of the present article is to highlight the findings of a research that was conducted in the line of a doctoral thesis in hotel units of Lesbos in the region of the Northern Aegean Sea. The research was carried out in directors of hotel units at the years of 2003 and 2009, with the method of personal interviews with the use of structured questionnaire. At the same time, previously unpublished financial standings were collected by the accounting departments of the hotel units so that further investigation of the economic sustainability of the units could be carried out.

The results of the on-the-spot research that are presented concern:

- The economic results of hotel units
- The environmental records of hotels
- The social policies that have been followed by the units

The conclusions that we are drawn to are essential as, through research, important parameters of tourist activity, which influence not only the operation and the efficiency of a hotel unit but also a lot of basic, economic, environmental and social indicators of prosperity of the tourist destination where its financial activity is developed, emerge.

Keywords: Hotel Industry, Sustainability, Indicators

Introduction

The modern international bibliography of tourism puts on the map Sustainability as the prevailing and suitable developmental approach in order to prove that the tourist growth can contribute to the economic prosperity in accordance with the rational use of the environmental and cultural resources of a region. "Hotel Enterprise" undoubtedly constitutes an essential fundamental element of tourist destination, if not the most essential one. It is arguably, therefore, an important mean of growth that has the potential to contribute to the sustainability of the tourist product.

The hotels mark their own land and offer the destinations' uniqueness. They constitute tourist landmarks with architecture which is often influenced by the culturally and environmentally established models. They even reach the point to be considered as "homes away from home" for the tourists who spend a large amount of their time staying there. Because of their predetermined structure and their particular operation, they create various expectations not only for the visitors that reside there tentatively (who also consume in an extravagant way and produce non - essential waste during their few days staying) but also for members of the local society that constitute the permanent population (who are more reasonable concerning their consumption and the levels of waste they cause). At the same time, the opinions and the expectations of designers, investors, ecologists and representatives of State should not be left aside but, instead, be taken into serious consideration (Marin, Jafari, 2001).

According to UNEP(2002), the contribution of the hotel industry to each gross national product is considered vital. Both in the developing and the developed countries the incomes of the hotel sector are an indispensable part of the local and national economies. This is achieved mainly via the profits that are collected by the owners, the taxes that are paid, the salaries and the working places that are created and the material goods that are bought.

The Aim and the Characteristics of the Research

Having as an utmost objective the spotting of those factors that connect the hotel enterprise with the more widely offered tourist product, the scrutiny of the economic, environmental and social parameters that influence not only the sustainability of a hotel unit, but also a lot of basic economic, environmental and social indicators of prosperity of tourist destination where it develops its activity is considered to be of critical importance.

The main aim of the present article is to bring to light the findings of a research that was carried out as part of a doctoral thesis, at the years of 2003 and 2009, in the hotel units of Lesvos Island, which function as incorporated companies. The data were collected:

With the method of personal interviews of the owners of the units via the completion of questionnaires.

With the collection of the unpublished final balances from the accounting departments of the units
With the collection of data, from the owners of the units and the local tourist police stations, which concern the arrivals and overnight accommodation of tourists for each lodging separately.

A total of 42 incorporated hotel enterprises was the population of the research in 2009. In 2003 the respective number was 41 hotel enterprises.

The following table depicts the response rates for each of the three data collections which analyzed before.

Table 1: Response Rates of the Research

	2003	2009
Questionnaire	78%	67%
Economic Figures	41%	50%
Accommodation Statistics	63%	60%

In the analysis that follows, facts that concern the tourist offer and demand of Lesvos Island are presented. Then, economic indicators, that concern the income of the units and employment, are analysed, as well as the interventions that have taken place by the hotel units on matters concerning the protection of the environment are scrutinised. At the same time, social indicators that are related to issues of employment of the two genders and encouragement of the local employment are further analyzed.

Tourist Offer and Demand in Lesvos Island

The island of Lesvos is located in the marine region of Northern - East Aegean and is the third, in size, island of Greece with an area of 1.632 sq. km and population of 90.643 people. In 2007, there was a total of 122 active hotel units in Lesvos, the majority of which were of small or medium size. To be more specific, from the total number of units, 9 belonged to Class A, 49 belonged to Class B, 56 to Class C, while the rest 8 belonged to Classes D and E. The beds on offer were 6.874 in total. The A Class beds were 9,51% of the total beds, Class B beds 53,01%, Class C beds 33,46% and Class D and E beds 4,02%.

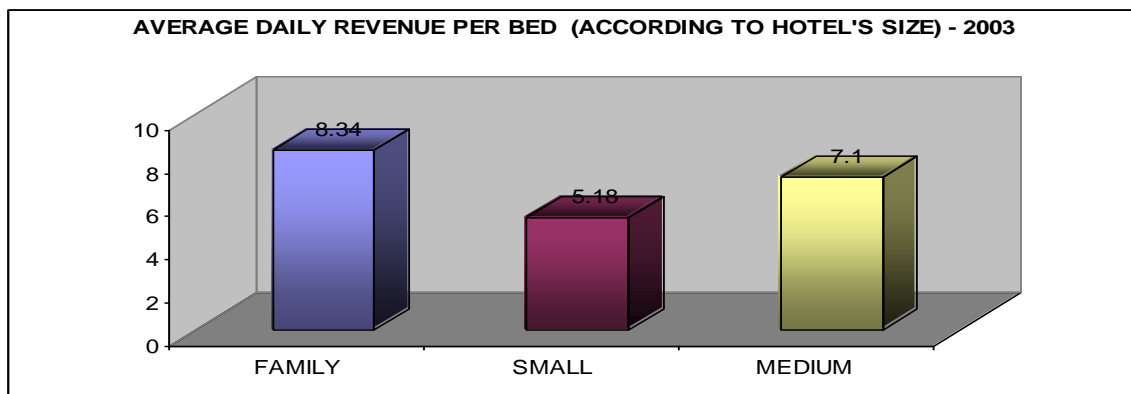
As it concerns the tourist demand, in prefecture's level, in 2008, a total of 651.263 overnight stays took place in the hotel lodgings, which is roughly equal to 11% of the overnight stays of tourists in a national level. The vast majority of overnight stays was realised by foreign tourists (61,7%), which is a fact that confirms, up to a point, that the tourism of the region depends on tour operators.

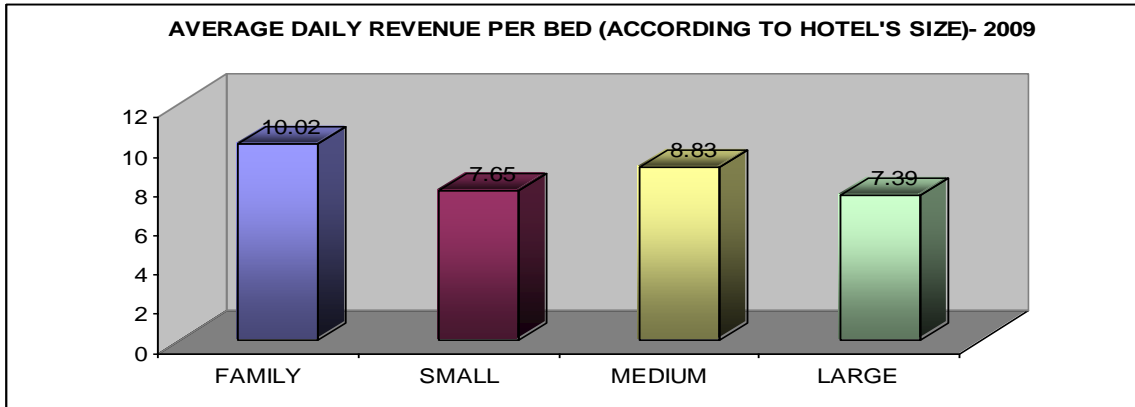
Economic Indicators

Average Daily Revenue per Bed according to hotel's size

Regarding the Average Daily Revenue per Bed (Graph 1), it can be observed that both for 2003 and 2009, Family Businesses received higher daily revenues per bed in comparison to the rest of hotels units; following we find first the medium-size units, and at the last positions of the corresponding figure, we find the small and large hotel units. The general flow of revenues per bed seems to have improved overall in 2009 in comparison to the corresponding figure of 2003.

Graph 1: Average Daily Revenue per Bed (According to hotel's size)

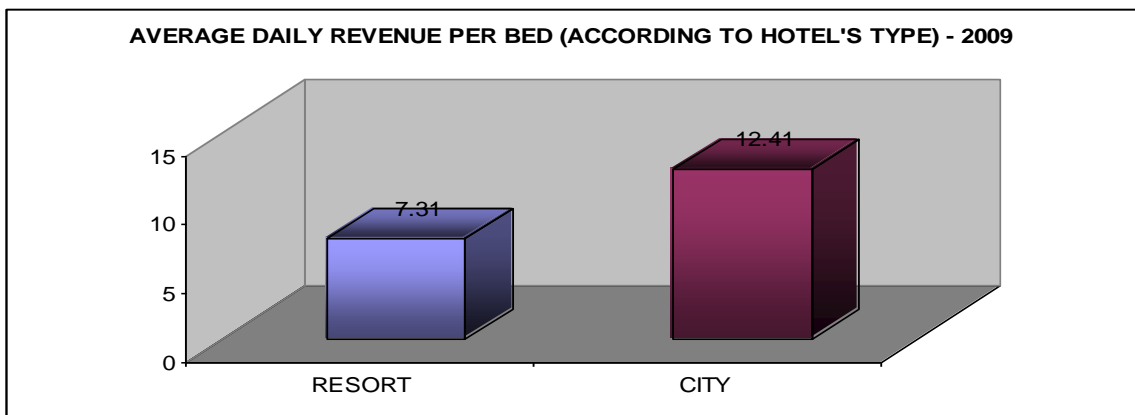
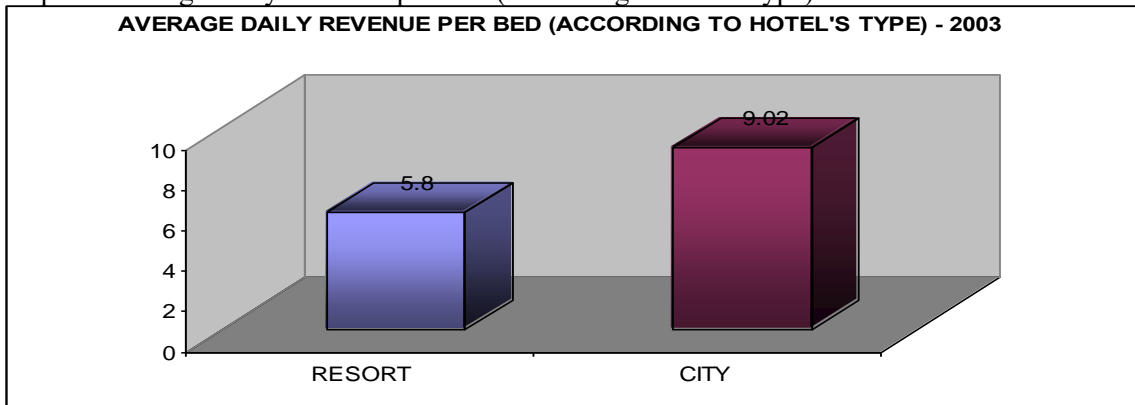




Average Daily Revenue per Bed according to hotel's type

The operation period of the units appears to be the parameter influencing more the average daily revenue per bed. Evidence in the chart suggests that City hotels have a daily revenue increase of about 60% -70% in comparison to Resorts. Over time - and based on the differentiation of units according to their operational period - there seems an improvement in the flow of average daily revenues per bed.

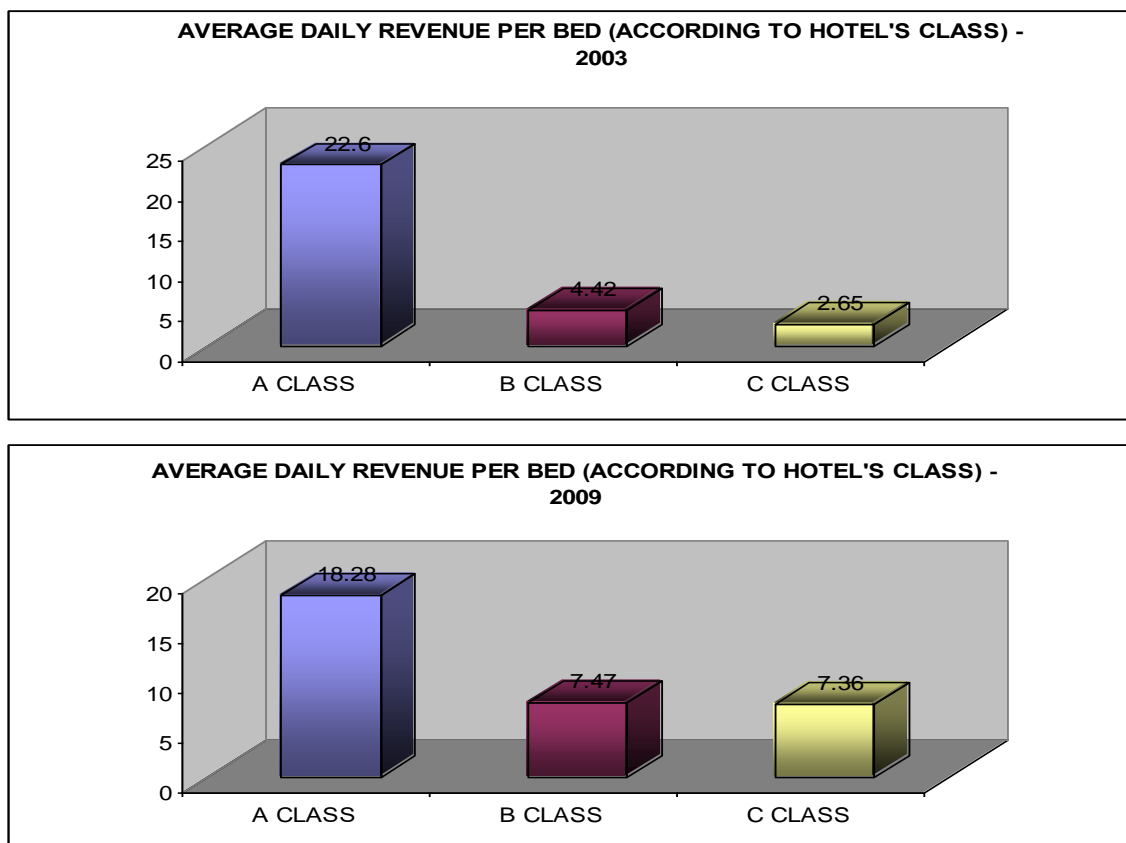
Graph 2: Average Daily Revenue per Bed (According to hotel's type)



Average Daily Revenue per Bed according to hotel's class

It appears that higher categories of accommodation enjoy higher daily revenues per bed. As shown in the corresponding graph, A 'Class Units present higher daily revenues when compared with the rest of units.

Graph 3: Average Daily Revenue per Bed (According to hotel's class)

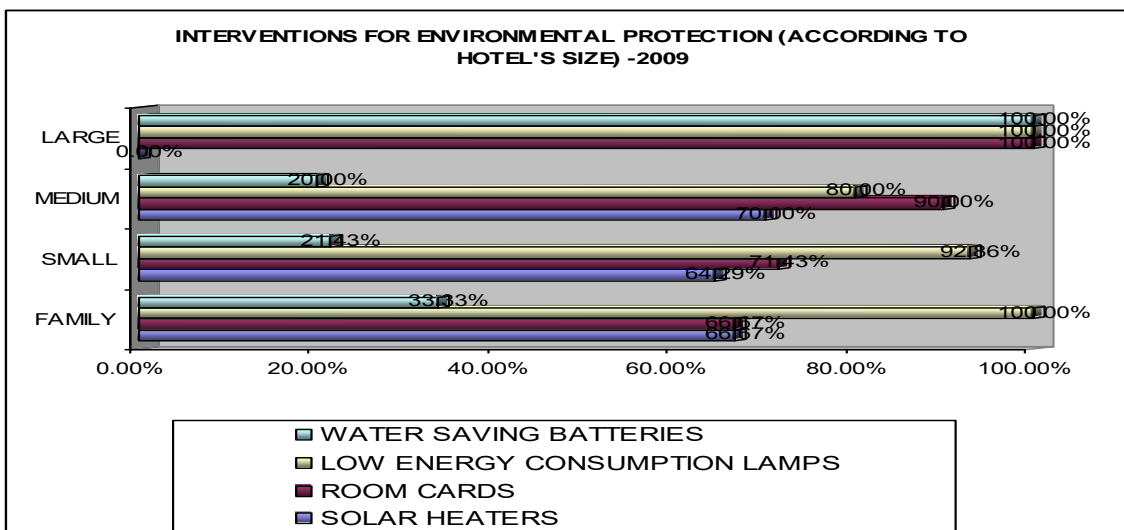
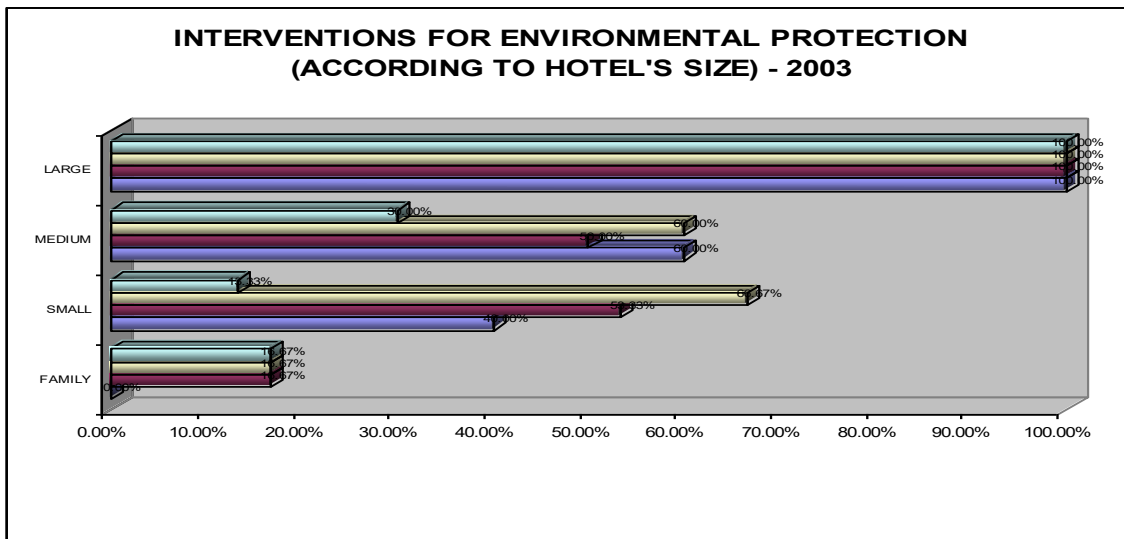


Environmental Indicators

Interventions for Environmental Protection according to hotel's size

Environmental friendly interventions for energy saving include the installation of solar heaters, power supply cards, power saving bulbs and water saving taps. Based on the criterion of the size of the unit, there seems to be an increasing use of the systems described before over time, thus suggesting that accommodation units become overtime more environmental-sensitive on energy-saving applications. When comparing 2009 data on the usage of energy saving systems with those of 2003, there appears a great difference in the numbers depending on the size of the units. The use of efficient lamps and power supply cards seem to be the most common intervention for energy- saving among all types of units. With the exception of the large units the shares of water saving battery usage is relatively low. The usage of solar heaters is rather satisfactory even though we should consider that the percentage is decreased, since in certain areas the installation of solar panels is restricted due to architectural constraints (e.g. Mythimna).

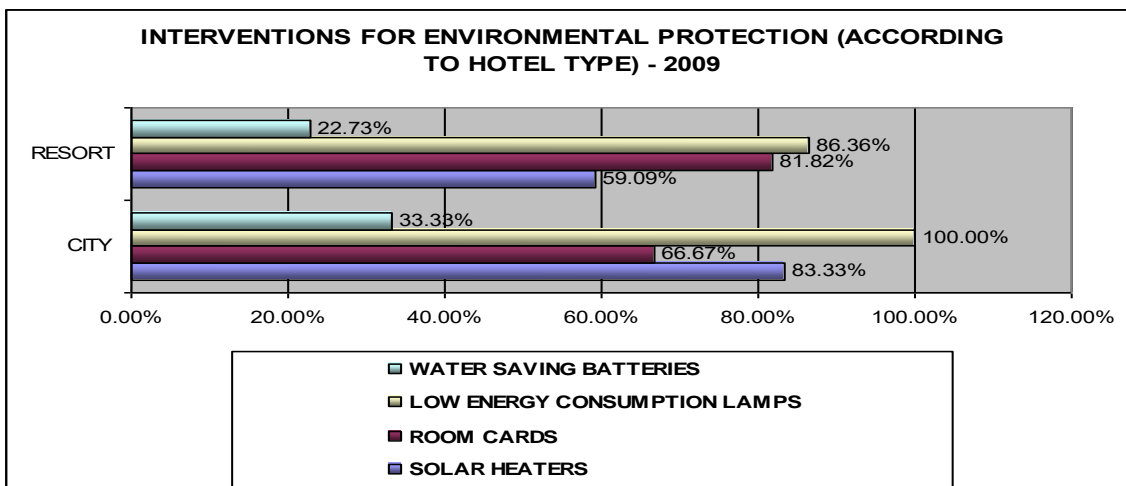
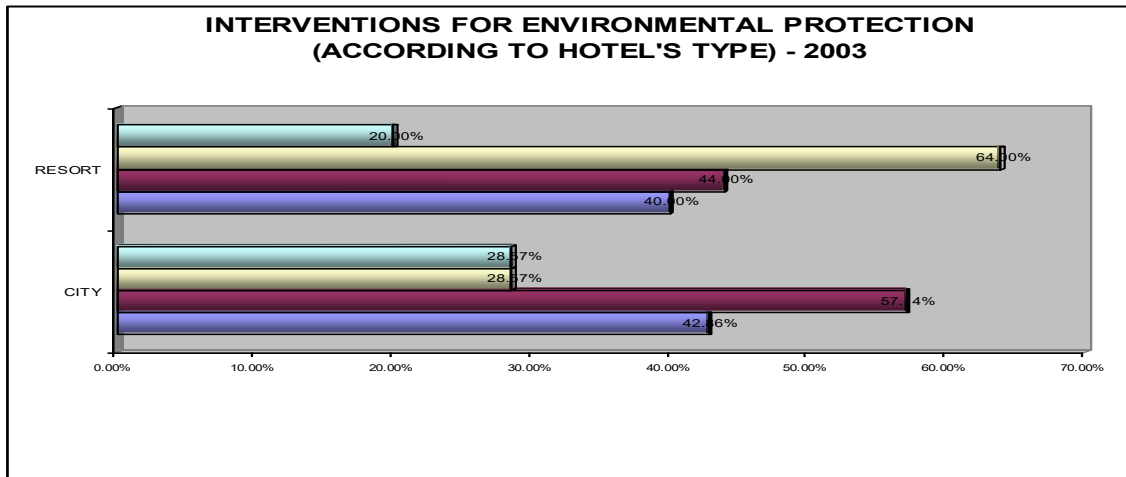
Graph 4: Interventions for Environmental Protection according to hotel's size



Interventions for Environmental Protection according to hotel's type

Regarding the differentiation of accommodation based on their type (City, Resort) there is - over time - an improvement in the usage of energy saving systems. As depicted in the corresponding graph, City accommodations override Resorts on 3 out of the 4 interventions. There appears a low usage of water saving taps, while the share of solar water heaters in Resort hotels is limited due to the reasons mentioned before.

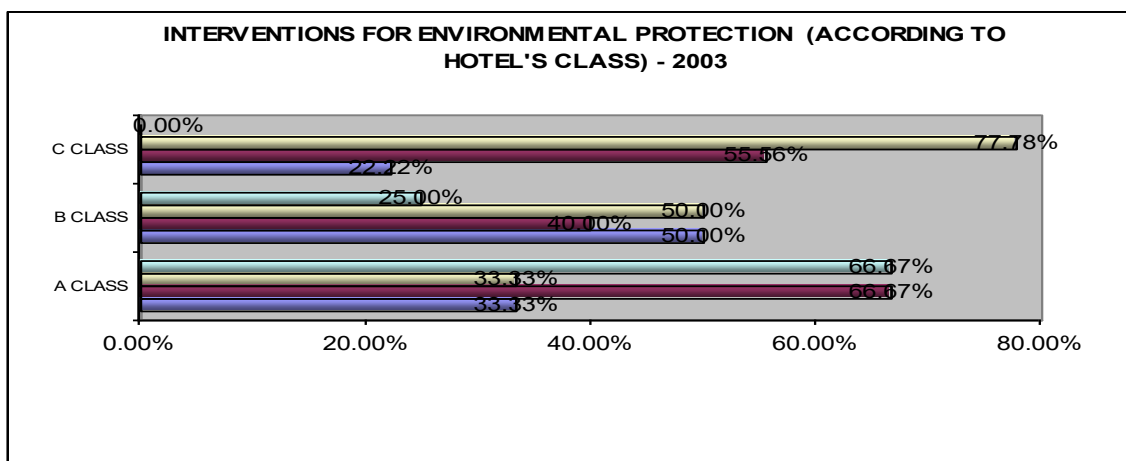
Graph 5: Interventions for Environmental Protection according to hotel's type

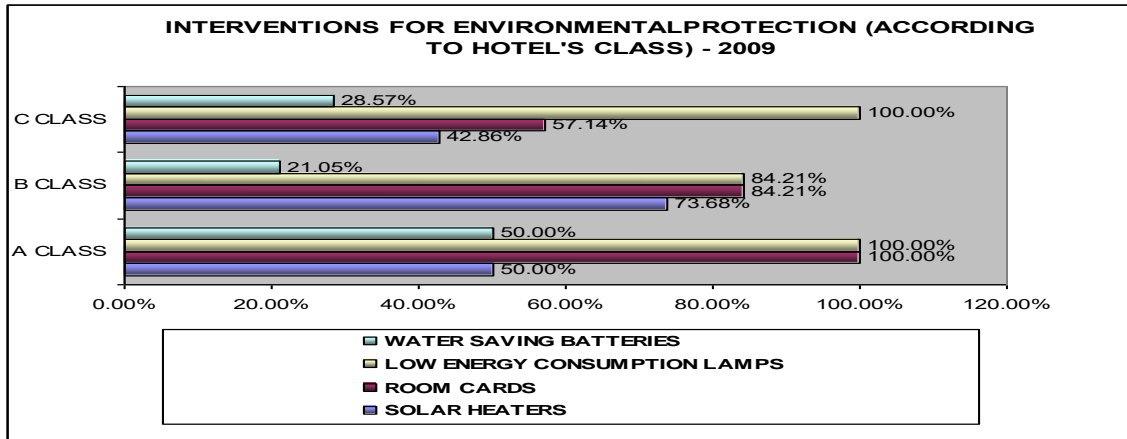


Interventions for Environmental Protection according to hotel's class

Over time, even when differentiating units based on their category, energy saving figures for 2009 are clearly better than those of 2003. Possibly, and having in mind the limited number of A 'Class units, there is proportionality between the category of accommodation and the energy-saving interventions applied: power supply cards, water saving taps and solar heaters' installation that is also the most expensive option.

Graph 6: Interventions for Environmental Protection according to hotel's class



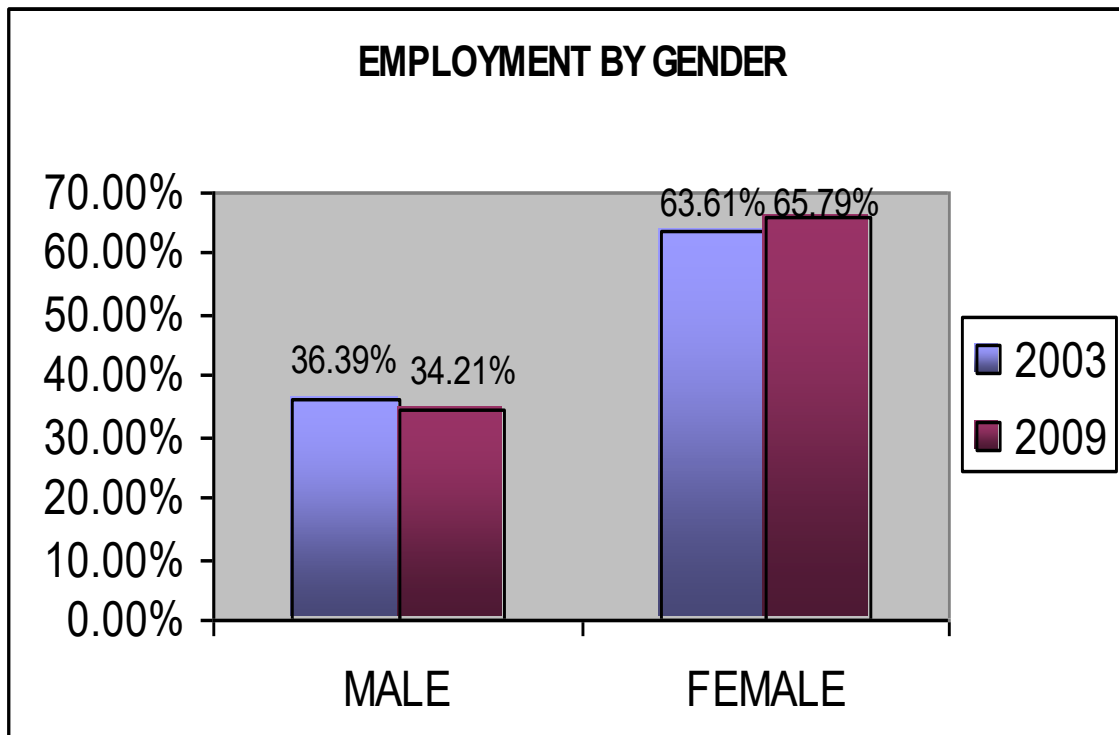


Social Indicators

Employment by Gender

Employment in the hotels of the island confirms findings from similar studies that have been carried out at national level suggesting that is predominated by women. Both for 2003 and 2009 approximately 65% of employees in the hotels of the island were female.

Graph 7: Employment by gender

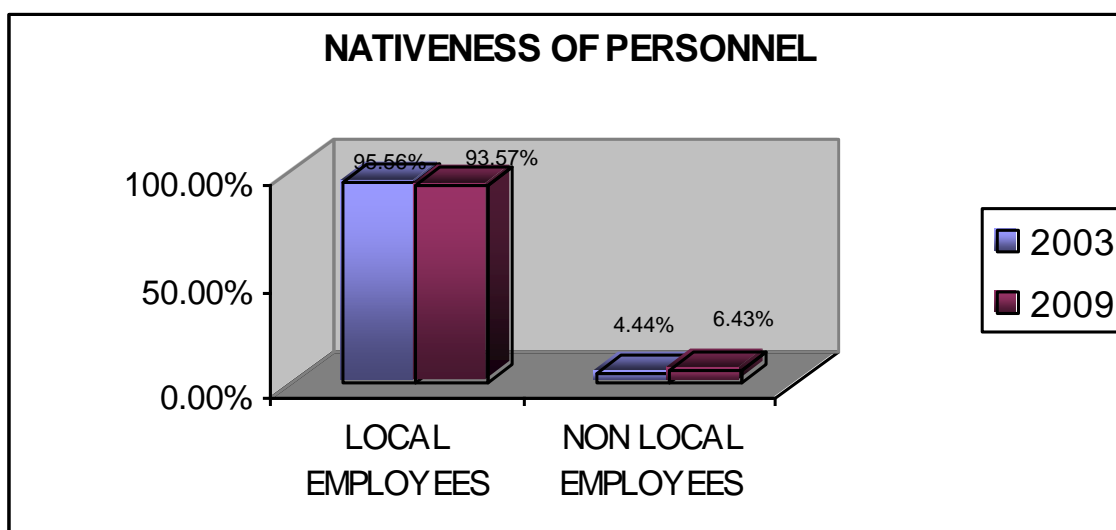


Nativeness of Personnel

Regarding locality of the employees, it is clear that there is an inseparable connection between the hotel sector and the local community. Internal migration for reasons of employment in the hotels of the island remains fairly low because more than 90% of employees are people who live

permanently on the island. The high share of locality of employees is expected and consistent with the overall picture of non-intensive tourism development of Lesvos.

Graph 8: Nativeness of Personnel



Conclusions

The scrutiny of sustainability of hotel units and, by extension, of the tourist product is an issue which should increasingly be a matter of concern for all the institutions involved in the tourism industry. Through the previously – mentioned analysis and the economic efficiency of hotel units of Lesvos island, it becomes apparent that the latter is directly influenced by the type of tourism that is prevalent in the region. It is not a matter of sheer luck that units which allot their rooms via contracts with tour operators, presented the lowest income per overnight accommodation. It is also a remarkable fact that through the answers that were given in the questionnaire the discounts in the prices of rooms for the allotment contracts reached up to 50%, while for the guarantee contracts the corresponding rate was up to 70%. On the contrary, the hotel units whose customers are individual, repeated or business, achieve better economic results. This can be easily explained by the fact that the discounts provided in this type of customers, are much lower than the discounts offered to the tour operators. In addition, it should be taken into serious consideration that the economic sustainability of units that allot rooms with the method of contracts is further aggravated by the fact that they operate in a seasonal base and they are consequently charged with expenses of maintenance for a period when their proceedings is null.

As it concerns the issues of environmental protection, it appears that there is a delay as none of the units has acquired or has entered the process of acquisition of some kind of certification. However, a large number of units have made individual interventions for the restriction of wastefulness of electricity and water and have adopted the use of ecological products.

Finally, As it concerns the employment in the investigated units, it is apparent that female employment is particularly encouraged in Lesvos island, which has also been proved by other researches of the same kind in the field of tourism. It is an encouraging fact that in the hotel enterprises, the vast majority of employees are permanent residents of the island, a strategy which encourages the local employment.

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